

LABOR-HEALTH, EDUCATION, AND WELFARE APPROPRIATIONS FOR 1958

HEARINGS
BEFORE THE
SUBCOMMITTEE OF THE
COMMITTEE ON APPROPRIATIONS
UNITED STATES SENATE
EIGHTY-FIFTH CONGRESS
FIRST SESSION
ON
H. R. 6287
MAKING APPROPRIATIONS FOR THE DEPARTMENTS OF
LABOR AND HEALTH, EDUCATION, AND WELFARE, AND
RELATED AGENCIES, FOR THE FISCAL YEAR ENDING
JUNE 30, 1958, AND FOR OTHER PURPOSES

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LABOR-HEALTH, EDUCATION, AND WELFARE APPROPRIATIONS, 1958

MONDAY, APRIL 8, 1957

UNITED STATES SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, D. C.

The subcommittee met at 10 a. m., pursuant to call, in room F-82, the Capitol, Hon. Lister Hill (chairman of the subcommittee) presiding.

Present: Senators Hill, Hayden, Stennis, Thyne, and Dworshak.

DEPARTMENT OF LABOR

OFFICE OF THE SECRETARY

STATEMENTS OF JAMES P. MITCHELL, SECRETARY; JAMES T. O'CONNELL, UNDER SECRETARY; J. ERNEST WILKINS, ASSISTANT SECRETARY; ROCCO C. SICILIANO, ASSISTANT SECRETARY; JAMES E. DODSON, ADMINISTRATIVE ASSISTANT SECRETARY; AND V. S. HUDSON, ASSISTANT TO THE ADMINISTRATIVE ASSISTANT SECRETARY

BUDGET PRESENTATION

Senator HILL. The subcommittee will come to order.

We are glad to have with us this morning the Secretary of Labor, Secretary Mitchell.

Mr. Secretary, we will be happy to have you proceed in your own way and make any statement that you see fit with reference to the bill as it passed the House, or as to the budget as sent up by the President, and give us any facts you may have.

I shall insert at the outset this table showing the obligations by objects for the entire Department. I note that, for "Grants, subsidies, and contributions," there is requested a total of \$345,940,045, or 89.93 percent of the total budget estimate.

(The table referred to follows:)

DEPARTMENT OF LABOR

Obligations by objects

	Obligations authorized by appropriations	
	1957	1958
Total number of permanent positions.....	5,435	5,725
Full-time equivalent of all other positions.....	170	150
Average number of all employees.....	5,414	5,689
Number of employees at end of year.....	5,564	5,860
01 Personal services.....	\$30,342,377	\$32,220,787
02 Travel.....	2,578,500	2,866,494
03 Transportation of things.....	84,400	103,925
04 Communication services.....	652,000	683,310
05 Rents and utility services.....	126,800	239,600
06 Printing and reproduction.....	480,585	533,860
07 Other contractual services.....	987,880	1,115,982
Services performed by other agencies.....	539,900	747,500
08 Supplies and materials.....	466,030	482,937
09 Equipment.....	100,400	158,900
11 Grants, subsidies, and contributions.....	339,799,452	344,000,000
Contributions to retirement fund.....		1,940,045
12 Pensions, annuities, and insurance claims.....	51,147,000	50,165,000
13 Refunds, awards, and indemnities.....	7,900	7,900
15 Taxes and assessments.....	22,328	24,160
Total.....	427,335,552	435,290,400
Adjustments:		
Financing adjustments for advances to States.....	-1,261,900	
Unobligated balance brought forward.....	-3,218,552	
Appropriation available from subsequent year.....	-5,900,000	
Appropriation available in prior year.....	+6,890,673	
Unobligated balance no longer available.....	+8,690,322	
Reimbursements from other than Federal sources.....	-1,750,600	-412,400
Requested appropriation for establishment of revolving fund.....		+150,000
Indefinite appropriation (employees' compensation fund).....	-50,000,000	-50,350,000
Total direct obligations (appropriations).....	380,785,500	384,678,000

PREPARED STATEMENT

Secretary MITCHELL. Thank you, Mr. Chairman and Senator Hayden.

I have filed with the committee a statement which describes the program and current needs of the Department for fiscal year 1958.

(The statement referred to follows:)

SOME ACCOMPLISHMENTS AND EVENTS OF INTEREST IN THE FIELD OF LABOR

The Department has and is continuing to aggressively administer the labor laws and programs for which it is responsible. Its scope of coverage continues to grow, December figures show a total civilian labor force of more than 69.9 million. At the end of calendar 1955 the labor force was 69.5 million; and 67.8 million in 1954, and 6 years ago, the end of 1950, it totaled 62.9 million.

We were exceptionally successful in our Supreme Court cases in 1956. In a year which brought the largest number of cases the results were 100 percent favorable to the Department's interpretation of the 2 major Federal wage and hour laws. A total of 12 decisions or final orders were handed down by the Supreme Court. Investigations by the Wage-Hour Division have disclosed underpayments of \$9,020,000 affecting 88,000 workers during the 6-month period ending December 31, 1956. Over \$5 million was found due in the quarter ending December 31, which is at the highest annual rate in 10 years. A total of almost \$225,000 was restored to workers who were not paid in accordance with the Davis-Bacon Act. Nearly 500 wage determination actions establishing pay minimum on Federal-aid highway construction in 32 States have been issued affecting 743 miles of new road construction. Two million four hundred and three thousand

nine hundred and thirteen dollars was recovered in third-party tort cases under the Federal Employees' Compensation Act.

The fiscal year 1956 saw improvement in management's and labor's programs for developing high-level mechanical skills. With the assistance and promotion of the Bureau of Apprenticeship and Training, industry stepped up its expenditures for employee training in order to meet demands arising from continuing expansion of the economy. Registered apprentices rose 17,000 during the year to 180,000.

Counseling programs for the hard to place—youth, the handicapped, and older workers—were stepped up. We estimate we will make 1,100,000 counseling interviews during fiscal 1957 as against 1,068,000 in fiscal 1956. In 1958 we expect to step this up to 1,460,000. Experience shows that the effort expended here pays off in more and better placements of these workers. For example, in 1956 more than 290,000 handicapped workers were placed in gainful employment. Job placements in total for all workers exceeded 15½ million.

Total coverage under unemployment insurance laws has risen to 43 million. Average weekly benefits rose from \$25.03 in 1955 to \$27.22 in November 1956.

Statutory minimum wage rates were adopted in Rhode Island and Puerto Rico applying to men, women, and children.

Safety training was given in 38 courses in 16 States to over 700 State, labor, and management officials and to 800 Federal officials. Third quarter injury frequency rate for manufacturing (12.3 per million man-hours worked) was the lowest third-quarter rate ever recorded. The rate for the same quarter of 1955 was 13.1.

In December the hourly worker wage reached \$2.05 for manufacturing for the first time in history.

The statistics of the Bureau of Labor Statistics continue to be widely used by the public, by labor and industry in a great variety of practical and effective ways. For example, approximately 700,000 steel and aluminum workers covered under collective bargaining agreements adopted wage escalator clauses based on the consumer price index. The total of all workers now covered is approximately 3½ million.

With respect to the Hungarian relief program, we have assigned special interviewing staff at Camp Kilmer and have dispatched interviewers to Europe for assignment on Navy transports to interview these people, while en route to this country, for placement purposes. The State employment security agencies are cooperating fully in this program. We have developed job orders for 3,000 of these people and registered several thousand others for employment.

OLDER WORKER—SKILLS OF WORK-FORCE PROGRAMS

As you know, we have been conducting two major departmentwide projects—the older worker and the skills of the work force. Initially, these projects were solely for research and planning—to analyze the problems, determine what the Department could and should do about them, and to lay our specific plans for undertaking this work. Initially, these projects were planning programs and not action programs. The older worker project was at first a research undertaking. In the current fiscal year, it became a continuing action program. The skills of the work-force program—with a small planning staff this year—will go into its action phase next year, in fiscal 1958. Accordingly, there has been a reduction of \$176,000 in the proposed appropriation for my office for the major planning phases of these two programs. The action program to be carried on next year is shown in the budgets of the appropriate bureaus. Coordination and other departmentwide phases of these two manpower programs, will continue in my office, under the supervision of the Assistant Secretary for Employment and Manpower.

We have made real progress in both of these fields. I want to report briefly on this year's work, and, if you wish, I will submit more detailed reports for the record. I specifically want to stress the action programs proposed for fiscal 1958.

Older worker

As this committee is well aware, the number of our older workers has been increasing rapidly, and with each passing decade, they make up a larger share of the Nation's total population. Several agencies of Government are concerned with their well-being.

In the Department of Labor, our primary concern is with the employment of older workers, the conditions under which they are employed and discharged, the circumstances surrounding their retirement.

Although the Department has long had programs which aid older workers—especially in the Federal-State employment service—the special programs of the past 2 years have enlarged and intensified all aspects of the Department's work. Our ultimate aim is to help to provide increased employment opportunities for middle-aged and older men and women, in accordance with their abilities.

First, therefore, we undertook a comprehensive program of research and education, designed to shed new light on the employment problems confronting older workers and on their skills, capabilities, productivity, and adaptability in a dynamic and expanding economy.

These studies have been largely completed, except for a continuing study in the Bureau of Labor Statistics on the production records and performance of older workers in comparison with other workers in selected industries.

I should like at this time to present for the record a list of these publications which have been issued so far:

1. Job Performance and Age: A Study in Measurement, Bureau of Labor Statistics Bulletin No. 1203, September 1956.

2. Older Workers Under Collective Bargaining, Part I: Hiring, Retention, Job Termination, Bureau of Labor Statistics Bulletin No. 1199-1, September 1956.

3. Older Workers Under Collective Bargaining, Part II: Health, Insurance and Pension Plans, Bureau of Labor Statistics Bulletin, No. 1199-2, October 1956.

4. Pension Costs in Relation to the Hiring of Older Workers, Bureau of Employment Security Publication No. E150, September 1956.

5. Older Worker Adjustment to Labor Market Practices: An Analysis of Experience in Seven Major Labor Markets Areas, Bureau of Employment Security Publication No. R151, November 1956.

6. Counseling and Placement Services for Older Workers, Bureau of Employment Security Publication No. E152, September 1956.

7. How To Conduct an Earning Opportunities Forum in Your Community, Women's Bureau Leaflet No. 25, 1956.

These publications are now being given very wide circulation as part of our educational program. We want to describe the present status of older workers and try to convince employers that age restrictions on hiring should not be arbitrary, but that individuals should be considered for employment on the basis of their abilities. We also want to make clear that some of the barriers employers see to employment of older men and women, especially pension costs, are not as serious as they think. On this particular point, we have the findings and the recommendations of a group of pension and insurance experts, which I convened last year. This is in the publication entitled "Pension Costs in Relation to the Hiring of Older Workers."

The findings of the Department's program have just been summarized in brief form for use by the Senate Committee on Labor and Public Welfare, which is issuing a series of publications entitled "Studies of the Aged and Aging—Selected Documents" under a resolution passed in the last Congress. Also in the process of publication by this committee is a very useful little book prepared by the Department, which gives graphic illustrations of facts concerning older workers. I should like very much to present copies of these documents to this committee as soon as they are off the press.

Now with reference to the action programs initiated this year—ways and means to get suitable jobs for these older people. You may recall that last year the Department undertook an extensive demonstration project in seven cities, through the State employment services—Detroit, Los Angeles, Miami, Minneapolis-St. Paul, Philadelphia, Seattle, and Worcester, Mass.

In these surveys, we found that many job orders placed with the employment service and many companies hiring directly on their own had age restrictions on particular occupations. Now, while some of this is inevitable in jobs that require men who are young and physically strong, to some extent it is just tradition or custom. ("We don't want a stenographer over 31."—That kind of thing.) But, in the demonstration, it was evident that local employment offices could greatly increase placements for older workers by intensive counseling and placement efforts. After discussing the matter with State agencies, the Department made special grants of approximately \$450,000 to the States to be spent to augment their existing services by appointing older worker placement and counseling specialists in each State office and in about 70 major cities throughout the country. This is in addition to funds for workloads for employment services—which includes service to older workers. It is proposed to continue this work in fiscal 1958.

In addition to the \$450,000 in special grants, the State agencies were allocated modest increases in counseling and placement workload over 1956 for expansion and improvement of services to older workers.

For example, during fiscal year 1957, it is estimated that State employment services will take 2,246,000 new applications of the jobseekers 45 years of age and over, 18,500 older jobseekers will be given tests; 1,122,100 nonagricultural placements will be made for older jobseekers; and 370,000 counseling interviews will be provided to jobseekers 45 and over. The estimated dollar value of these services is \$13,781,000.

As of November 1956, 98 State employment security local offices had a full-time or part-time older worker specialist on duty. It is expected that at least 18 additional offices will establish such positions as soon as State civil-service requirements and procedures can be met, making a total of 116 local office specialists available. It is clear that a significant start has been made on the older worker problem in practically every State and some 116 of the largest local employment offices in the Nation.

As you know, there are a number of State commissions which are active in this field, and many of the studies we have made are serving their purposes as well.

We are continuing the earnings opportunities forums, initiated by the Women's Bureau, particularly for older women. One has just been held in Washington. These have proved to be very effective.

For the future, a number of additional publications are planned, including, in particular, a Job Guide for Older Workers, a Handbook or Guide for Placement Methods, etcetera. Mr. Goodwin will describe further for you the programs of the Bureau of Employment Security, and Mr. Clague the continuing study of performance of older workers, which the Bureau of Labor Statistics will undertake. My Office will continue the coordination of this program, and during the coming year will give a great deal of emphasis to making the country aware of the problem, through a variety of publications.

We anticipate continuing a vigorous program in 1958.

Skills of the work force

In the fiscal years 1956 and 1957, we have had an appropriation of \$40,000 for the development of a new program to improve the skills of the Nation's work force.

All of us are aware in a general way of the tremendous—and the growing—demand by industry and Government for competent workers with a high degree of skill at all occupational levels. (This extends to all types of workers—from men and women in the service trades, to the skilled craftsmen, to operators on the production line, to technicians to run and to service today's new machines, to professional men and women.) There are shortages of skilled and professional workers today, and there is no question but that the demand will increase in the future. Some estimates show that some 10 million more workers of all types will be needed in the labor force in 1965 than in 1955, and that a larger proportion must be more highly trained than they are today.

The first thing we had to do was to analyze the problem and determine what the Department could do and should do to help to meet this growing demand for skilled labor and for its better utilization.

As I told you last year, I borrowed one of the Nation's leading training directors from industry, established a departmental committee on the skills of the work force, and they went to work—first, to identify the role of the Department of Labor, and then to plan specific action programs. The staff initiated a number of test projects last year, upon which the program proposed for fiscal 1958 is based.

I want to indicate the conclusions we have reached with reference to the role of the Department of Labor in making sure that the United States in the future has an adequate skilled and versatile work force. There are three major points in this program—

1. to find the facts and inform the Nation about the need for trained people;

2. to help people select, prepare for and obtain the right jobs;

3. to promote more adequate training programs throughout the economy.

First, let me point out that this is a very broad gage program, to which most of the bureaus of the Department already contribute through long-established activities—especially the Bureau of Apprenticeship and Training, the Bureau of Employment Security, the Bureau of Labor Statistics, the Women's Bureau,

and the Bureau of Labor Standards. Other departments of Government—notably Health, Education, and Welfare, and the Department of Defense—are concerned with various facets of the problem, as are several committees, such as the President's Committee on the Development of Scientists and Engineers. The maximum use of all facilities and know-how within the Department of Labor has been achieved and the program integrated with the program of other agencies. The effective planning and integration of this program has been accomplished and this will continue. This has been especially evident in the series of publications designed to provide the public with information on the need for improvement of skills.

For example, the booklet, *Our Manpower Future—1955-65*, calls attention to the decline in the number of young people age 18-24—the depression babies of the 1930's. If we are going to have the people to man industry by 1965, the leaders of industry must realize that they have to do much of their own training and retraining; that they should take another look at their retirement policies, that they must hire women for occupations which they do not usually undertake—to say nothing of hiring skilled older workers. This publication has already been effectively used with the President's Committee on the Development of Scientists and Engineers, the Office of Defense Mobilization Committee on Specialized Personnel, and with other Government agencies in demonstrating the long-run manpower problem that the Nation faces. We expect to distribute thousands of copies to the public, and to use every means to see that it reaches leaders of industry. In the next year, we expect to develop similar departmentwide publications calling attention to other facets of the problem of skills. They will be used to stimulate various kinds of action programs.

The Department has an established comprehensive program on occupational guidance—the *Occupational Outlook Handbook* published by the Bureau of Labor Statistics, and the extensive studies undertaken by the several State employment services, through the Bureau of Employment Security, relating to local employment needs and occupational outlook.

To make the public better aware of the Department's valuable research in this field, and to stimulate improved vocational guidance, there has just been issued, under this project, a departmental bibliography of occupational information, *Occupational Information for Counselors*. This is now being distributed to over 20,000 schools in the United States on the list of the Office of Education. In all of our work in the occupational outlook and guidance field, we are collaborating very closely with the Department of Health, Education, and Welfare. They welcome the work which we are doing in this field. Next year, additional publications of this kind will be issued.

Another program undertaken is in community studies of training needs, designed to stimulate communities to evaluate their own skill requirements, and to provide any necessary new training facilities. Pilot projects have been undertaken this year in five cities, chiefly through the State employment service agencies, financed by grants for occupational studies by the Bureau of Employment Security. The first study to be completed is the community training survey in Phoenix and Tucson, Ariz., undertaken as a cooperative project by the Arizona State Employment Service, with the participation of the labor, State, and local government agencies, and the Federal Government and military installations located in Arizona. Using a study outline developed by the skills of the work force staff and our personnel inventory called *How Do You Stand?*, they have surveyed their present manpower requirements and estimated future requirements 5 years ahead. The results are to be published early in February. Already there are some concrete results in new training programs in the locality. It is planned that the results will also be used in planning changes in the educational programs of the area. The Phoenix-Tucson project will serve as a prototype for activities being extended to other communities—as for example, in Bridgeport, Conn. This is part of the continuing program of community-development work conducted by the State employment services to make their placement activities more effective. We expect that 6 to 8 new studies will be initiated in the current fiscal year, and a larger number in 1958.

The most obvious gap, as the staff analyzed the Department's program, was in the training field. The Department of Labor's work in the past has been confined largely to the apprenticeable occupations—with about 180,000 registered apprentices in training, and about an average of 25,000 graduates a year for the past several years. This work is of very great priority and not enough has been done. Apprenticeship is, and properly, centered largely in the crafts, which is a vitally important though small part of our total work force.

Accordingly, I am recommending the establishment of a new Training Service—coordinated with the Apprenticeship Service—under 1 Director for the 2 Services. To accomplish this I have taken steps to begin the establishment of a Bureau of Apprenticeship and Training. It is for this purpose that the increase of \$298,000 (exclusive of retirement contributions and other fixed charges) is requested for fiscal 1958. It is designed to carry out a program of stimulation for effective training programs in all industrial occupations. Attention will first be given to identifying training information and services in occupations such as those in manufacturing operations, and for engineering aids, technicians, supervisory and clerical personnel.

Let me elaborate a bit, since this last function constitutes an important part of the first year's new activity.

It has been found, by interviewing training directors in industry, that there is no systematic collection of training materials, so training directors "shop around," lose a lot of time, and duplicate each other's work. Small firms often don't have training directors and cannot afford to do this, so many of them do not have training courses. For example, in a survey of future manpower requirements and training needs for skilled occupations in the metal trades in St. Louis, conducted for the State employment service under this general program, it was found that although 80 percent of the firms reported difficulty in recruiting qualified skilled workers, and even recognized that some of their own employees badly needed more training, nearly one-half had no training program of any kind. Pirating or haphazard training results, yet there is a great deal of good training material in existence, but it is scattered and not generally either well known or available.

We began assembling available materials—first those developed by the Department of Defense, which has represented in its employ practically every occupation in the country. Nearly 1,000 of these courses have been analyzed and cataloged, and this is only a beginning. We have an illustrative collection, listing about 100 Department of Defense courses. Wherever this small catalog has been shown to industry, everyone has been enthusiastic about the idea both of having a listing such as this, and being able to get their hands on the volumes themselves. With good organization and a small additional investment in this new Service I am proposing, the Nation can get a vast amount of use out of this investment. Training courses from private industry and from labor unions—already offered—will be used, and commercially available materials will also be listed. Our function will be to locate, assemble, and advertise these materials.

During the remainder of the current fiscal year a few of these training materials centers will be put into operation, using local facilities and the staff of interested local organizations to maintain the collections.

It is a new approach to the problem, and, I think, a very promising one. We will only get the work force trained for new techniques and new processes fast enough to meet industry's needs if hundreds of thousands of firms realize that they must do some of their own training and do it by modern training methods.

I also want to make clear some of the things that we do not propose to do in this Training Service. The Department of Labor is not going to do any training itself. This is the job of industry and of educators. I think our functions are (1) to indicate the needs for training—not only nationally, by kinds of skills, but specifically, with local cooperation, in particular areas; (2) to stimulate business and industry to analyze their own special and individual personal needs, currently and in the future, in the expectation that they will do something about it; and (3) where necessary and within available resources, to provide technical assistance, training aids, and materials to industry.

A major phase of this program is promotional. We need to wake people up to the seriousness of the shortage of well-trained manpower, and to stimulate individual firms and communities to do something about it.

In planning this expanded operating program for developing and improving the skills of the entire work force of the Nation, I have enlarged the Bureau of Apprenticeship to include this function. I feel very strongly that this kind of program will further strengthen the national apprenticeship program which, as you know, has been in operation for many years. It will also provide assistance to management, labor, the States, and other Government agencies with information and service concerning all occupations, including apprenticeable trades.

This departmentwide program will continue to receive specific direction and coordination by the Assistant Secretary for Manpower and Employment.

OTHER AREAS OF EMPHASIS IN 1957

In 1957 we have been concentrating on the following aspects of our program:

(a) Planning and developing programs designed to insure maximum utilization of the Department's activities essential to civil defense and mobilization emergencies.

(b) Initiating our role in the highway construction program legislation enacted by the last session of Congress.

(c) Developing plans to decentralize benefit-payment operations for injured Federal workers as close as possible to areas of Federal worker concentration in order to afford better and faster service to employees.

(d) Continued improvement in unemployment insurance benefit payment processing; in extending annual worker plans for migrant agricultural workers; improving employment service to older workers in addition to youth, handicapped, and other hard-to-place job seekers.

(e) Improvement of our economic and statistical program in order to provide more and better data for development of public policy and programs for our national economic welfare.

(f) Initiation of a review of our wage-enforcement program with the view of maximizing compliance with the same or less funds.

(g) Improvement of the analysis and use of information reported by labor attachés and improvement of domestic understanding of the ILO.

I believe we will end this fiscal year with employment and purchasing power—which are among the most important factors in the economy—at alltime highs. They have made healthy gains. The employment increases have been for the production of consumer goods and services and for the expansion of our industrial capacity, in both cases to meet the demands of a rising population and a rising level of living.

ANALYSIS OF BUDGET REQUEST FOR 1958

General fiscal analysis

The total of our request for 1958 is \$435,440,400. However, this sum, I understand, for appropriating purposes is reduced by the following amounts:

Employees compensation fund	\$50,350,000
Public roads wage-determination costs	365,000
Vocational rehabilitation, Bureau of Employees' Compensation	47,400

Making total deductions of	50,762,400
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leaving a total of \$384,678,000, the same amount as appears in the committee print. Of this amount, \$1,978,745 is for the Department's contribution to the employees' retirement fund required by legislation enacted during the last session of Congress.

Of this total request of \$384,678,000, an amount of \$74 million is for unemployment-compensation benefits to either Korean veterans or Federal workers, and \$270 million is for grants to States for administration cost of the State employment-security systems. This leaves a total of \$40,678,000 for all expenses of the Department's program responsibilities.

One other overall observation I would like to make is: \$276,382,000 of our total request is offset under the Reed bill against receipts from the unemployment insurance tax on employers, leaving a total of \$108,296,000 chargeable to general revenue of the Treasury, which represents a decrease of approximately \$17 million chargeable to general revenue of the Treasury. It is my understanding that the \$50,350,000 estimated for the employees' compensation fund in final bookkeeping also gets charged to general revenue.

The specific appropriation increases and decreases proposed for 1958 are shown on a table attached.

HIGHLIGHTS OF SPECIFIC PROGRAM REQUESTS FOR 1958

Child labor and youth employment

We are requesting an increase of \$60,700 for the Bureau of Labor Standards to develop and operate a program for improving the application of child-labor standards under current economic and educational situations and to assist in overcoming obstacles to employment of idle out-of-school youth.

Safety

We are requesting \$20,000 to conduct the President's Conference on Occupational Safety in 1958.

Migrant labor

Very real progress is being made in the improvement of the working and living conditions of migratory agricultural workers. There are now 12 official State migratory-labor committees, 5 of which were appointed during the past year. To make the work of the President's Committee more effective and to provide more adequately for the assistance requested by the States, an increase of \$40,000 for our migratory-labor activities is requested for fiscal 1958.

Atomic energy

The peacetime application of nuclear energy will present many new problems to State labor agencies. If they are to protect the workers from the hazards of radiation they must become familiar with the techniques of detection and control. Inspection staffs must be trained; codes must be developed and applied; employers and workers must be educated in safe work practices. The Department of Labor should be equipped to give assistance to the State agencies in meeting these new responsibilities. To initiate this assistance an additional \$20,000 is requested for the employment of two radiation specialists. These two men will not only work with the States but also with the national groups concerned in the development of uniform codes and standards.

Legal activities

For the functions assigned to the Secretary of Labor under the prevailing wage requirements of the Federal-Aid Highway Act of 1956, an increase of \$65,000 to the Solicitor's Office is requested for 1958, which would place on an annual basis the supplemental funds provided for 1957 to initiate the program.

Other increases for the Solicitor's Office (exclusive of contribution to the retirement fund) totaling \$38,650 are requested to cover the estimated requirements for legal services concerned (1) with clarification in the appellate courts of contested points under the Fair Labor Standards and Public Contracts Acts, (2) with third party tort recoveries under the Federal Employees' Compensation Act (which return substantial sums of money to the Federal Government), and (3) with the employment security and Mexican migrant labor programs of the Department.

Reemployment rights

We anticipate increasing responsibilities in 1958 and future years and the workload is expected to increase. This is due to a number of factors. For this reason I am requesting approximately \$123,000 for program expansion.

The right to reinstatement with their preservice employers is the only general benefit available to ex-servicemen who entered service after January 31, 1955, and are now being released. It seems likely that more will seek to exercise these rights than was the case when they had other alternatives. During recent years provision has been made for protecting job rights of reservists and members of the National Guard who must perform training duty, both in weekly drills and during annual training periods. With the projected buildup in the Ready Reserve during 1958 and subsequent years, we will face increasing problems. In August 1958, the transfer of draftees and enlistees into the Ready Reserve becomes automatic, and there will continue to be substantial numbers of 6-month trainees under the Reserve Forces Act of 1955. There will be a growing job not only in helping reservists perform training duty without jeopardy to their jobs, but also in providing information and assistance to employers and labor organizations in connection with this program.

Employment security

Each year the Department of Labor becomes a more important and integral part of governmental programs for maintaining the strength of our economy and the well-being of our people. In every year since 1949, the employment security system has been given greater responsibilities and has been asked to do more work by the Congress, Federal, and State executive agencies and by public groups interested in the human and economic problems of employment and unemployment.

I have reviewed the objectives and programs of the Bureau of Employment Security and the number of employees available to it to carry out those programs and in my estimation an immediate start should be made to give it the

staff and resources to start an overhaul of its services to the State agencies and to the public. Therefore, an increase of \$425,800 (exclusive of retirement contributions) has been requested for program increases in 1958. This increase will enable the Bureau of Employment Security to (1) work with the State employment security agencies to get improved financial management and business administration, (2) develop jointly with the State agencies more facts on employment and unemployment so that Federal, State, and local programs can be planned on a sound basis, and (3) improve and modernize employment security services to workers and employers.

For grants to the States for employment security administration, I am requesting an increase of \$20 million. More than one-third of the increase, \$7,800,000, is to pay for the higher salaries which will be required by State laws in 1958. About \$10 million will be needed for collecting taxes from new employers coming into the program as coverage of the State programs is extended to smaller firms and for improving services to employers, unemployment insurance claimants, and applicants for work, especially veterans, the handicapped, older workers and young people entering the labor market for the first time. The balance of the increase for the States is primarily for the payment of contributions to the State retirement systems, the State's share of the program to improve their management and for the State's part of the program to develop more facts on employment and unemployment.

For the unemployment compensation for veterans program we are requesting \$42 million, a decrease of \$28 million from the appropriation for 1957. Experience indicates that most claims are filed by the more recently discharged veterans of whom a larger percentage in 1958 than in 1957 will not be eligible for benefits because veterans not having service prior to February 1, 1955, are not covered by this program. In fact, we do not believe we will use more than \$60 million of the \$70 million available this year.

For the payment of unemployment compensation to former Federal employees we are requesting \$32 million. Of the total requested, \$3 million is a contingent amount to avoid the work involved should a small supplemental appropriation be required. I am happy to report to the committee that the rate of insured unemployment in the Federal employees program has been less than 1 percent. This is less than the rate of unemployment being experienced generally in the civilian labor force.

With respect to the Mexican farm labor program it is expected that farm employers will contract 490,000 workers in 1958 as compared to the 428,000 workers contracted in 1956. The increase in workers to be contracted and the need for better compliance work (especially in housing, feeding, and sanitation) requires additional funds for 1958. The increase requested is (exclusive of retirement contributions) \$472,200.

Employees' compensation

An increase of \$377,000 is requested of which \$250,000 is for further decentralization of activities under the Federal Employees' Compensation Act. Four years ago the Congress appropriated funds to enable the Department to establish a pilot project in the San Francisco office of the Bureau to test the advantages of receiving and processing claims under this law on a decentralized basis. The results of this test justify extending this procedure to other areas. One of the major advantages of decentralization is more speedy development and payment of claims. The record shows that, in 83 percent of the claims received in the San Francisco office during the last half of the past fiscal year, the first installment of compensation can be paid within 2 weeks after receipt of the claim as compared with 49 percent for the claims processed in the central office. One of the main defects of our present centralized operation is the delayed reporting of injuries by many establishments. In addition to this delay, the reports are frequently incomplete, inadequate, or lacking in essential detail. These cases must be developed either by correspondence or through personal contact by investigators and the resulting delay is an added hardship to the disabled employee with a legitimate claim. Under a decentralized operation, a closer liaison is maintained between the Department and the reporting establishments which minimizes delays in adjudicating claims.

For fiscal year 1958, it is proposed to establish three additional offices in areas where there is a heavy concentration of Federal employment. With the establishment of these offices, and including the one currently operating in San Francisco, approximately 50 percent of the injuries reported will be handled under the decentralized program. This includes an estimated 16 percent of the injuries

reported to the central office from within the Washington area which it is planned to also place on a decentralized operating basis thus bringing improved operations to 66 percent of the injuries reported by the end of 1958.

Labor statistics

We have ample evidence of a renewed interest and rapid growth in the use of statistics by business and labor organizations.

It is to the interest of the Government that private parties make as many economic decisions as possible without the need of Government action.

Because of widespread and increasing reliance upon the statistics produced by the Department, it is urgently necessary that these statistics be as accurate and up to date as possible. The general public, as well as labor and management, have acquired confidence in the integrity and accuracy of these crucial statistics, and we think it is vitally important that this confidence should not be lost.

American industry has recently entered upon an expanded program of automation, involving the use of electronic and other automatic devices. This gives the promise of increased output and a rising standard of living. The Department is asking funds to make some additional studies of the introduction of automation in different industries. These studies are useful, partly as examples to management and labor as to how this introduction can be successfully managed. The studies are useful to the Government in that they furnish us with information which will enable us to assist workers, especially those in the older age groups who will have greater difficulty in finding new jobs. The information will also serve to guide us in our new Department program for developing the skills of the American labor forces.

We are requesting an increase of \$434,550 to meet the demands for improved and better statistical programs in the fields of labor turnover, consumer expenditures, wage studies, automation, older workers, effects of imports and exports on employment and unemployment, and to meet the use in such fixed costs as salaries of employees engaged in cooperative statistical programs.

Women's affairs

The number of women in the civilian labor force has been increasing steadily, and today there are opportunities for women workers not only in traditional occupations but also in many new and expanding fields. The Women's Bureau needs to have a field staff working in widely separated areas of the country in order to provide closer cooperation on all Department of Labor programs affecting women workers. This will enable us to help plan, and put into action more effectively, earning opportunities forums for older women workers; conferences on shortage occupations such as nursing and teaching and on the newer occupations increasingly open to women; a youth guidance program; an action program designed to stimulate the recruitment and training of nurses; a study of procedures used by the States to implement the wage-board provisions in State minimum-wage laws; and a study of unfair wage practices which discriminate against women.

The net program increase requested is \$28,200.

Wage and hour

The job of recruiting and training the additional staff authorized by Congress to enforce the \$1 minimum has been completed. Experience to date indicates the development and probably continuance for some time of anticipated additional enforcement problems.

Violations of the minimum-wage provision of the Fair Labor Standards Act are now being found in approximately 1 out of 5 establishments investigated, as compared with an earlier ratio of about 1 out of 8. No counterbalancing reduction in overtime and other violations has occurred.

We are conducting 4 projects of possibly great significance in terms of future enforcement planning. The feasibility of the greater use of mailed questionnaires is being explored. Controlled tests are being made of abbreviated investigation techniques. Information is being systematically sought on the significance of violations discovered. A random sample investigation project has been instituted to obtain a definitive picture of the current overall enforcement problem.

Annual review of industry rates in Puerto Rico, the Virgin Islands, and Samoa is progressing on schedule. Activity in the public contracts wage determination program is being gradually stepped up. The 3-year minimum wage effects study, requested by Congress and being conducted in cooperation with the Bureau of Labor Statistics, will be completed as planned in 1958.

The increase requested of \$801,800 is not for additional staff but for such items as retirement contributions, and automatic grade-to-grade promotions of investigative staff.

Office of the Secretary

For my own office I am proposing increases in our international labor program primarily for an expansion of the number of area specialists and increasing our activities in participation in ILO activities. Other increases are proposed for the library and for personnel activities. A major change is requested, too, for funds to enable us to initiate defense mobilization planning. I am mindful of the position taken by the committee on a previous request of this nature. However we are presenting the item again for further consideration.

CONCLUSION

This covers the highlight of the program for 1958. Mr. Dodson will discuss specific details of the Office of the Secretary and the revolving fund. Bureau heads will discuss the details of other appropriations. Mr. Siciliano and Mr. Wilkins will also be available to you.

Thank you very much for the privilege of being here.

TOTAL REQUEST AND HOUSE ALLOWANCE

Secretary MITCHELL. I will be happy to discuss that statement in as much detail as the committee desires. However, I would like very much to begin by making comments on our programs as a result of the action of the House.

The total request for the Department of Labor for 1958 is \$385,072,-910. The House Appropriations Committee allowed \$364,778,700. Final action by the House reduces this to \$349,472,400.

\$74 million of the amount requested by the Department is for unemployment insurance benefit payments to veterans and Federal workers. We have no administrative control over these costs. The law establishes the rights and the amounts for unemployment benefit payments. These payments have to be made either through the regular annual budget process or through a series of supplemental appropriation requests.

In addition, \$276,382,000 of the amount requested does not come out of the general fund of the Treasury. These costs, under the Reed bill, are charged against tax collections from employers to finance State employment-security programs.

Needless to say, I am disappointed in the action of the House.

Senator HILL. With reference to that \$74 million unemployment insurance benefits to veterans and Federal workers, does that not really mean that the chances are you will have to come back next year for a supplemental?

Secretary MITCHELL. We will have to come back during that fiscal year; yes, sir.

Of this \$74 million, the House allowed \$61,800,000. Yes, it would be in the next fiscal year we would have to come back for a supplemental.

Senator HILL. That \$74 million is based on pretty accurate estimates, is it?

Secretary MITCHELL. As nearly as we can, based upon the turnover among Federal employees and based upon our experience in the unemployment insurance benefit payments to veterans. It is as accurate as we can make it from the past statistics and experience.

PRESENT FISCAL YEAR APPROPRIATION

Senator HILL. What was the similar figure for the present fiscal year? Do you recall?

Mr. DODSON. \$70 million for veterans and \$25 million for Federal works.

Secretary MITCHELL. \$95 million.

Senator HILL. What was the estimate for this, the total budget estimate for this figure?

Secretary MITCHELL. \$74 million, that is for fiscal 1958, as against \$95 million for fiscal 1957.

We requested, as I said, \$74 million for fiscal 1958. Fiscal 1957 was \$95 million.

Senator HILL. And the House cut your estimates \$12,200,000, is that right?

Secretary MITCHELL. That is right. I might point out as a corollary, Senator, that if there are any personnel layoffs due to congressional cuts or otherwise, the cost of unemployment insurance for Federal workers will go up.

Senator HILL. Senator Hayden has called my attention to the fact that the total request for your Department for the next fiscal year is \$385,072,910. Then you state \$276,382,000 of the amount requested does not come out of the general funds of the Treasury.

Secretary MITCHELL. That is right.

Senator HILL. That would mean \$109 million out of the Treasury?

Secretary MITCHELL. That is right, sir.

Senator HILL. So, really, the budget estimates for your Department this year, so far as funds out of the Treasury is concerned, the estimates amount to only \$109 million?

Secretary MITCHELL. When you subtract the Reed fund; yes.

COST OF DEPARTMENT

Senator HILL. When you subtract the \$276,382,000. This is the cost, as Senator Hayden puts it, to the taxpayer, the \$109 million.

Secretary MITCHELL. To the Federal taxpayer; yes, sir.

Senator HILL. \$109 million.

Secretary MITCHELL. As you know, Senator, this \$276 million comes from the unemployment compensation tax on employers and is earmarked, under the Reed bill passed in 1954, and any excess over reserve must be returned to the States. It is not Federal money.

Senator HILL. Let me ask you this: We advance funds out of the Treasury, do we not, and then as the money comes in from the special tax, that money goes into the Treasury? Do we not advance certain funds out of the Treasury?

Mr. DODSON. From a bookkeeping point of view, yes, sir, you are right, Mr. Chairman.

Senator HILL. But the result is, though, that the \$276,382,000 is paid for by the special tax on the employers?

Secretary MITCHELL. That is right.

Senator HILL. It does not come out of the funds of the taxpayer.

Mr. DODSON. The general revenue is reimbursed.

Secretary MITCHELL. Shall I proceed?

Senator HILL. Yes.

Secretary MITCHELL. The subcommittee in the House made a thorough exploration of our current operations and needs for 1958. The action of the subcommittee for all but one language item was upheld by the full committee. Thus, recommendations came to the floor after a thorough and complete appraisal by the Committee on Appropriations.

Of course I was not completely satisfied by the committee action but it did represent in their judgment an appraisal of what they felt necessary to continue the programs of the Department. At least their action was after exhaustive hearings, review of much data, and full deliberation.

HOUSE ACTION

The action that has taken place on the floor from many of the comments appearing in the Congressional Record indicate that programs must be retained at the 1957 level. In my opinion, it is a mistake to adopt such a policy for appraising appropriation needs. I contest a policy that makes 1957 the ceiling for appropriation requests and which establishes to that amount there should be added only such mandatory items as retirement, extra days pay, and so forth, and prohibits the increase in program substance under any circumstances.

This committee has always been very courteous to me and I am sure exercise their best judgment as to the proper amounts that should be approved for each appropriation. In the past week, I have again reviewed the Department's request for appropriations for fiscal year 1958 and I am still of the opinion that they represent the amounts required to fulfill our legislative obligations as they apply to the present-day economy and way of living and request your favorable action on our estimates of need for fiscal year 1958. If before the committee completes its work, experience indicates a different amount required for the UCFE and UCV programs, I will so notify the committee. For example, approvals of the House reflect in operations as follows:

OFFICE OF THE SECRETARY

In the appropriation requests for the Office of the Secretary the House has eliminated two important program items (a) \$51,815 for the international labor program, and (b) \$225,000 for our own functions with respect to defense mobilization program.

I also want to call to your attention to the fact that the action of the House did not increase the limitation of the amount that may be expended on international labor affairs to take care of mandatory increases such as the payment to the retirement fund. I had requested five additional positions for our international labor program to enable us to (a) increase our knowledge of labor developments in the near East, Africa, and in Latin America and their impact on our own national economy and in our international relations, (b) to improve United States participation in the ILO, and (c) to strengthen staff work of Assistant Secretary Wilkins. The Department has primary responsibility for leadership and assistance in formulating and executing labor aspects of our United States foreign policy. So long as the international situation remains critical, we must have staff to discharge our responsibility.

ACTIVITIES IN FIELD OF INTERNATIONAL LABOR AFFAIRS

Senator HILL. I think it might be helpful if you would briefly give us a picture of what you are doing in the field of international labor affairs, why you feel that these funds should be provided.

Secretary MITCHELL. One of our important functions in the international labor affairs field is our representation in the ILO. That is, in my opinion, assuming a greater importance as an international body, because it is the only international body that is tripartite in its nature. As you know, there are 70 governments represented in the ILO, there are 70 representatives of employers and workers, tripartite in structure. In 1954, the Russians, after an absence of 17 years from the ILO, came back to the ILO. It is our feeling that the return of the Russians has made the ILO a much more important international forum than it ever was before, because it gives us an opportunity to get across our thinking and our philosophy and our policies to the workers of the rest of the world and to the employers of the rest of the world.

Obviously, the Russians returned to the ILO to use it, I believe, as a propaganda forum, and unless we meet that challenge, we will not be exercising our true representation.

That is one function.

Another function has to do with the exchange of foreign people into this country, the orientation and, shall I say, education of foreign trade union leaders in American ways.

A third and important function is the correlation and supervision of the affairs of the labor attachés in the various industries over the world. We do not believe that the total money asked for is at all onerous in terms of the importance of the responsibilities that it has.

WORK WITH LATIN AMERICAN COUNTRIES

Senator HAYDEN. You mentioned the international labor program in the Near East, Africa, and Latin America. It has been my understanding that a great deal of use has been made by the Soviet Union of bringing workers from Latin America to Russia and giving them an education in communism and sending them home. There was a lot of testimony to that effect, particularly in Guatemala. Have you encountered anything like that that you have to counteract in South America?

Secretary MITCHELL. Yes, sir. We have been endeavoring to build up the entrance of foreign labor people, Latin American labor people, and bringing them here to this country for times of 6 weeks to 6 months, showing them how we operate here, putting them in touch with our factories, with our union leaders, with our businessmen. We feel that that program is certainly a very essential one if we are to counteract the very thing you are talking of.

Senator HAYDEN. I understood that many hundreds of Latin Americans have had their way paid to Russia and have remained there for as long as a year, and then have come back home. There was strong evidence that that was found in Guatemala.

DEFENSE MOBILIZATION FUNCTIONS

Secretary MITCHELL. With respect to the elimination of the funds requested to perform defense mobilization functions, I would like to point out that the House has never disagreed with the needs for funds. It has twice now disagreed as to how it should be financed—whether from funds appropriated directly to the Department or through funds appropriated to the Office of Defense Mobilization. Much has been said about seeking funds from other agencies when a service is performed for them. I agree with this. But, in this instance, while the work has its value to the overall Office of Defense Mobilization planning, for Government operations during an emergency, the funds requested are for activities which the Department must perform in its own interests and for which it has basic legislative responsibility such as:

1. Developing and carrying out manpower programs.
2. Developing proper wage policy and programs.

Since this committee is responsible for determining money requirements for the Department of Labor, I think it is entirely proper to seek funds from this committee and not from some other committee of Congress.

MOBILIZATION PLANNING

Senator HILL. Could you give us a brief picture about your work in the manpower program?

Secretary MITCHELL. Yes, sir. The funds that I am talking about here are \$225,000. This has to do with the development of mobilization planning in the event of an emergency, in the manpower field; the determination of the effects of any attack on the United States in terms of manpower requirements, and so on.

It also has to do with the development of wage policies in the event of an emergency. It is all part of the Department's planning and programing for an emergency which is geared to the ODM planning for Government operations in an emergency.

Naturally, the Labor Department, of all the Departments of Government, is deemed to be, by the Office of Defense Mobilization, and rightly so, the agency that has the most experience and competence in this field. I think it is entirely proper that this function be performed in the Labor Department for whatever planning and programing there must be.

Mr. Gordon Gray, the Director of ODM, is in full accord with not only the functions of the Labor Department in this field, but in the delegation by the ODM of these functions.

Senator HILL. In other words, having your Department do this particular work, instead of the ODM undertaking the job itself, is better?

Secretary MITCHELL. It is much sounder and, in the long run, costs less.

Senator HILL. I see.

OFFICE OF THE SOLICITOR

Secretary MITCHELL. In the Office of the Solicitor, the House has recommended \$2,021,000 which is the amount of the 1957 enacted ap-

propriation and authorized \$365,000 to be derived from the highway trust fund. There are two points about this action: (1) the House ignored mandatory cost increases and internal appropriation adjustments to the 1957 base which amount to \$174,320 and which should be added to the 1957 appropriation if the intention was to finance the revised 1957 base on an annual basis. This action, if left as it is, will cause about a 10 percent reduction in requested staff.

(2) It ignored additional activity in this Office due to the recently enacted legislation to raise the minimum wage and to increased workload stemming from demand for more Mexican farmworkers and the inherent wage and working conditions compliance problems. At stake here is protection of the rights and working conditions of American workers. I had asked for 6 additional jobs for 1958, a total of \$39,750 to help handle the increased activity. Two of the these positions were for third party suits pertaining to the Federal Employees Compensation Act. There is no doubt but that these employees will recover for the Government several times their salary costs. This administration believes in a vigorous law enforcement program, and the reduction effected by the House will seriously curtail the Department of Labor's enforcement functions.

Are there any questions on that item, sir?

Senator HILL. The House action was that it gave you the same amount of money as it gave you last year, is that correct?

EFFECT OF HOUSE ACTION

Secretary MITCHELL. The House action was apparently to put us on a 1957 level, but failing to take account of the mandatory increases to which we are subjected, retirement and so forth. It actually places us below the 1957 level.

Senator HILL. In other words, even if you had the same figure this year, due to these additional costs that have been imposed upon you, these mandatory increases, you would still get less money; is that correct, so far as your operations are concerned?

Secretary MITCHELL. Yes, sir. The mandatory adjustments, as I say here, amount to \$174,320, which were not included in the House appropriations. It would mean, if the House appropriations stood, in other words, that we would be forced to decrease our Solicitor's staff.

Senator THYE. Mr. Chairman, might I make this inquiry: When did that salary increase actually go into effect? What calendar month and what year?

CONTRIBUTION TO RETIREMENT FUND

Secretary MITCHELL. This is the retirement increase that was passed by Congress last year, Senator Thye.

Senator THYE. Then I did not quite understand you at the time you were reading. It says, "The increases in the internal appropriation adjustments to the 1957 base which amount to \$174,320, and which should be added to the 1957 appropriation if the intention was to finance the revised 1957 base on an annual basis."

Secretary MITCHELL. The cost of the adjustments in the base referred to is that \$174,300.

Senator THYE. That is retirement, specifically. It is not salary?

Secretary MITCHELL. It is not salary; no, sir.

Mr. DODSON. This is the first year that we have had to pay into the retirement fund from our appropriation.

Senator HILL. Just at this point I think it would be well to place in the record of this hearing an explanation of this new item of contributions of the retirement fund, together with an additional table showing certain corrections in the funds required by each of the operating units for this purpose.

(The material referred to follows:)

CONTRIBUTIONS TO THE RETIREMENT FUND PURSUANT TO PUBLIC LAW 854

For the first time, beginning in the fiscal year 1958, each agency is required to contribute to the credit of the civil service retirement fund. Public Law 854, section 401, says in part "* * * From and after the first day of the first pay period which begins after June 30, 1957, an equal sum shall also be contributed from the respective appropriation or fund which is used for payment of his salary, pay, or compensation, or in the case of an elected official, from such appropriation or fund as may be available for payment of other salaries of the same office or establishment. The amounts so deducted and withheld by each department or agency, together with the amounts so contributed, shall, in accordance with such procedures as may be prescribed by the Comptroller General of the United States, be deposited by the department or agency in the Treasury of the United States to the credit of the fund * * *."

Shown below by appropriation are the amounts requested for this purpose:

Appropriation:	Amount requested
Salaries and expenses, Office of the Secretary of Labor-----	\$69,950
Salaries and expenses, Office of the Solicitor of Labor-----	138,250
Salaries and expenses, Bureau of Labor Standards-----	50,300
Salaries and expenses, Bureau of Veterans' Reemployment Rights-----	25,000
Salaries and expenses, Bureau of Apprenticeship and Training--	185,580
Salaries and expenses, Bureau of Employment Security-----	320,900
Grants to States for unemployment compensation and employment service administration, Bureau of Employment Security-----	41,000
Salaries and expenses, Mexican farm labor program, Bureau of Employment Security-----	110,300
Salaries and expenses, Bureau of Employees' Compensation----	133,465
Salaries and expenses, Bureau of Labor Statistics-----	327,250
Salaries and expenses, Women's Bureau-----	21,000
Salaries and expenses, Wage and Hour Division-----	522,500
Subtotal-----	¹ 1,945,495
Central services revolving fund, Office of the Secretary of Labor-----	² 33,250
Total-----	1,978,745

¹ These amounts are shown in the budgets of each Bureau under object class 11.

² This amount is included under object 07 in each Bureau's budget as part of the revolving fund costs.

Computation of retirement costs, fiscal year 1958

	Total 01, personal services (1)	Amount subject to FICA ¹ (2)	Payment above basic rate (3)	Amount subject to retirement (4)	Retirement contribution required ² (5)	Amount requested (6)	Difference (7)
Salaries and expenses, Office of the Secretary	\$1, 116, 850	---	\$4, 200	\$1, 112, 650	\$69, 819	\$69, 950	+\$131
Office of the Secretary, revolving fund	592, 130	\$40, 000	---	552, 130	34, 646	33, 250	-1, 396
Salaries and expenses, Office of the Solicitor	2, 186, 650	57, 900	9, 000	2, 099, 690	131, 756	138, 250	+6, 494
Salaries and expenses, Bureau of Labor Standards	821, 600	26, 000	---	805, 600	50, 551	50, 300	-251
Salaries and expenses, Bureau of Veterans' Readjustment Rights	497, 790	12, 000	---	395, 790	24, 836	25, 000	+164
Salaries and expenses, Bureau of Apprenticeship and Training	3, 070, 600	96, 265	5, 310	2, 969, 025	186, 306	185, 580	-726
Salaries and expenses, Bureau of Employment Security	5, 137, 400	48, 800	14, 000	5, 074, 600	318, 431	320, 900	+2, 469
Grants to States	633, 800	8, 900	---	624, 900	39, 212	41, 000	+1, 788
Mexican farm labor program	2, 104, 900	259, 600	79, 800	1, 765, 500	110, 785	110, 300	-485
Salaries and expenses, Bureau of Employees' Compensation	2, 255, 235	86, 935	4, 187	2, 164, 113	135, 798	133, 465	-2, 333
Salaries and expenses, Bureau of Labor Statistics	5, 615, 632	358, 162	29, 300	5, 228, 170	328, 068	327, 250	-818
Salaries and expenses, Women's Bureau	362, 700	25, 635	---	337, 065	21, 151	21, 000	-151
Wage and Hour Division	8, 527, 000	111, 000	64, 500	8, 257, 000	518, 127	522, 500	+4, 373
Total	32, 822, 287	1, 131, 257	210, 297	31, 386, 233	1, 969, 486	1, 978, 745	+15, 419
							-6, 160

² Column 4 multiplied by 0.06275.

¹ This figure includes nothing with respect to salaries in excess of \$4,200 for FICA. It is a derived figure which is based on the 1956 actual and 1957 estimated amounts divided by the 24 percent and represents our best judgment in making the estimate.

² \$94,500 of this amount represents industry committee members not subject to any contributions.

EFFECT OF REDUCTION IN FUNDS

Senator THYE. In other words, if you do not have this increase, the only way you could increase the amount to the retirement would be by economizing somewhere within the Department, and that economy could only come out of the salaries of some of the employees in the Department?

Secretary MITCHELL. What it would mean, sir, is this. This has to do with the Office of the Solicitor only. It would mean that in the Office of the Solicitor, in order to absorb the mandatory costs, we would have to lay off 29 people in the Office of the Solicitor.

Senator THYE. I had followed you up in here, because you referred to the Office of the Solicitor, and then it was to derive from the highway trust fund.

Secretary MITCHELL. That is another factor.

Senator THYE. I was trying to separate this entire paragraph and to get clear in my mind what this \$174,320 was actually coming from, and what it was going to be used for. That is what I was trying to get some information on.

Secretary MITCHELL. Is it clear?

Senator THYE. Yes, it is clear. Thank you.

SAVINGS DUE TO ADDITIONAL POSITIONS

Senator HAYDEN. Mr. Secretary, you state that the two additional jobs in the Office of the Solicitor would recover several times their salary costs. How would they make that recovery?

Secretary MITCHELL. By supervising court actions brought by beneficiaries under the Federal Employees' Compensation Act. In these cases we collect refunds due the Government.

Senator HAYDEN. I see.

Senator HILL. All these six additional attorneys would go into that kind of work, Mr. Secretary?

Secretary MITCHELL. Two of them.

Senator HILL. And what are the others for?

Mr. DODSON. One in appellate litigation, 2 in the employees' compensation activity, which the Secretary has been talking about, 1 in connection with employment security activity, and 2 additional attorneys for the regional offices.

INCREASE IN WORKLOAD

Senator THYE. And has the workload increased to such an extent that it is necessary to increase your solicitor staff by this number?

Secretary MITCHELL. Workload has increased for several reasons, Senator Thye. We still have the effect of the dollar-minimum wage which was passed by Congress in 1955, which became effective on March 1, 1956, I believe.

The introduction of that higher minimum wage has caused greater activity in the Legal Department than formerly.

Senator THYE. Do you mean it has brought suits or has required legal action?

Secretary MITCHELL. Not necessarily suits, but it has required legal action on the part of the Solicitor's Office, one being the interpretation

of the application of the law and oftentimes in the securing of restitution by the Department for wages not paid.

In addition, as I pointed out, the employees' compensation activity, we believe, can be better done.

ENFORCEMENT PROGRAMS

The third and probably equally important reason, is that we have stepped up considerably our enforcement programs over the last several years, so that as we more rigidly enforce the Fair Labor Standards Act, and all the other acts that we have, it means that much of the work, or a lot of the work, winds up in litigation eventually.

Furthermore, under congressional action we must now, yearly, review the industry rates, the wage rates, in Puerto Rico, where formerly we did not have to do that, which means additional work on the part of the Solicitor's Office. All of that adds up to a considerable volume of additional work, sir.

Senator HILL. These two regional attorneys they would be engaged largely with your wage and hour work?

Secretary MITCHELL. In general; yes, sir.

Senator HILL. And the other matters that come before the regional offices?

Secretary MITCHELL. Yes, sir.

Senator HILL. You may proceed.

BUREAU OF LABOR STANDARDS

Secretary MITCHELL. In the Bureau of Labor Standards the House has recommended an appropriation of \$985,000 which is a reduction of \$164,800 below the revised request but is \$10,400 above the revised 1957 base necessary to take care of mandatory items. The House action has, in effect, (a) eliminated \$63,500 to finance a program to aid unemployed youth, (b) allowed only half, \$15,100, for stepped up employment program of the physically handicapped, (c) deleted all funds, \$20,000, for the President's Conference on Occupational Safety and, (d), eliminated \$41,000 to improve the conditions of the domestic migrant farmworker.

To allow the amount required to continue 1957 staff and to meet mandatory increase, we would need \$974,600. For 1958 we proposed program expansion of \$175,200. We believe that more can be done to help youth and particularly the school dropouts to obtain and retain employment. There is more need for this project this year than ever before.

As of October 1956, over 400,000, about 42 percent, out-of-school youths aged 16 and 17 were not employed. The mischief which idle youth get into is plainly visible in practically every issue of the daily press, and I believe we should do everything we can to help these youths not only get a job but acquaint them with their responsibility toward the job and their employer. For this purpose, we had requested \$63,500.

We believe much progress has been made in helping the physically handicapped obtain gainful employment and we believe that we can do much more in this field if the \$30,000 requested in our estimate is approved.

Likewise we feel that we have made some progress in improving the lot of the domestic farmworker and do not believe by any means that we have done our maximum. A great deal more can be done if the \$41,000 request for this purpose is approved. The hearings in the House will disclose that the committee did not feel we are doing enough for the physically handicapped or the migrant worker.

PROGRAM FOR UNEMPLOYED YOUTH

Senator HILL. Give us briefly a picture of what your program is for the unemployed youth, Mr. Secretary.

Secretary MITCHELL. The Bureau of Labor Standards has an advisory committee on young workers composed of business, labor, education, and civic leaders. This activity mainly has to do with the promotion on a local level, in communities, of all of the facets of the community, designed to aid unemployed youth, the schools, the social agencies, the employment agencies, and to bring to the attention of the community ways and means by which this problem can be solved. There are a number of such projects in planning. We have had 1 or 2 pilot projects, which Mr. Gurske, who will appear before you, shall describe in detail.

But this seems to me to be a rather small sum to promote within the communities, and enable communities to attack this problem of school dropouts.

Senator STENNIS. You are asking only \$63,500 for the Nation as a whole?

Secretary MITCHELL. That is right.

Senator STENNIS. That would be a very, very limited program; would it not?

Secretary MITCHELL. Well, sir, it would be, if we were going to do it all with Federal effort, but we have found in this activity, and in other activities which I come to later, that by stimulating and promoting a recognition on the part of local communities you can bring into play the solution of these problems the resources and the money of local communities. So, if you were to attempt to do this on a large Federal scale, I would say, Senator, you are right; this is not sufficient money.

Senator STENNIS. You kind of follow the pilot idea in some places and kind of an inspirational approach in others?

Secretary MITCHELL. That is right; yes.

RESTRICTIONS ON YOUTH EMPLOYMENT

Senator STENNIS. If I may develop this a little further, I used to have a lot of these boys in court, 16- and 17- year-old boys. You say 42 percent were unemployed. Of course, you have a restriction on the employment. Just what is the restriction now on the employment of youth?

Secretary MITCHELL. It varies by States, sir. Generally, it has to do with hazardous occupations, when you get above 16. The restrictions that many States impose for youth 16 and over have to do only with what they determine as hazardous occupation, where there is danger of injury. This is true likewise under the Fair Labor Standards Act; and the Department of Labor has issued 13 hazardous-occupations orders, which apply in interstate commerce.

Senator STENNIS. But you have this main problem in the larger cities, I imagine, where you have your best chance to get into the problem?

Secretary MITCHELL. Well, in cities, yes; cities of 100,000 or more. The school people, of course, have a real interest and stake in this.

PHYSICALLY HANDICAPPED PROGRAM

Senator STENNIS. May I ask one more question. This physically handicapped program, of course, will appeal to everyone. Is that operated generally on a State level, and you are coming in there on a supplemental basis?

Secretary MITCHELL. That is right, sir. The actual referral of physically handicapped people to jobs is done by the employment agencies in the various States. Our activity here is merely one of assisting States and bringing to their attention the best methods that have been developed, and so on.

Senator STENNIS. Thank you.

Senator THYE. Of this \$63,500, it says here, "For this purpose we had requested this amount." Did you have any part of this in last year's appropriation?

Secretary MITCHELL. We did not have any in last year.

Senator THYE. You have made the request, however, in previous years, but it has never been granted?

Secretary MITCHELL. It has never been granted.

Senator THYE. Therefore, you pursue the question again with the request for funds that you want to have to enter into that field.

Now, then, have you been able to do any work in this field with the staff that you have, who, of course, are stationed in every State in the Union? You have your regular staff now.

PILOT PROJECT ATTEMPTED

Secretary MITCHELL. Yes; we have: with some of our limited staff we have attempted to develop a pilot project in this area.

Senator THYE. Do you mean that you cannot get the staff that you have in the field now to take and devote any time to this question, or do you think that you would like to get someone that is specially qualified in the field? This \$63,500 is not going to employ very many people.

Secretary MITCHELL. No, and it is not our intention to employ very many people, Senator. What this needs is qualified people who can explore directly with local community leaders and the agencies in certain selected localities the job difficulties that unemployed youth have, and to stimulate action to correct the situation.

We have made surveys in certain communities having to do with schoolchildren who have left school. We made surveys in Charleston, W. Va., and Providence, R. I. If we were to secure funds for a project of the nature I described, these communities would be given first consideration. This money is required for an activity that we are not now in a position to do as we should do. We have done several little pilot things out of our own resources.

MIGRATORY FARM WORKER PROGRAM

Senator THYE. I have one other question. You have referred to the farmworker, and I quote:

A great deal more can be done if the \$41,000 request for this purpose is approved.

Just where would you improve on this question, and what would you do? How many would you employ if you had this \$41,000 additional? That is, the migrant worker. But you have referred to the Mexican worker up in another category, and, therefore, the Mexican would be a migrant, would he not?

Secretary MITCHELL. No. Under our terms sir, the Mexican program is quite separate and quite different. This has to do with the migrant American domestic farmworker. In answer to questions, if this money were allocated, we would increase our staff by four positions.

Senator THYE. Where would you locate those men?

Secretary MITCHELL. We have only a very limited staff in this connection now, and they would be located in Washington.

Senator THYE. But you have the men in the field, and that is where they are going to do the work.

Secretary MITCHELL. We have men in the field in the Mexican farm problem.

Senator THYE. No; I mean just on-farm help, in the States of Minnesota and North Dakota. You have those men located in States now that aid the farmer, or aid the worker, either one, because it is the farmer that makes application for a worker. It is the worker that has made reply to an ad that farm people want help in a certain location and in a certain area. That migrant worker has answered the ad. You have men in the field now located in the various States that will not only do the advertising, but they will receive the response to the advertising, and bring the worker in contact with the person seeking that worker's employment or seeking his services.

I just wondered, if you had this additional, where you would put the men. Is there some State or area where there are not enough men to meet the workload of applications and the finding of men and the locating of them? I know the job is bidding for the man right now.

RESPONSIBILITY OF FARM PLACEMENT BUREAU

Secretary MITCHELL. May I explain the difference, Senator? We have a farm placement service which is part of our Bureau of Employment Security, and these are State activities, under the State employment office, as you state. And the farm placement people have the responsibility of placing farm workers in jobs and meeting the requisitions of farmers. However, there is another problem which transcends State lines, and that is the problem of the migratory worker who moves from State to State as the crops change.

The migratory worker who moves, to a great extent now, in crews, in groups, from place to place, is another problem, as the crops need to be harvested.

There is needed a coordination between States in the timing of when these crews are needed, in the scheduling of the crews as they come on the eastern seaboard, for example, all the way up from Florida,

and all the way through. That is a different problem than the day to day placement of farm labor and/or as requested by local farmers.

Senator THYE. But you have had that, and you have had a great deal more of it during the war years, when there was a shortage of manpower, more definitely, than there is today.

Secretary MITCHELL. Yes, but there is still quite a bit of it, sir, in some States. The migratory farm problem is one of great concern, not only from the point of view of the worker, but from the point of view of the children. They often come in families, and their schools, their sanitary conditions, their housing, all of those points present special problems that are not necessarily within the competence of the farm placement worker working in a State employment office. That is the difference.

Senator THYE. That is all, Mr. Chairman.

Senator HILL. I might say for the information of the committee these are all good questions, and I am glad to have them asked. We will, of course, as you gentlemen know, have the heads of each one of these different bureaus who will come here and give us detailed testimony on the different activities in the particular bureaus and the funds therefor. But these are good questions.

All right, Mr. Secretary.

BUREAU OF APPRENTICESHIP

Secretary MITCHELL. Now we come to the Bureau of Apprenticeship. The House approved the committee recommendation of \$3,600,000 which is \$293,300 less than our budget request. This increase was for stimulating industry, labor and others to look ahead and take positive steps to meet critical skilled labor shortages. The House committee reports stated that many Members of Congress have expressed concern that this proposed program was getting into the field of vocational education. I want to say that contrary to the fears of some people, we are not getting into the field of vocational education. I stated clearly to the House Appropriations Committee that "the Department of Labor is not going to do any training itself."

I want to urge most strongly that this committee give this item particular attention, because there has clearly been a misunderstanding to Members of Congress concerning it, and I feel that if the matter can be clarified, as suggested in the House report, the importance of the proposal will be clear to this committee.

I know you are all familiar with our work in apprenticeship. For nearly 20 years, this small bureau—with only 495 employees this year—has been promoting training in the skilled occupations, including apprenticeship and journeymen training through joint management-labor efforts, with related instruction in the schools. Our people cooperate fully with the school authorities at the National, State, and local levels. This year there has been an increase in the number of apprentices in training, and in the apprentice graduates. The Bureau of Apprenticeship does not now, nor has it ever, engaged in the actual training; it promotes apprenticeship, journeyman training or re-training, and other forms of training.

Now I would like to talk from my prepared statement on page 8.

ESTABLISHMENT OF DEPARTMENTAL COMMITTEE ON SKILLS

This, I hope, will tend to clarify the skills of the workers and work force programs which we had requested funds for. As I said last year when I appeared before this committee, I borrowed one of the Nation's leading training directors from industry and established a departmental committee on skills of the work force, and they went to work, first to identify the role of the Department of Labor and then to plan specific action programs.

The staff initiated a number of these test projects last year on which the program proposed for fiscal 1958 is based. The people who will appear before you later will go into great detail, but I want to indicate the conclusions we have reached with reference to the role of the Department in making sure that the United States in the future has an adequate school and versatile work force.

MAJOR POINTS OF PROGRAM

There are 3 major points in this program: (1) To find the facts and inform the Nation about the need for training people, and (2) to help people select and prepare and attain the right jobs, and (3) to promote more adequate training programs throughout the economy.

I will make one other reference to this, because of the vocational educational aspect of it. On page 14 of my prepared statement, and I said this at the House, I said I also wanted to make clear some of the things that we do not propose to do in this training service. The Department of Labor is not going to do any training itself. This is a job of industry and of educators. I think our functions are (1) to indicate the needs for training, not only nationally by kinds of skills but specifically with local cooperation in particular areas; (2) to stimulate business and industry to analyze their own special and individual personal needs currently and in the future, and in the expectation that they will do something about it; and (3) where necessary, and within available resources, to provide technical assistance, training aids, and materials to industry.

WORK IN ARIZONA

The amount of money we asked for for this additional program for the skills of the work force was, I believe, \$298,000. As an example of the way this program will work, 6 months ago—and I am glad Senator Hayden is here because this is 1 of 23 projects which we have underway or planned—we began to work with the people in the State of Arizona, the chamber of commerce, the educators, the University of Arizona, and the State officials. The purpose of the project was to determine what are the skills that now exist in Arizona, and what, in the industrial growth of Arizona, will be the skill requirements 8 to 10 years hence.

The Department of labor gave to that project not only funds, but technical guidance and assistance, and worked very closely with all of the facets of the community that I indicated, the chamber of commerce, the labor leaders, the State employment agencies, and the University of Arizona.

Out of that has come a very well done survey, setting what Arizona will have to do itself in terms of education, in terms of training within industry, and so on, if it is going to meet its industrial needs of the

future. To a greater or lesser extent we have 23 such projects in being or planned.

This is our way of getting at this problem of the skill shortage which we see coming in the next 10 years. To me, it seems to be a very economical way of getting at it because we are, as I said before, using the know-how and the resources of the local people to get these things done and not planning on a grand national scale.

Senator HAYDEN. You may be aware, Mr. Chairman, that there has been a great increase in industrial development in Arizona. There are no skills there which are necessary for any manufacturing plant that propose to move to Arizona. They have to advertise over the United States to get the skills. Fortunately, they will get them because workers will say "I will take my family to a better winter climate" and in that way they do attract the necessary skills. But that cannot go on forever. This study that the Secretary has mentioned has resulted in the installation of courses of instruction in State colleges which say plainly, "What we want to do is train you as a young person, where you will fit yourself to fit into industry in Arizona."

It is really worthwhile and it is an excellent program. I believe it will be successful.

Senator HILL. Mr. Secretary, I believe you have emphasized and made it very clear that you are not in the training business and have no intent or purpose in any way of going into the training business. Is that true?

Secretary MITCHELL. That is right, sir. I hope I have made that clear.

NEED FOR VOCATIONAL EDUCATION

Senator HILL. To get the other side of the picture, as far as vocational education is concerned, would it not be true that the fact that you go in and join with these local people in demonstrating the need for this trained personnel would give emphasis to the need of vocational education?

Secretary MITCHELL. We believe that to be so, sir, that as we develop the need for training and promote the need for training, both in schools and in industry, then the need for related instruction, for vocational education, will get greater.

We believe that this program, as the apprenticeship program did, will stimulate communities toward greater activity in vocational training than they have had before.

FORD MOTOR CO. EVALUATION OF PROGRAM

Incidentally, I have here a letter from the Ford Motor Co. indicating the value this company places on the program. I thought you might be interested in it.

Senator HILL. It will be inserted in the record at this point.
(The letter referred to follows:)

APRIL 5, 1957.

HON. JAMES P. MITCHELL,
Secretary of Labor, Washington, D. C.

MY DEAR MR. SECRETARY: I have read with interest available information regarding the hearings relating to the budget request of the Bureau of Apprenticeship. It occurred to me that you would be interested in the experience of Ford Motor Co. and my observations regarding these matters.

Since 1915, Ford Motor Co. has carried on a continuous program of apprenticeship training. At the present time, approximately 2,000 apprentices are being trained in 24 different trades at 41 manufacturing plants. In spite of Ford Motor Co.'s efforts during the past 42 years to improve and to perpetuate the Nation's vital resources of skilled labor, we have experienced considerable difficulty during the past 7 years in manning new plants requiring large numbers of skilled employees.

During the last 10 years, we have carried on a comprehensive program of manpower planning for the purpose of anticipating our skilled trades needs and making definite plans to train adequate numbers of people in our existing plants. However, our manpower planning efforts have been seriously hampered because no accurate sources of factual data were readily available regarding national skilled manpower resources, national trends, and the impact of technological developments, nor were other related developments being assessed as to their impact upon our Nation's skilled labor supply.

As a result of my responsibilities since 1946 as manager of training for the Ford Motor Co., and as a management member of the Federal Committee on Apprenticeship since 1947, I make the following observations:

1. Any reductions in the budget of the Bureau of Apprenticeship which would curtail its present activities of providing assistance to labor, management, and public education in the promotion and improvement of apprenticeship training would be detrimental to our Nation's interests.

2. A definite need exists within the Federal Government for a factfinding organization that would concern itself with research, analysis, evaluation, and reporting, not only to the Congress but to the Nation at large, on developments which affect our skilled trades resources.

3. As a former public school administrator of vocational education, and from my knowledge of the policies and programs of the Bureau of Apprenticeship as reviewed and concurred in by the Federal Committee on Apprenticeship, I would be opposed to any Federal agency undertaking to duplicate the excellent training services currently available in our public schools, and I am sure this was not the purpose in mind in making the request for additional funds. Bureau of Apprenticeship representatives have assisted us in expanding our apprenticeship programs in 9 new plants located in 4 different States. In each instance, apprentice related instruction is being provided by the local public schools. In addition, within the last 3 years, all related technical training for approximately 1,000 apprentices working in the Rouge area plants has been transferred to the Dearborn public schools. We are well satisfied with the excellent cooperation received from vocational educators, Bureau of Apprenticeship representatives, and members of labor who help us administer our company apprenticeship program.

I have reviewed the contents of this letter with my organizational superiors in the Ford Motor Co. and they have authorized me to advise you that you may use this letter in any way you deem appropriate in the interests of apprentice training and in the Department of Labor's efforts to supply badly needed manpower information on which a realistic skilled trades program can be developed within the United States.

Sincerely yours,

ARCHIE A. PEARSON,
Manager, Training Department.

PURPOSE OF PROGRAM

Senator HILL. What you do, then, under your proposed program, and under the program you have now, under your present program, with these additional funds, would simply nudge that program some. You simply help the local community to estimate and define their needs so far as labor shortages are concerned; is that right?

Secretary MITCHELL. Exactly, sir.

Senator HILL. Then in meeting those shortages, you do not go into that field at all?

Secretary MITCHELL. No, sir.

Senator HILL. You leave that entirely to your schools, your programs of vocational education, and, of course, to the training that goes on all the time in industry itself, is that right?

TECHNICAL ASSISTANCE PROVIDED

Secretary MITCHELL. That is right, sir. We do, to the extent we can, provide technical assistance in the development of these needs. Let me give you one example of the kind of assistance that we were able to provide, and this, I think, is multiplying dollars, if I may use that expression, that have already been expended by the Congress. The Defense Department does a tremendous amount of training. They have developed over the years, as any of us who have ever been connected with the Army know, manuals on manuals in all sorts of trades in all sorts of occupations. We made a survey of the Defense Department manuals, and we unearthed a gold mine so far as training techniques and training methods were concerned, which we are making available by merely citing that they exist to industry, who are, many of them, taking things that the Defense Department has learned in the training of Signal Corps men, Ordnance Corps men, and so on, and applying it to their own training needs, so that the taxpayer is getting back an investment that he made before.

That is one of the things we discovered in the development of this program, which is going to be very helpful.

Senator STENNIS. May I ask one additional question?

Senator HILL. Proceed, Senator.

EXTENT OF PROGRAM

Senator STENNIS. Your program now extends to the educational facilities of the State beginning at the university and extending over into the junior colleges, if they have junior colleges, and all?

Secretary MITCHELL. If I can use the Arizona project as an example, we merely, first, stimulated the need for such a survey, as I indicated, a survey of the skill needs. Then the community in Arizona, the two major cities, Phoenix and Tucson, decided whom they wanted to participate in this. They decided that they wanted the University of Arizona, the State officials, the chamber of commerce, the State employment security agency, and so on. Our main purpose is to use whatever facilities there may exist in the community, whether it be industry, whether it be vocational schools, whether it be high schools, or universities, to afford whatever training activities or whatever training help they can give to the training of people.

Senator STENNIS. And your activity is limited entirely to finding out the needs, and pointing out the needs, and promoting the idea, rather than having any training at all?

Secretary MITCHELL. There is no training at all, no, sir. We are not equipped to do it.

Senator STENNIS. And you are not planning to go into training?

Secretary MITCHELL. No, sir. It is far beyond anything we can do or would want to do. We do not intend to. To do that, we would be, I think, destroying our function of promoting and developing and pointing out the needs.

Senator STENNIS. These manuals you referred to, they were manuals developed by the military in the course of their intensified instructional schools?

Secretary MITCHELL. That is right.

Senator STENNIS. I know at Keesler Field, in Biloxi, Miss.—it is the Air Force chief radar school—they developed a technique of teaching there that is just marvelous. They train these men who averaged 2 years of high school education and you will find them all over the world. It is intensive training.

You would take that and try to pass it on?

Secretary MITCHELL. To industry and to schools.

EXCHANGE OF TRAINING TECHNIQUES

Furthermore, and this is one part I have never mentioned because it has nothing to do with Government, but many companies have developed training techniques and training methods which are of value to other companies, and we would provide a means of exchange of those things.

For example, Mr. Siciliano just handed me two Air Force instructor guides and a learners guide on basic circuits in electronics. This is a finely developed instructor's guide as to how to instruct in elementaries of electronics. Industry is seizing upon this and uses it very quickly.

Senator THYE. I would like to ask, Mr. Secretary, whether there is a close contact with the educational department in the vocational educational division to make certain that there is not overlapping on the part of the Labor Department and the part of the educational department in this particular field.

Vocational educational folks are stationed all around the Nation, too, you see.

Secretary MITCHELL. Yes, sir. There is. I believe Secretary Folsom has, either to this committee or to the House committee, indicated that there is this contact, and we work very closely with the educational people here in Washington. There is no overlapping. There is no duplication. As we get into this program, I can assure you that there never will be.

GENERAL MANAGEMENT TRAINING

May I point one other thing out which sums up, really, this point. Here is a bibliography of training materials. You gave us some money a year or so ago for some research in this field, and this is one of the results of that research. Here is a bibliography which is available to all training people within industry, or anyone who is interested in training. It sets forth the whole subject of training techniques, of selection, testing and placement of employees and supervisors, manufacturing operations, clerical and service occupations, the general management training. We have found that this has been received with open arms by most industries, because, for the first time, they have right at hand a bibliography which they can use in developing their own training courses.

As I say, the sum that we ask for in this area, of \$298,000, is a very small sum which will enable us to do the promotion that we think needs to be done, more importantly, it keeps this responsibility where I think it belongs, in the hands of the local people.

TRAINING OF JOURNEYMEN IN APPRENTICE TRADES

Of course, this program helps in supplemental training of journeymen who are now engaged in what we call apprenticeship trades.

Senator HILL. Helps how, Mr. Secretary?

Secretary MITCHELL. In the training of journeymen who are engaged in what we call apprentice trades. As you know, there are two hundred-and-some-odd occupations which are deemed to be trades where apprentices, Federal apprentices, are in order, and this program, in addition to helping the developing of skills generally across the board, Mr. Dodson reminded me, will also help in the supplemental training of journeymen in these apprentice trades, where new methods and materials have been developed, men who have passed beyond their apprenticeship function into full-fledged journeymen.

Senator HILL. There would be no conflict there, would there, between vocational education and this program?

Secretary MITCHELL. No, sir.

Senator HILL. These men are further advanced, are they?

Secretary MITCHELL. Further advanced, yes, sir.

Shall I proceed.

Senator HILL. Yes.

BUREAU OF EMPLOYMENT SECURITY

Secretary MITCHELL. The House approval for salaries and expenses for the Bureau of Employment Security is \$5,558,000. This is \$787,540 less than the amounts requested and \$429,540 less than what is needed to carry staff authorized for 1957 on an annual basis in 1958 including mandatory costs. If this reduction should stand, it will reduce the present staff by 69 positions. Here is a Bureau that has had new activities placed in it by legislation over the years.

We have experienced an increase in the scope and cost of the activities of the State employment security agencies but very little has been done to allow the national office to keep up with its expanding facilities. Some idea of the scope; of responsibility of this Bureau, can be gained just by a listing of its principal functions. It administers the grants amounting to one-fourth of a billion dollars made to the States for the administration of employment and unemployment services; it administers a farm placement service, a veterans employment service; an unemployment compensation program for veterans; an unemployment compensation service for Federal workers; it is the principal source of aid to the older worker and the physically handicapped in obtaining gainful employment and is responsible for supervision directly or indirectly of the handling of \$1½ billion in unemployment insurance tax collections; \$1.4 billion in unemployment insurance benefits. There would be a definite deterioration of the functions administered by or through this Bureau if this reduction stands.

PERSONNEL SITUATION

This past year, fiscal 1957, the Bureau has 7 percent less personnel than it had 8 years ago even though during this period the Congress passed 13 laws adding responsibilities to the Bureau. In addition, we had requested a program increase totaling \$358,000 which is needed for strengthening of the administration which I feel necessary rather

than a reduction in administration as has now been directed by the House action. Mr. Goodwin, Director of the Bureau of Employment Security, when he appears before you, will go into as much detail as the committee desires to explain the need for the increases. However, before leaving this item, I would like to refer to my general statement with regard to what we have been doing for aiding the older worker to obtain employment. This begins on page 4.

AID TO OLDER WORKERS

I will not at the moment take the time of the committee to go over it, except to say that due to the activities of the Department generally in pointing up of the need for more to be done in connection with the full employment of older people, by pointing out to industry the source of employment that exists with men and women over 45, who are now often discriminated against in employment, that this has raised in the employment offices of the country the need for specially qualified people who are able to counsel not only the employer but also the applicant for employment who is an older person, so that we can bring the two together.

The House cut eliminated entirely any work that we had planned to do and were doing in connection with the aiding of the older worker to obtain employment.

I would like to point out, also, Mr. Chairman, and Senators, that this is money which, as I said earlier, does not come out of the General Treasury. This is money secured from taxes on employers, and earmarked specifically for this use and cannot be used for any other purpose because it does not go into the General Treasury.

Senator HILL. None of these funds at all come out of the Treasury?

Secretary MITCHELL. No, sir.

Senator HILL. They are all taken care of by the special tax?

Secretary MITCHELL. That is right. None of the funds at all come out of the General Treasury.

Senator HILL. You are really the trustee of this trust; is that right?

Secretary MITCHELL. Yes, sir.

Senator HILL. And what you are doing is asking us to let you use a sufficient amount of these trust funds to permit you to administer this trust efficiently and effectively as you think it should be; is that right?

RESPONSIBILITY OF BUREAU

Secretary MITCHELL. That is correct. When you look at our request for salaries and expenses for the Bureau of Employment Security, which is a little over \$5.5 million, and realize that this Bureau has the responsibility for supervising the disbursement of billions of dollars in benefits that are paid to the people who are eligible throughout the country, in addition to many other functions that I have listed here, the money that we need for the strengthening of this area at the Bureau level would be money well spent. We want to strengthen our auditing procedures. We also want to make sure that the best claim-taking procedures are used, so that we know that people who are eligible for unemployment compensation get it and those that are not eligible do not get it.

Any money that is saved here, it seems to me, is money that you may find going out the other end.

Senator STENNIS. May I ask a practical question on that?

Mr. Secretary, how many employees would it take for you to really follow through on that last proposition you made, to see that all those that are entitled to it get it, and those that are not entitled to it do not get it? That is the practical side of the problem. I do not see how you get at it.

Secretary MITCHELL. Well, you get to a law of diminishing returns, I think. I could never be in a position to say that I know for certain that people who were ineligible did not get any funds. But, within the best judgment of your administrative sense, you need to do what you should do.

Senator STENNIS. I have about decided it would take almost 1 for 1, the way it is piled in on you at places and at times.

Secretary MITCHELL. You can see, sir, how foolish it is not to put as much attention to it as you possibly can.

Senator STENNIS. You have to devote as much attention as possible, that is certain.

Thank you, Mr. Chairman, that is all.

Senator HILL. All right, Mr. Secretary.

GRANTS TO STATES

Secretary MITCHELL. For grants to States—and I might say the grants to States comes out of this money, too, for the administration of State employment-security agencies—the House approved \$249,814,000 as compared to our 1958 request of \$270 million and the House committee recommendation of \$262 million.

Senator THYE. What was your last year's appropriation? What did we appropriate?

Mr. DODSON. \$250 million.

Senator THYE. What did we grant you? Did we grant you \$250 million?

Secretary MITCHELL. Yes.

Senator THYE. And the House here has approved \$249,814,000?

Secretary MITCHELL. That is right, sir.

Senator THYE. Your request here is a sum which is over a \$20 million increase; is it not?

Secretary MITCHELL. Yes, sir; and we have some explanation for that later, sir.

Senator THYE. I understand.

EFFECT OF HOUSE ACTION

Secretary MITCHELL. I might say, also, the House also eliminated the contingent fund. I would like to explain that later on.

The action here will hit such activities as our efforts at the local level to find suitable employment for the hard-to-place groups of older workers, youth, and physically handicapped. The States will also be short of funds for the expansion of the program resulting from recent extensions of coverage to smaller firms.

If you will recall, the Congress a year or so ago reduced or changed the program so that employers of employees of four or more were covered by unemployment compensation, which brought into coverage a great many more firms. I mentioned these items as illustrations

of our need for an increase, and Mr. Goodwin will talk in more detail when he appears before you. However, I want to inform you how important the need for restoration of the authorization for the contingency item which is authorized in the grants appropriation. This authorization was deleted on a point of order in the House on the basis that it placed additional duties on the Secretary of Labor.

NEED FOR CONTINGENCY FUND

The contingency fund was first approved in the appropriation request for fiscal year 1950 and has been reexamined and approved each year subsequently thereto. It has proven to be a very valuable tool for planning in conjunction with the States in their operation for a given year. As you know, the State employment-security agencies are composed of employment service and an unemployment-compensation service, both of which must operate at an adequate level to insure a balance of operation. For example, prior to the contingency fund, any spurt in the unemployment-insurance load meant detailing employees from the employment function to that of unemployment-insurance functions. This was detrimental to both functions, in that employment-service operations suffered and the activity of placing the unemployed applying for unemployment insurance deteriorated. This results in unnecessary payments from the compensation fund.

In the years before the contingency fund was established, our only recourse was to request a supplemental appropriation which became necessary in just about every year of operation. However, no matter how we stress to the States that we are going to request a supplemental appropriation to meet their needs, they are reluctant, and in some instances the State law would not permit them to operate on a deficit spending basis. It has only been since we have had the advantage of the contingency fund that there has been smooth operation of both a placement and unemployment insurance service and, in my opinion, it is the only way to insure an efficient administration of the placement and unemployment compensation functions. The deletion of the contingency language comes at a time when we have been doing our utmost to develop a more aggressive and active program for the placement of the older worker and the physically handicapped, and it will interfere with our efforts in this endeavor.

ELIMINATION OF FUND BY HOUSE

Getting back to your question, Senator Thyne, in addition to reducing our request from \$270 million to \$249 plus million, the House eliminated appropriate language authorizing a contingency fund amounting to \$12 million.

Senator HILL. That was not eliminated by the House committee. That went out on the floor of the House?

Secretary MITCHELL. On the floor; yes, sir.

Senator HILL. You have had that fund, did you say, since 1950?

Secretary MITCHELL. Yes, sir, since 1950, and it has resulted, as Mr. Dodson can explain to you because of his budget experience better than I, in a smoother operation in the allocation of funds.

You may wish him to explain that.

PRIOR APPROPRIATIONS

Senator THYE. I wondered, as a committee, if we will be attacked on the floor from the basis of the increase. In 1950 you had \$174 million, in 1951 you had \$172 million, or \$172,139,000, in 1952 you had \$186,060,000, in 1953 you had \$197,110,000, in 1954 you had \$204,305,000, in 1955 you had \$229,500,000. There has been a steady increase.

Is that due to salary increases, or is it due to an increase in the number of employees because of workload imposed by congressional action?

I am only seeking the information that would permit me to intelligently answer a criticism of the taxpayer who says that there is an ever-increase in the expenditure of your administrative function of government. Then they will ask "Why do you not cut down?" I receive that question in bundles of anywhere from 10 to 100 letters a day, just that language. I am seeking information to try to intelligently answer that kind of criticism that is coming.

Secretary MITCHELL. I may say, Senator Thye, that there are 5 typewritten pages in my hand of the effects of this cut from \$270 million to \$249 million.

Senator THYE. Going back, Mr. Secretary, to 1950, and this is now the calendar year of 1957, you had \$174 million in 1950, in 1952, and I am passing over 1951, you had \$186,060,000, in 1953 you had \$197,110,000, in 1954 you had \$204,305,000, and then \$229,500,000. So in this particular budget request as has been submitted, estimated at \$270 million, the House allowed \$249,814,000. What I am seeking is the answer to this question: Is it increased employees in the program?

REASONS FOR INCREASE IN REQUESTS

Secretary MITCHELL. Partly. You understand, Senator, this is money that is used for administrative costs in grants to States. The increase in costs results from these general things: Increase in the number of employees in the States, increase in the salary levels of those employees in the States, increase in statutory responsibilities of the State employment agencies, one of which I recited awhile ago, where the number of employers that are covered have been increased by statutory law. Those are three that I think of immediately. There are probably more.

One of the intangibles here which I think can be demonstrated is that the activity of the agency itself has improved so that more employers are using the employment service, for example, today than they were accustomed to use it in the past, and which increases the activity of the agency.

Senator THYE. In what nature would they use the services?

Secretary MITCHELL. Seeking help.

Senator THYE. As an employer?

Secretary MITCHELL. As an employer; yes, sir. And placing requisitions on the State employment service for help needed. More employers are using the service today for the kind of help that they never used it for before, for technical help, for professional help, for assistance in the development of tests and so on. That whole activity has grown as the employment services in the various States have grown in proficiency. Those are the general reasons.

Mr. Goodwin can explain the details.

Senator THYE. Yes, I realize that.

Thank you, Mr. Chairman.

Senator HILL. All right, Mr. Secretary, you may proceed.

MEXICAN FARM PROGRAM

Secretary MITCHELL. The House approved \$2,236,200 for the Mexican farm program. The House committee had recommended \$2,500,000 which was a reduction of \$183,000 from our request. The entire increase which we requested was for staff to meet increasing demands for Mexican farm labor. Our estimate for fiscal year 1957 contemplates workers contracted totaling 450,000 and for fiscal year 1958, 490,000. A most important phase of our work which has not been maintained at its proper level has been that of eliminating bad housing conditions and inequities in wage rates. We believe that as long as this program is required it should be operated in a manner which will provide decent living and working conditions and proper wages and that the only way we can do an adequate job for the increasing numbers being imported is to increase our staff.

INCREASE IN WORKERS ANTICIPATED

Senator HILL. You look for an increase of some 40,000 workers?

Secretary MITCHELL. 40,000 workers being required by the ranchers and farmers who use this program.

Senator HILL. How much of a staff do you have on this program now, overall, Mr. Secretary?

Secretary MITCHELL. 332 people.

Senator HILL. 332 people?

Secretary MITCHELL. Yes, sir.

Senator HILL. Has that staff increased very much in recent years or not?

Mr. DODSON. It has increased slightly but not a great deal. The workload has also gone up from something slightly over 200,000 importations of Mexicans to over 400,000 Mexicans.

Senator HILL. The clerk brings to my attention that that cut was sustained by a ye and nay vote of 342 to 77. That is a pretty decisive vote. That is almost 5 to 1.

Secretary MITCHELL. We understood that is so, Mr. Chairman.

My I go off the record?

Senator HILL. Yes, you may.

(Discussion off the record.)

EXTENT OF FEDERAL RESPONSIBILITY

Senator DWORSHAK. Mr. Secretary, I did not understand that it was the responsibility of the Federal Government to provide housing accommodations for Mexican labor. In the State of Idaho, I recall that we expect individual farmers who employ these Mexicans and labor organizations in groups, and even some of the large sugar processing operators, like Utah-Idaho, and Amalgamated Sugar Co., have a responsibility for providing adequate housing facilities.

Are you telling us that at this point the Federal Government is assuming a greater share for this program?

Secretary MITCHELL. No, sir, I did not say that, Senator.

Senator DWORSHAK. I did not hear all of it. I have just entered the room.

Secretary MITCHELL. Yes, I know. I said that we had a responsibility for setting forth minimum standards. We do not provide the housing. The Federal Government has no responsibility for providing the housing. It has a responsibility, however, under the international agreement with Mexico, to see to it that adequate housing standards are maintained.

Senator DWORSHAK. Then how do you accomplish that?

Secretary MITCHELL. Only by the issuance of standards, and expecting that those people who use the Mexican farm laborers will adhere to those standards. We do not spend Federal money in any way in providing those standards.

Senator DWORSHAK. I am glad to get that explanation, because without knowing what you said prior to my arrival at the committee session, I was fearful that you were starting another program that has not been in existence.

Secretary MITCHELL. No, sir, we are not.

Senator DWORSHAK. How much are you asking to finance the Federal interest in that program, just on Mexican labor?

HOUSE ACTION

Secretary MITCHELL. As I said before, Senator, the House approved \$2,236,200 for the complete running of the entire Mexican program. The House committee recommended \$2.5 million, which was a reduction of \$183,000 from our request. So our original request for this program was \$2,683,000. The House cut approximately \$400,000 from that request.

Senator DWORSHAK. But, according to that, your budget request was for about \$560,000 more than you have this year.

Secretary MITCHELL. That is right, sir.

Senator DWORSHAK. How do you account for that?

Secretary MITCHELL. Just as you came in, Senator, I was saying that the estimates for 1957 of the contemplated workers that are to be contracted was 450,000 for 1958, based upon what we know of the demand. That will be 490,000, an increase of over 40,000 workers, whom we will have to handle.

Senator DWORSHAK. They are bringing in that many more?

Secretary MITCHELL. Yes, sir.

Senator DWORSHAK. Why?

Secretary MITCHELL. Because the farmers and ranchers want them.

Senator DWORSHAK. They have been getting along for years quite adequately.

Secretary MITCHELL. Well, sir, this is a question of supply and demand.

Senator DWORSHAK. Are they supplanting American workers who have been doing that work or is it merely because they are producing more farm commodities which need stoop labor?

Secretary MITCHELL. I am hoping they are not supplanting domestic workers, because certainly our sole concern here in the Depart-

ment of Labor is the protection of the welfare of the American worker.

Senator THYE. Mr. Chairman, might I ask a question at that point?

Senator HILL. Yes.

AREA DEMAND FOR EMPLOYEES

Senator THYE. Geographically, have you information as to whether there is an increase in one area for these employees, other than the general increase?

Secretary MITCHELL. Yes, we do, sir.

Senator THYE. What areas might be requesting the greatest increase?

Secretary MITCHELL. I haven't the figures offhand.

Senator THYE. You see, we have not increased our acreage of sugar beets too greatly.

The other question would be on your canning crops, such as your sweet corn and peas. Then you go into your apple and orange picking. That is the kind of labor that you look to the continent for, so to speak, or if you are thinking about getting some from the islands, or you look to the Mexican Government for workers. But you are going more mechanical. In the harvesting of sweet corn, you are going to more mechanical picking of sweet corn and going to more mechanical loading of pea vices for the vineries.

Senator DWORSHAK. And beets, also.

Senator THYE. Yes; and beets. Of course, when it comes to picking apples and oranges, and the nut crop, I am not too familiar with those crops. I would not try to comment on those. I wonder what part of the Nation is calling for the greatest number of these Mexican workers, because this is a Mexican program exclusively.

Secretary MITCHELL. This is the Mexican program exclusively, sir.

Mr. Siciliano tells me that while there have been slight increases in most States who use Mexican workers, the biggest increases come from Texas and California. One of the reasons, perhaps, that the increases come from Texas has been due to the activities of the Immigration Service. The stream of illegal wetbacks who formerly came into these farms has to be stopped, so that there is a greater need.

Senator THYE. Did that not happen last year?

Secretary MITCHELL. Yes, sir.

Senator THYE. You see, you are asking for considerably more than what you had last year.

Secretary MITCHELL. We are anticipating an addition of a 40,000 increase in the application for legal Mexican migrants.

FARM MIGRATION DUE TO DROUGHT

Senator THYE. You may not be in a position to have evaluated this, but while the drought has persisted in the Southwest, has there been any movement of ranch hands, or the regular wet farmer, from the area of the drought to that of the irrigated areas, or where these crops are in the lower region? It is the stoop labor. You do not have too many of them engaged in picking cotton. You have more of them in the irrigated valleys; have you not?

Secretary MITCHELL. Yes, sir. I have no information as to whether there has been any migration. I doubt it, but I have no information on it.

Senator THYE. Excuse me, Senator Dworshak.

Senator DWORSHAK. I am glad you proceeded, because you developed some points that I did not have in mind. We do not have all of the requirements for Mexican laborers in the various categories.

I have just one more question on that. Pursuing what Senator Thye said, as we have drought areas where there is inevitable unemployment, why do we not try to take care of our American workers? You said a little while ago that certainly you did not want to supplant American labor. That is a very altruistic statement. But you say we are bringing in 40,000 more Mexican workers this year and you are anticipating that?

Secretary MITCHELL. That is right.

Senator DWORSHAK. What does the entire program take care of?

Secretary MITCHELL. 490,000 is what we anticipate for 1958.

Senator DWORSHAK. This is virtually a 10-percent increase, then, that you are expecting?

Secretary MITCHELL. We are not asking for it, sir. This is what we anticipate the farmers and ranchers will be asking for.

BASIS OF ESTIMATED MEXICAN WORKERS

Senator DWORSHAK. Where did you get those reports?

Secretary MITCHELL. From our men in the field and from the State employment agencies, and so on.

Senator DWORSHAK. Well, I am going to do a little investigating myself, Mr. Chairman. We were on the verge, Senator Thye, as chairman of the subcommittee, and you, Senator Hill, as the ranking minority member, for several years, only a matter of 2 or 3 years ago, when we were facing the possibility of almost entirely eliminating this bringing in of Mexican labor, because there seemed to be the trend toward mechanization, and there appeared to be less need all the time.

While we were facing the wetback problem, at that time we thought we might be able to hold this down to a smaller number of Mexicans who would come in, in the spring and stay until the fall.

It seems to me that as far as I am concerned, I want more justification for increasing by 10 percent the number of Mexicans to be used in this farm labor now. Maybe it exists, and I am not questioning the reports the Secretary receives from the field, but, personally, I am not going to vote for something like that, unless I have absolute assurances that we do not have adequate American labor for this purpose.

Thank you.

Secretary MITCHELL. Mr. Chairman, may I say to that "amen."

From my point of view, the smaller this program gets, the better I would be satisfied, because, as I say, our primary responsibility is for the welfare of the American wage earner.

From our point of view, if the number of Mexicans used by the farmers and ranchers were to be decreased, we would be happier.

JUSTIFICATION FOR INCREASE

Senator DWORSHAK. Mr. Secretary, you said you have these reports from the field, from the various States. I presume they may be authentic. But it seems to me that you, as the Secretary of Labor, must have some responsibility for making a thorough check to determine whether there is justification for this increase. Is that your responsibility?

Secretary MITCHELL. That is right. The figures we have given you, Senator, are our best judgment as to what the employers in this area will be requiring. I doubt that we would have the authority or the responsibility, or would want it, to go behind the employers' request and say, "Well, you can use 105 instead of 200," because it is not our business to tell the employers of this country what they should do.

Senator DWORSHAK. Insofar as the Federal budget is concerned, the President is asking us to cut down. I think while we should cooperate with the State agencies that direct this farm labor program, at the same time we can't just go along on every request made for additional Federal funds, whether it is for that program or something else.

Secretary MITCHELL. I would be glad, sir, if Congress should so direct; then every employer request would, of course, have to be cut accordingly.

Senator DWORSHAK. Thank you.

Senator HILL. You do not have that discretion now?

Secretary MITCHELL. No, sir.

Senator STENNIS. How long on the average do these Mexican farm laborers stay here, Mr. Secretary, the average one that comes in?

Mr. SICILIANO. Three months; the contract period goes from 4 weeks to 6 months, but the average is about 3 months.

HOUSING REQUIREMENTS

Senator STENNIS. On this question of housing, we do not have use for many of them in my part of the country as you know, but it is quite a problem to meet your housing requirements. I do not know just what the housing requirements are. Frequently it is a rush job and you have to get them in, and then they move on. It is more of a problem now of meeting it, perhaps, than it was in the old days. What requirement was it you put in, by way of regulation, you said, about the housing?

Secretary MITCHELL. Well, sir, it was a set of minimum requirements. First may I say that we have an obligation under our agreement with Mexico to provide adequate housing and other things which are spelled out in the international agreement. A survey which was conducted at my direction about 6 or 8 months ago revealed that while most users of Mexican labor were complying very well with the generally accepted housing standards, that there were enough abuses for us to take a composite, really, of the State codes in this area, and establish some very minimum standards, which we felt that any user of Mexican labor should adhere to.

We have not imposed these standards rigidly. We have used them as a guide. We have asked the farmers to use them as a guide.

Senator STENNIS. My observation from my State is rather limited. My observation of the conditions in Mexico where some of them

come from is limited. But their standard of living and their apparent happiness is so much greater when they are here making all of this money, and their jubilation shows that, it is far better that it is when they are at home.

Most of them are very happy to come over here. I do not know what your minimum requirements are.

Secretary MITCHELL. I will be glad to mail you a copy, sir.

HOUSING REGULATIONS

Senator HILL. Could you supply us with a copy of your housing regulation?

Secretary MITCHELL. Yes, sir.

Senator THYE. That is just what I was going to ask for. I looked through the House report trying to find it, but I found in reference to it in the condensed report and I think it would be well if we have a copy of what the regulation entailed.

Senator STENNIS. And the interpretation of that agreement would be based upon what your conditions were at home, too, I should think. That would be one of the elements of looking to what their requirements and expectations would be.

Senator THYE. It is strictly a summer month proposition. It is not like an inclement weather condition in the late fall or winter. I know that we have had these Mexican laborers in the Northwest for a number of years, and they have pretty well established a pattern of family movement and a pattern of housing.

The same families seek to come back year after year, and the employer is happy to have them. The family, I know, is delighted to return.

Senator HILL. Will you furnish a copy of those regulations, Mr. Secretary?

Secretary MITCHELL. Yes.

(The regulations referred to follow:)

UNITED STATES DEPARTMENT OF LABOR, BUREAU OF EMPLOYMENT SECURITY, FARM PLACEMENT SERVICE, March 25, 1957.

HOUSING MEXICAN NATIONAL WORKERS

(As Amended)

Each employer of Mexican national agricultural workers must provide without cost to the worker hygienic lodgings and sanitary facilities which meet minimum acceptable housing standards established by the Secretary of Labor.

Prior to receiving an authorization to contract Mexican workers, and as a condition of such authorization, each employer shall prepare and submit a form ES-367, Employer's Statement of Housing and Facilities, accurately describing the housing and facilities he proposes to provide. Before preparing and submitting form ES-367 the employer should read and be familiar with the minimum acceptable housing standards established by the Secretary of Labor.

If changes are made in the housing or facilities previously described, a revised statement (ES-367) shall be prepared and submitted by the employer.

Prior to the arrival of workers the employer shall assure himself that all standards have been met; thereafter and throughout the entire period of employment he shall periodically inspect his housing and facilities in order to insure the continued maintenance of these standards.

The employer shall take all necessary steps to see that workers are not assigned to housing units in excess of approved capacity.

The responsibility for maintaining housing and facilities in accordance with minimum standards is the employer's. The Mexican worker should be requested and is expected to cooperate in keeping his living quarters clean and sanitary.

Association employers shall be responsible for compliance with minimum housing standards by their user-members.

The employer may establish reasonable rules for the maintenance of clean and sanitary buildings and premises and for the conduct of the workers on the farm, and workers have a duty to comply with such rules. Workers have a further duty to respect the rights and property of others and to exercise due care in the maintenance of the employer's property especially those items which are furnished them in conformity with these housing standards.

After examination of his housing facilities, or his statement of housing facilities in which he houses or proposes to house Mexican workers, an employer shall be given a written statement indicating the respects in which the facility is deficient in meeting minimum standards.

Within 5 days after receiving such a deficiency statement, an employer who disagrees with the finding of deficiency may appeal to the appropriate regional director for a review of the findings. Such appeal must specify the respect in which the employer believes the findings were incorrect. The regional director may, if he finds the circumstances so warrant, grant an additional period, not to exceed 5 days for the filing of an appeal. Within 5 days of receipt of the regional director's decision, the employer shall agree to comply or shall forward an appeal to the national office of the Bureau. Such an appeal shall be in sufficient detail to permit the Secretary of Labor to review all the facts and findings and make a decision.

Irrespective of whether an appeal is filed, no worker may be permitted to remain in any housing facility which is found by the appropriate regional director to present an immediate hazard to the safety or health of the worker.

MINIMUM ACCEPTABLE STANDARDS FOR HOUSING SIX OR MORE MEXICAN NATIONAL WORKERS

I. GENERAL STANDARDS

1. All housing and housing grounds must be maintained in a clean, safe, and sanitary condition, free from rubbish, debris, wastepaper, garbage, and other refuse. Grounds must be well drained.

2. All garbage and rubbish must be deposited in suitable covered metal receptacles which shall be emptied as often as necessary to maintain the premises in a sanitary condition, and the contents burned, buried, or otherwise disposed of in a manner which is not or does not become offensive or unsanitary.

3. Fly-tight metal containers shall be provided adjacent to living and sleeping quarters for garbage and other refuse.

4. All drainage shall be carried through a covered drain to a covered cesspool or septic tank, or otherwise disposed of in such a way as not to become offensive or unsanitary. Where public sewer systems are available, all building sewers shall be connected thereto, unless other adequate disposal facilities are available.

5. An adequate and convenient supply of water of a quality that meets the standards of the State health authority shall be available at all times for drinking, cooking, bathing, and laundry purposes.

6. Fresh and pure drinking water shall be provided for all workers. Water shall be suitably and conveniently located and should be no more than 100 yards distant from workers' living quarters. The use of a common drinking cup is prohibited.

7. Tanks or other receptacles for use for storage of water shall be kept in a clean and sanitary condition and shall be suitably covered so as to prevent contamination.

8. Effective measures shall be taken to control rats and flies, mosquitoes, bedbugs, and other insects or parasites in camp buildings and premises.

9. All buildings or structures shall be maintained and used in accordance with the provisions of State and local regulations relative to safety and fire prevention. Provisions for fire fighting should be available at all times during occupancy, either local fire-fighting company, fire extinguisher, pails of sand, or a water supply.

10. No camp facility shall be located on a site which is subject to or may cause extreme traffic or other hazard, unless acceptable safeguards are provided.

11. First-aid facilities shall be maintained and made available for the emergency treatment of injured persons. Such facilities shall be in accordance with applicable regulations of State or local public-health authorities.

II. LIVING AND SLEEPING QUARTERS

12. Living and sleeping spaces shall be in good structural condition and constructed so as to provide shelter to the occupants against the elements and to exclude dampness.

13. The floors and roofing of all buildings must be in good condition. Floors of buildings used as living or sleeping quarters shall be constructed of wood, asphalt, concrete or other comparable material. Dirt floors are not acceptable.

14. All buildings used as living or sleeping quarters for 10 or more persons shall have at least 2 outside exits for use in case of fire, so located as to provide alternate means of escape. One exit may be a window if easily accessible and of sufficient size to permit rapid egress.

15. Suitable and separate beds or cots shall be provided for each worker. At least 34 square feet of floor space or 300 cubic feet of total space shall be provided for each worker within the sleeping quarters. In new construction or additions to existing structures, 38 square feet of floor space shall be provided for each worker.

16. Under either standard in 15 above, the following shall apply: Each bunk shall be at least 12 inches from the floor. Where double bunks are used, the space between the lower and upper bunk shall be approximately 3 feet, and there shall be at least 3 feet from the top of the upper bunk to the ceiling. A clear aisle space of at least 30 inches shall be allowed between each single bed. A clear aisle space of at least 4 feet shall be allowed between each set of double bunks.

17. Triple deck bunks may not be used unless they were in use prior to June 1, 1956. Space between each bunk shall be approximately 3 feet. Ceiling height should be at least 3 feet from top of upper bunk.

18. Where beds or bunks are used they must be provided with springs and mattresses. Mattress and mattress covering must be provided and kept in a clean and sanitary condition. Grass, hay or cottonseed mattresses are not acceptable. When canvas-covered cots are used, they must be kept clean and sanitary.

19. Blankets shall be provided as needed without cost to the worker and shall be maintained in a sanitary condition.

20. Every sleeping room shall be provided with one or more windows (screened openings may be substituted where climatic conditions permit), having an aggregate area of not less than 10 percent of the floor space of the room.

21. All windows shall be so arranged that at least 45 percent of their aggregate area may be opened, except where there is supplied some other approved device affording adequate ventilation. All windows or openings shall be fitted with screening of at least 16 mesh.

22. All outside openings except doors in living and sleeping quarters shall be secured with not less than No. 16 screen mesh. All screen doors shall be equipped with self-closing devices.

23. When workers are housed during a period requiring artificial heating, all living quarters shall be adequately heated in such a way as to insure the comfort and safety of the occupants.

A stove or other source of heat shall be available for installation during periods when heating is necessary for the comfort and safety of occupants and when installed shall be vented in such a manner as to avoid both a fire hazard and a dangerous concentration of fumes or gas. In a room with wooden or combustible flooring, there shall be a concrete slab, metal sheet, or other fire resistant material on the floor under every stove, extending at least 18 inches beyond the perimeter of the base of the stove. Any wall or ceiling not having a fire resistant surface within 24 inches of a stove or stovepipe shall be protected by a metal sheet or other fire resistant material. Heating appliances, other than electrical, shall be provided with a stovepipe or vent connected to the appliance and discharging to the outside air or chimney. Such vent or chimney shall extend above the peak of the roof. A vented metal collar shall be installed around a stovepipe, vent or flue in a wall, ceiling, floor, or roof through which the stovepipe, vent, or flue passes, if they pass through combustible materials.

Automatically operated heat-producing equipment shall be provided with controls to cut off the fuel supply upon the failure or interruption of flame or

ignition, or whenever a predetermined safe temperature or pressure is exceeded. All steam and hot water systems shall be provided with safety devices arranged to prevent hazardous pressures and excessive temperatures.

24. When fuel for heating is necessary the employer shall furnish sufficient fuel ready for use, without cost to the worker.

25. All living and sleeping quarters shall be maintained in a clean and sanitary condition. Floors shall be scrubbed with suitable cleansing agents as often as necessary to maintain clean and sanitary conditions.

26. It is highly desirable that lockers or other storage facilities be made available to store the workers' possessions.

III. COOKING AND EATING FACILITIES

27. Every structure used as a messhall where food is cooked, prepared, or served shall be kept in a clean and sanitary condition.

28. The same standards relative to ventilation (window space and screening) and means of exit which apply to living and sleeping quarters shall also apply to cooking and eating facilities.

29. Any housing for six or more Mexican workers which is constructed after the issuance of these standards shall provide for cooking and eating facilities separate from sleeping quarters. Combined sleeping, cooking, and eating facilities which existed prior to January 1, 1957, will be approved provided that they are adequately ventilated and do not present a health or safety hazard. However, employers are urged to provide separate facilities by means of floor to ceiling partitions whenever possible.

30. For workers required to board themselves, sufficient cooking stoves, cooking utensils, tables, seats, table utensils and fuel for cooking, must be provided. One oil, wood, electric or gas stove, with not less than 2 burners for each 5 workers or fraction of 5 workers is required. Outdoor cooking facilities, unprotected from inclement weather, are not acceptable. Workers are expected to cooperate in maintaining equipment and facilities provided them in a sanitary condition.

31. Table tops on all tables used in messhalls shall have a smooth, hard surface which may be easily cleaned.

32. All utensils in which food is prepared or kept, or from which food is to be eaten, and all implements used in the eating of food, shall be kept in clean, unbroken and sanitary condition.

33. When central feeding is provided, provision shall be made for the safe storage and refrigeration of food in a suitable and sanitary place.

34. Every kitchen in a messhall shall be equipped with a metal sink and shall be provided with an adequate supply of hot and cold water.

35. Garbage disposal and drainage from kitchen sinks in messhalls and kitchens shall meet the requirements described under the general standards.

36. Where the employer does not furnish restaurant facilities, the following utensils must be provided for each group of five men or less:

- (a) One 12-inch frying pan.
- (b) One 6-quart cooking pot, kettle or pan.
- (c) One 2-quart coffee pot.
- (d) One dishpan.
- (e) One butcher or kitchen knife.
- (f) One service consisting of spoon, knife, fork, plate (of material other than tin), cup and water glass shall be provided for each man.
- (g) A table large enough to seat the number of men involved, and chair for each man, or sufficient benches.

IV. SANITARY FACILITIES

37. Convenient and suitable bathing facilities separate from cooking and sleeping rooms shall be maintained in a sanitary condition, readily accessible to living quarters.

38. Where showers are provided there shall be at least 1 shower head in operating condition for every 25 workers. Commencing with the issuance of these instructions all new construction shall provide for at least 1 shower head for each 15 workers.

39. The floors and walls of shower compartments shall be constructed and maintained in waterproof conditions. Floor drains shall be required in all shower rooms to remove waste water.

40. Workers must be provided with water of suitable temperature for bathing. Each shower shall be provided with adequate water under pressure.

41. Where tubs are used there shall be 1 size No. 3 tub in good condition for every 5 workers.

42. Provision shall be made for adequate dressing space adjacent to bathing facilities.

43. All toilet facilities shall be maintained in a clean and sanitary condition at all times.

44. All exterior openings in toilet buildings shall be screened with not less than No. 16 wire mesh. Solid doors may be substituted for screen doors.

45. Toilet rooms shall be properly ventilated with adequate screened openings or other adequate device.

46. One usable toilet shall be provided for each 15 workers or fraction thereof and should be located within 150 feet of living quarters. In addition, in the construction of any new housing units there shall be installed 1 standard urinal or urinal through for each 30 workers. All toilet facilities shall be in a separate room.

47. Where privy-type toilets are used they shall consist of a pit at least 4 feet deep, with a well-constructed shelter, the openings of which shall be effectively screened (fly tight). A solid door may be used. When the excreta reaches a point 1 foot below the surface of the ground the pit shall be filled and the shelter demolished or moved over a new pit. All excreta in a pit shall be covered with earth, ashes, lime, or some similar substance at least every 48 hours.

48. Privy toilets shall not be located closer than 75 feet to any sleeping place or any kitchens and/or messhall.

49. Adequate washing facilities for personal use shall be provided.

50. All sanitary facilities shall be inspected regularly to assure that they are operating properly.

V. LIGHTING

51. All rooms used by workers shall be adequately lighted.

VI. LAUNDRY

52. Laundry facilities shall be maintained in a sanitary condition and provided with adequate drainage as required by the general standards. Such facilities shall be separate from the eating and sleeping rooms but may be under the same roof or enclosure with the bathing and dressing rooms.

53. Adequate facilities for laundry shall be provided. When only stationary tubs are furnished, there shall be 1 tub for every 25 workers or fraction thereof. Hot and cold water shall be provided for all laundry facilities. Where movable tubs are used, 1 size No. 3 tub in good condition shall be provided for every 5 workers.

MINIMUM ACCEPTABLE STANDARDS FOR HOUSING LESS THAN 6 MEXICAN NATIONAL WORKERS

I. GENERAL STANDARDS

54. All housing and housing grounds must be maintained in a clean, safe, and sanitary condition, free from rubbish, debris, wastepaper, garbage, and other refuse. Grounds must also be well drained.

55. All garbage and rubbish must be deposited in suitable covered metal receptacles which shall be emptied as often as necessary to maintain the premises in a sanitary condition, and the contents burned, buried, or otherwise disposed of in a manner which is not or does not become offensive or unsanitary.

56. The employer shall furnish fly-tight metal containers for garbage and other refuse.

57. An adequate and convenient supply of water of a quality that meets the standards of the State health authority shall be available at all times for drinking, cooking, bathing, and laundry purposes. Fresh and pure drinking water shall be provided for all workers. Water shall be suitably and conveniently located and should be no more than 100 yards distant from workers' living quarters. The use of a common drinking cup is prohibited.

58. Tanks or other receptacles used for storage of water shall be kept in a clean and sanitary condition and shall be suitably covered so as to prevent contamination.

59. Effective measures shall be taken to control rats and flies, mosquitoes, bedbugs, and other insects or parasites within the buildings and premises.

60. All buildings or structures shall be maintained and used in accordance with the provisions of State and local regulations relative to safety and fire prevention. Provisions for fire fighting should be available at all times during occupancy, either local fire fighting company, fire extinguishers, pails of sand, or an adequate water supply.

61. No housing shall be located on a site which is subject to or may cause extreme traffic or other hazard, unless acceptable safeguards are provided.

62. First-aid facilities shall be maintained and made available for the emergency treatment of injured persons. Such facilities shall be in accordance with applicable regulations of State or local public health authorities.

II. LIVING AND SLEEPING QUARTERS

63. Living and sleeping spaces shall be in good structural condition and constructed so as to provide shelter to the occupants against the elements and to exclude dampness.

64. The floors and roofing of all buildings must be in good condition. Floors of buildings used as living or sleeping quarters shall be constructed of wood, asphalt, concrete, or other comparable material. Dirt floors are not acceptable.

65. Suitable and separate beds or cots shall be provided for each worker. At least 34 square feet of floorspace or 300 cubic feet of total space shall be provided for each worker within the sleeping quarters. In new construction, or additions to existing structures, 38 square feet of floorspace shall be provided for each worker.

66. Under either standard in 65 above, the following shall apply: Each bunk shall be at least 12 inches from the floor. Where double bunks are used, the space between the lower and upper bunk shall be approximately 3 feet, and there shall be at least 3 feet from the top of the upper bunk to the ceiling. A clear aisle space of at least 30 inches shall be allowed between each single bed. A clear aisle space of at least 4 feet shall be allowed between each set of double bunks.

67. Triple-deck bunks may not be used unless they were in use prior to June 1, 1956. Space between each bunk should be approximately 3 feet. Ceiling height should be at least 3 feet from top of upper bunk.

68. Where beds or bunks are used they must be provided with springs and mattresses. Mattress and mattress covering must be provided and kept in a clean and sanitary condition. Grass, hay, or cottonseed mattresses are not acceptable. When canvas-covered cots are used they must be kept clean and sanitary.

69. Blankets shall be provided as needed without cost to the worker, and shall be maintained in a sanitary condition.

70. Every sleeping room shall be provided with 1 or more windows (screened openings may be substituted for windows where climatic conditions permit), having an aggregate area of not less than 10 percent of the floorspace of the room.

71. All windows shall be so arranged that at least 45 percent of their aggregate area may be opened, except where there is supplied some other approved device affording adequate ventilation. All windows or openings shall be fitted with screening of at least 16 mesh.

72. All outside openings, except doors in living and sleeping quarters, shall be secured with not less than No. 16 screen mesh. All screen doors shall be equipped with self-closing devices.

73. When workers are housed during a period requiring artificial heating, all living quarters shall be adequately heated in such a way as to insure the comfort and safety of the occupants.

A stove or other source of heat shall be available for installation during periods when heating is necessary for the comfort and safety of occupants, and when installed shall be vented in such a manner as to avoid both a fire hazard and a dangerous concentration of fumes or gas. In a room with wooden or combustible flooring, there shall be a concrete slab, metal sheet, or other fire-resistant material on the floor under every stove, extending at least 18 inches beyond the perimeter of the base of the stove. Any wall or ceiling not having a fire-resistant surface within 24 inches of a stove or stovepipe shall be protected by a metal sheet or other fire-resistant material. Heating appliances, other than electrical, shall be provided with a stovepipe or vent connected to the appliance

and discharging to the outside air or chimney. Such vent or chimney shall extend above the peak of the roof. A vented metal collar shall be installed around a stovepipe, vent, or flue in a wall, ceiling, floor, or roof through which the stovepipe vent or flue passes, if they pass through combustible materials.

Automatically operated heat-producing equipment shall be provided with controls to cut off the fuel supply upon the failure or interruption of flame or ignition, or whenever a predetermined safe temperature or pressure is exceeded. All steam and hot-water systems shall be provided with safety devices arranged to prevent hazardous pressures and excessive temperatures.

74. When fuel for heating is necessary, the employer shall furnish sufficient fuel ready for use, without cost to the worker.

75. All living and sleeping quarters shall be maintained in a clean and sanitary condition. Floors shall be scrubbed with suitable cleansing agents as often as necessary to maintain clean and sanitary conditions.

76. It is highly desirable for lockers or other storage facilities to be made available to store the workers' possessions.

III. COOKING AND EATING FACILITIES

77. Every room where food is cooked, prepared, or served shall be kept in a clean and sanitary condition.

78. The same standards relative to ventilation (window space and screening) and means of exit which apply to living and sleeping quarters shall also apply to cooking and eating facilities.

79. Employers are urged to provide cooking and eating facilities separate from sleeping quarters by means of floor to ceiling partitions whenever possible. Combined sleeping, cooking, and eating facilities will be approved provided that they are adequately ventilated and they do not present a safety or health hazard.

80. For workers required to board themselves, sufficient cooking stoves, cooking utensils, tables, seats, table utensils, and fuel for cooking must be provided. One oil, wood, electric, or gas stove, with not less than 2 burners for each 5 workers or fraction of 5 workers is required. Outdoor cooking facilities, unprotected from inclement weather, are not acceptable. Workers are expected to cooperate in maintaining equipment and facilities provided in a sanitary condition.

81. Table tops shall have a smooth, hard surface which may be easily cleaned.

82. All utensils in which food is prepared or kept, or from which food is to be eaten, and all implements used in the eating of food, shall be kept in clean, unbroken, and sanitary condition.

83. Provision shall be made for the safe storage of food in a suitable and sanitary place.

84. Where the employer does not furnish restaurant facilities the following utensils must be provided for each group of five men or less:

(a) One 12-inch frying pan.

(b) One 6-quart cooking pot, kettle, or pan.

(c) One 2-quart coffee pot.

(d) One dishpan.

(e) One butcher or kitchen knife.

(f) One service consisting of spoon, knife, fork, plate (of material other than tin), cup, and water glass shall be provided for each man.

(g) A table large enough to seat the number of men involved, and chair for each man, or sufficient benches.

85. If showers are provided, the floors and walls of shower compartments shall be constructed and maintained in waterproof condition. Floor drains shall be required in all shower rooms to remove waste water.

86. Workers must be provided with water of suitable temperature for bathing. Each shower shall be provided with adequate water under pressure.

87. If showers are not provided, there shall be 1 size No. 3 tub in good condition for every 5 workers.

88. Where showers or central bathhouse is provided, provision shall be made for adequate dressing space adjacent to bathing facilities.

89. All toilet facilities shall be maintained in a clean and sanitary condition at all times.

90. All exterior openings in toilet buildings shall be screened with not less than No. 16 wire mesh. Solid doors may be substituted for screen doors.

91. Toilet rooms shall be properly ventilated with adequate screened openings.

92. One usable toilet shall be provided for each 15 workers or fraction thereof,

and should be located within 150 feet of living quarters. In addition, in the construction of any new housing units there shall be installed 1 standard urinal or urinal trough for each 30 workers. All toilet facilities shall be in a separate room.

93. Where privy-type toilets are used, they shall consist of a pit at least 4 feet deep, with a well-constructed shelter, the openings of which shall be effectively screened (fly-tight). Solid doors may be used. When the excreta reaches a point 1 foot below the surface of the ground the pit shall be filled and the shelter demolished or moved over a new pit. All excreta in a pit shall be covered with earth, ashes, lime, or some similar substance at least every 48 hours.

94. Privy toilets shall not be located closer than 75 feet to any sleeping place or any kitchen.

95. Adequate washing facilities for personal use shall be provided.

96. All sanitary facilities shall be inspected regularly to assure that they are operating properly.

V. LIGHTING

97. All rooms used by workers shall be adequately lighted.

VI. LAUNDRY

98. The employer shall provide 1 No. 3 tub for each 5 workers or fraction thereof, or equivalent laundry facilities of other types.

Senator HILL. You may proceed.

BUREAU OF LABOR STATISTICS

Secretary MITCHELL. The amount approved by the House for the Bureau of Labor Statistics is \$7,124,000, which is \$99,750 less than needed to carry the revised 1957 base on an annual basis. The committee recommended \$7,470,000 and our request is for \$7,750,700. The request included funds to (a) initiate a 3-year program, as a part of a governmentwide program including Census Bureau and other agencies, to shift certain statistical data to a new standard industrial classification, \$31,000; (b) to complete the previously authorized extension of the joint State-Federal labor turnover program, \$50,000; (c) to meet commitments of salary increases of State employees, \$35,000; (d) to initiate a continuing program of consumer expenditure surveys, \$114,200; (e) to expand industry wage studies, \$145,200; (f) to expand studies in the field of automation, \$31,500; (g) to study the effects of importation of goods on our domestic employment, \$119,750. There is intense interest on the part of the public at the present time in the whole subject of wages and prices. It is vitally necessary that we should maintain quantity and quality of our data in these fields. It is for this reason that the Department has requested the additional funds or surveys of wages, particularly in nonmanufacturing industries where our information is scarce.

INTEREST IN CONSUMER PRICE INDEX

In addition, the Consumer Price Index is receiving the closest scrutiny by both management and labor. Some 4 million workers have their wages moved up or down every few months in accordance with changes in this index; and more are coming under it every month. I believe that this is the biggest single tool for the maintenance of industrial peace over a long period of time. It would make a chaotic situation in industrial relations if the confidence of labor and management in this index is not maintained.

Mr. Clague, the Commissioner of Labor Statistics will later explain to you in more detail these and other statistical programs which we believe are so necessary at this time.

Are there any questions?

Senator HILL. Do you have any questions, gentlemen?

Mr. Clague will be with us, of course, later in the hearing.

Secretary MITCHELL. Yes, Mr. Chairman.

WAGE AND HOUR DIVISION

For the Wage and Hour Division the House allowed \$10,600,000. This is \$258,900 less than what is needed to maintain present program levels. No additional positions were requested for 1958 and no program expansion was requested for 1958. This action, in effect, will involve a reduction of approximately 43 positions below the 1957 level. If this reduction is allowed to stand, it will come at a time when the Division is finding the highest amount of wages due underpaid employees in the history of the act. The current rate is \$20 million annually. Violations of the minimum wage were found in 1 in every 5 establishments investigated during July-December 1956, whereas in the same period in 1950 the ratio was 1 in every 6. Also, the average amount per employee found due at the present time is 50 percent higher than in 1950. I believe it is a mistake to curtail the activities of this Division at this time.

SUMMARY

I have endeavored to give you my impression of the House action, and I continue to maintain that the budget request for the Department of Labor for 1958 as submitted to Congress was carefully prepared and evaluated. I personally spent many hours working on the program content, and I hope that you agree with me that the amounts requested in the President's budget for 1958 are needed for the Department of Labor to do an adequate job and meet with your approval.

That is the end, sir, of my statement.

Senator HILL. Are there any questions?

REEXAMINATION OF BUDGET

Senator DWORSHAK. I have one question, Mr. Chairman.

I read in the press recently that several of the executive departments, apparently at the request of the White House, are reexamining their budgets for next year. Does that include the Department of Labor?

Secretary MITCHELL. This, sir, as I said here in my statement, is our budget as we have carefully evaluated it.

Senator DWORSHAK. At what time?

Secretary MITCHELL. Before we presented it. And it is the budget which I believe is necessary for the Department of Labor to carry on its activities. Any reevaluation that takes place will come up with exactly the same budget, because it was carefully done in the first place.

Senator DWORSHAK. You still have not told me whether you are reexamining it or not.

Secretary MITCHELL. Yes, sir.

Senator DWORSHAK. You are?

Secretary MITCHELL. And we are still of the opinion that the budget we presented is the correct budget.

Senator DWORSHAK. But you actually are scrutinizing and checking the various items in accord with this overall policy of the President on the budget?

Secretary MITCHELL. Before you came in, Senator, I said in the past week I have again reviewed the Department's requests for the fiscal year 1958 and I am still of the opinion that the amounts that we request represent our best judgment of the amounts required to fulfill the Department of Labor's function.

Senator DWORSHAK. In this rechecking that you made, did you succeed in reducing any item?

Secretary MITCHELL. No, sir.

Senator DWORSHAK. Not a single dollar?

Secretary MITCHELL. No, sir.

Senator STENNIS. Mr. Chairman, may I ask a question?

Senator HILL. Yes.

EXCEPTION TO WAGE AND HOUR LAW

Senator STENNIS. About the Wage and Hour Division, and this does not have to do with appropriations, directly, at this time, but refreshing your recollection there is an exception in the wage and hour law now that pertains to up to 12-man crews working the woods, getting out pulpwood and so forth. Are you familiar with that?

Secretary MITCHELL. I am familiar with that exception; yes, sir.

Senator STENNIS. You know the proposal by the administration, as I understand it, is to repeal that provision.

Secretary MITCHELL. No, sir.

Senator STENNIS. That is what I want to find out. I was told the other day about that. I had understood the Department of Labor and you were proposing that it be repealed. Someone told me recently, one of your staff members, that that was a mistake. It is of vital concern to my State, particularly the small woodlot owners. There are a great number of laborers that are more or less irregular, and some of them are handicapped and do not hold regular jobs or work regular hours. I know in my own county a great pulpwood industry has been built up. I am encouraging the people to hold their land and grow these seedlings and whatnot.

There is not a proposal to change that law now?

Secretary MITCHELL. No, sir. Our proposal does not change that exemption that you refer to.

Senator STENNIS. Is that correct?

CHANGE IN EXEMPTION

Secretary MITCHELL. Yes, sir. But the Morse bill, which was introduced in the Senate, and the Kelly bill, which was introduced in the House, does change it.

Senator STENNIS. You recognize the need, due to the peculiar conditions, of continuing that exemption?

Secretary MITCHELL. We have recognized the need of small business.

Our proposal does not get into what we consider to be purely intrastate business or small business that is not truly interstate in character.

Senator STENNIS. It is just very small small business, but it affects a world of people who do not have much means to make an independent living. I am very vitally interested in it for that reason alone, and it is one problem that I feel I know something about, because we have it there. I am glad of your position on that.

I wrote Senator Hill a note about this the other day. Our States are very similarly situated.

I feel like it is a situation that he would be pleased about, too, to know of this position of the Department.

I thank you very much.

Senator HILL. I think you have made your position clear, Mr. Secretary, that you do not favor the repeal of this exemption.

Secretary MITCHELL. That is right, sir, and we have so stated before the committee.

PERSONNEL REQUESTED

Senator DWORSHAK. I have one final question.

How many new personnel are you asking for in this budget as compared with the 1957 fiscal year?

Mr. DODSON. 313.

Senator DWORSHAK. If you get the full budget amount you would have 313 additional employees?

Mr. DODSON. Yes, sir.

Senator DWORSHAK. Thank you.

Senator HILL. Are there any other questions, gentlemen?

If not, Mr. Secretary, we certainly want to thank you for being with us this morning and giving us this helpful testimony. We appreciate this.

Secretary MITCHELL. Thank you.

PRESIDENT'S COMMITTEE ON EMPLOYMENT OF THE PHYSICALLY HANDICAPPED

STATEMENT OF EARL BUNTING, VICE CHAIRMAN

LETTER FROM GENERAL MAAS

Senator HILL. I have a letter here from my old friend, Gen. Melvin J. Maas, who, you will recall, is the Chairman of the President's Committee on Employment of the Physically Handicapped. In this letter he advises us that he is in Europe, and will not be able to appear in behalf of the appropriation for the Committee.

He also advises us that Mr. Earl Bunting, Vice Chairman of the President's Committee, will represent him.

Mr. Bunting is a past president of the National Association of Manufacturers and for many years was chief administrative official of the NAM. He is Chairman of the Executive Committee of the President's Committee on Employment of the Physically Handicapped, and has been extremely active since his appointment as Vice Chairman in 1954.

I understand, Mr. Bunting, you have to return to New York and would like to be heard at this time.

Mr. BUNTING. Thank you.

Senator HILL. I shall put into the record at this point, General Maas' letter in full.

I shall also put into the record a statement that General Maas has sent with his letter.

(The material referred to follows:)

THE PRESIDENT'S COMMITTEE ON
EMPLOYMENT OF THE PHYSICALLY HANDICAPPED,
Washington, D. C., April 2, 1957.

HON. LISTER HILL,

*Chairman, Labor and Health, Education, and Welfare Subcommittee,
Committee on Appropriations, United States Senate, Washington, D. C.*

DEAR MR. CHAIRMAN: I regret that I shall be in Europe during the scheduled hearings in the Senate on the Labor and Health, Education, and Welfare Appropriations as I would have enjoyed my annual visit with you and the other members of your committee. However, I have asked Mr. Earl Bunting, Vice Chairman of the President's Committee, to represent me.

Mr. Bunting is a past president of the National Association of Manufacturers and for many years was chief administrative official of the NAM. He is Chairman of our Executive Committee and has been extremely active as a volunteer since his appointment by the President as Vice Chairman on December 17, 1954.

I would appreciate this letter and my prepared statement being made a part of the official minutes of the hearing.

In view of the recent action in the House on the budget of the Bureau of Employment Security, it will be extremely difficult if not impossible for the national program to increase and expand as it has the last few years since passage of Public Law 565. I urge your committee to make certain that the Bureau does not suffer such deep cuts that its services to handicapped applicants will be curtailed. I am as much for economy as anybody else, but this would be false economy which will only result in increased payments for unemployment compensation and make it more difficult for large numbers of the seriously handicapped to find jobs which will enable them to pay taxes. It is far cheaper to assist these people in getting jobs than it is to pay them unemployment compensation.

Thank you for your many past courtesies. I shall return from Europe on or about April 11. I would be happy to consult with you regarding the above matter at that time if you wish, for I feel very deeply that this is a subject of primary and vital concern to the handicapped.

Cordially,

MELVIN J. MAAS, *Chairman.*

STATEMENT OF MAJ. GEN. MELVIN J. MAAS, USMCR, RETIRED, CHAIRMAN OF THE
PRESIDENT'S COMMITTEE ON EMPLOYMENT OF THE PHYSICALLY HANDICAPPED

I appreciate the opportunity to again appear before you and briefly report on the activities of the President's Committee. It was my pleasure recently to give President Eisenhower a personal review of the highlights of the past year and you will be pleased to learn that he has agreed to continue his fine support of the Committee not only by speaking at our annual meeting, May 23-24, but in taking part in a special television film short aimed at securing greater equality of opportunity for the handicapped throughout the country.

One of the basic reasons for the success of our voluntary efforts in behalf of qualified handicapped men and women workers has been the continued support of our various programs by the Congress of the United States and the President, not to mention the fine cooperation from the Federal and State agencies. This high level support stemming from the Congress and the President has had a very salutary action on our requests for assistance at the State and local levels. So, in behalf of all the fine handicapped men and women whose lives have been made easier as a result of all this volunteer promotional work, I extend sincere thanks. Important as has been the work of the various public and private agencies, your support of the informational, promotional and educational efforts of the President's Committee has helped in large measure to create a favorable climate of public opinion in which the professionals can best complete their important work of training and placing the handicapped.

As you have noted in the President's budget before you, we are seeking an additional sum of approximately \$37,000 to better serve the States in their various supplementary programs of services to the handicapped through an increase in the number and effectiveness of volunteer committees and an expansion of the Committee's basic promotional efforts at all levels. This amount provides for one additional professional information specialist and for increases in the amounts available for travel, printing, contractual services and the new item of \$5,800 for the civil service retirement fund.

These modest increases will enable us to do a better all-round job and will increase our opportunity to better serve State governors' committees, which, I am happy to inform you, are becoming increasingly more active and correspondingly more effective. As a result of a special brochure prepared by our Office, a number of the States are requesting their own appropriations. We believe this trend is evidence of considerable maturity in a decade of volunteer effort and have encouraged all such efforts to provide governors' committees with a small staff to devote full time to the specialized task of harnessing the best that is available in the magnificent volunteer spirit of our citizens. If we have learned one simple fact, it is that good intentions and kind thoughts are not sufficient. They must be properly put to work in behalf of the handicapped and this has been one of the major successes of our own committee staff. It has seldom overlooked an opportunity to follow through on an expressed show of interest or to capitalize upon the good intentions or kind thoughts of committee members or member organization.

We feel that these additional funds will enable us to keep our faith with the Congress, the people, and the various agencies whose operational efforts we help to supplement as we work together in making Public Law 565 a realistic document. We are setting our sights ever higher so as not to be found wanting in the promotional efforts which the agencies tell us have been so helpful in making it easier for them to train and place increased numbers of handicapped persons.

As I have in the past, I wish again to pay tribute to the very substantial efforts of the Veterans' Administration Information Service for the fine work it has done at real sacrifice of staff time and expense both in Washington and in the field in making our radio-television efforts one of the real crowning successes of the various promotional campaigns sponsored and approved by the Advertising Council. Some of this increase may be used in stepping up Ad Council efforts.

I could not in conscience appear before you without asking for your very personal attention to the budget of the Bureau of Employment Security insofar as it pertains to services to the handicapped. As I told the President, Secretary Mitchell, and members of our executive committee recently, I feel deeply that sufficient funds for the handicapped should be provided so that Public Law 565 can effectively be carried out and so that, as is sometimes the case, funds provided are not siphoned off for other administrative expenses. Also, instead of hiring a handicapped specialist in some cases, persons are given the "title" and the mission is relegated to "additional duties." Those of you who have been a junior officer in any of the armed services know how much attention it is possible to give an additional duty assignment when you have several of such thankless tasks all waiting for action.

I wish to support any reasonable increase in funds for the use of the handicapped placement program in the local offices of the Public Employment Service, for without this support the handicapped will surely lose ground.

In conclusion, we are moving ahead on several fronts. A decade ago when this committee was first established we were a few scattered platoons drilling poorly in a most disorganized manner across the Nation in a relatively few places. Today, thanks greatly to your vision in unanimously passing Public Law 565, we are a small "army" of well-organized, well-equipped volunteers with forces in every State and Territory and the District of Columbia. One of our major goals for the year ahead is to increase the number of volunteers in our "army" and to increase the number of communities in which we have outposts for the handicapped. With your support we shall continue our strategic mission of providing greater security for our Nation through an increase in the personal and family security of handicapped men and women across the country.

TRIBUTE TO GENERAL MAAS

Senator THYE. General Maas is a Minnesota citizen. He was Congressman Maas. He had a most outstanding military record. Gen-

eral Maas has done an outstanding job in this field of physically handicapped. I just do not know of anyone that has possibly put more into this than General Maas has. His accomplishments have meant much to anyone that is afflicted with any kind of a physical handicap.

Senator HILL. You may proceed now in your own way, Mr. Bunting.

Mr. BUNTING. Mr. Chairman, I appreciate, first of all, the opportunity to be heard, because I must be in 3 other places within the next 4 days. That is sometimes hard to do.

HOUSE ACTION

I would like to call your attention to the fact that the action on the House floor authorized "not less than \$182,575" for the work of the committee, thus sustaining the amount approved by the Appropriations Committee.

This action will result in a reduction of \$15,000 from the budget submitted for the committee by the President and the Bureau of the Budget.

(The remainder of Mr. Bunting's statement follows:)

If the Senate accepts the House figure of \$182,575 for the Committee, it will be necessary to curtail our plans for services to the States during fiscal year 1958 as follows: 160 days fewer service to States for staff travel, \$4,000; printing and reproduction services, \$4,300; other contractual services, \$2,300; and equipment, \$3,500.

The above amounts would considerably reduce printing of pamphlets designed to assist in specific projects now underway, construction of new exhibits and art work for specialized pamphlets, and TV films and film spot announcements the most effective means of educating the public through the far reaching medium of television.

With regard to the Bureau of Labor Standards in whose budget item the President's Committee is included, we should point out that the increase voted on the floor of the House for the Committee would actually be at the expense of the Bureau. Consequently, if the Senate Appropriations Committee should accept the figure for the Bureau as voted by the House, we feel in all fairness that the amount should be increased so as not to penalize the Bureau for the increased amount voted for the President's Committee.

However, we do ask for the full amount originally included in the President's budget for this Committee in order for us to continue to take advantage of the tremendous momentum being generated for this movement throughout the country. The impetus thus gained must be maintained and increased and we ask your full approval of our relatively modest request in order that we may step up our educational and promotional programs among employers and workers.

NEED FOR PROGRAM

Mr. BUNTING. There are other details here which will be in the record itself, but I would just like to point out that from the very beginning in 1947, when this committee was first created, it has been my personal privilege to have served on it during all of that time. I have been on the executive committee of it during that entire period. I have seen the growth of the recognition of the job needed to be done in providing job opportunities for people with physical handicaps.

Two years ago I was appointed by the President as Vice Chairman of the Committee. I share everything which Senator Thye has said with respect to General Maas. He is the finest man to work with I have ever seen.

I think for the record that a few statistics might help to influence the action taken by the Senate and the House in this particular case.

Various estimates have been made which indicate there are about 30 million people with varying types of physical handicaps in this country. These 30 million are being added to, less, of course, the deaths, to the extent of about a quarter of a million a year. When we mention physical disabilities, we refer not only to people with visible handicaps, visible physical limitations, but to the people with invisible handicaps, the heart cases, the epilepsy cases, hernia, tuberculosis, back and spinal problems, multiple sclerosis, hearing difficulties, and many other things which all come into this broad classification.

When this activity first started 10 years ago, our approach was to the emotional reaction in the people. Today we have demonstrated, I think, by the activities of the Committee, and all of the people all over the country who have joined in this work, where it has now reached a point where everybody realizes that it is good business to employ physically handicapped people.

NEED TO STIMULATE LOCAL ACTIVITY

The main part of the job we have is to stimulate local activity. We do nothing whatever actually in placing anybody, any handicapped person, in a job. We get a good deal of mail, which is referred to proper agencies of the States and the Federal Government in trying to help people who write us to obtain employment, although we do not encourage that particular act. We have 53 State and Territorial so-called governor's committees, 1 for each of the 48 States, the District of Columbia and the 4 Territories.

We have any number of local committees.

All of this work, of course, is a local matter, because that is where the prospective employee lives and that is where the job is. We only exist insofar as we hope to point out through employer organizations, through employer groups themselves, through employee groups, through union officers and unions, and all other points of influence, including Government branches, Government bureaus, Government divisions and departments at all levels, Federal, State and local, the desirability of providing opportunities for people with physical limitations.

We feel that the amount asked for this year should be granted. Roughly 50 percent of our total request of \$197,575 is in the form of pay. About 23 or 24 percent of it is in travel and printing, reproduction and other contractual services, amount to something like \$40,000, or a little over 20 percent.

We laid down a schedule this year which we feel would carry on and enable us to enlarge a little bit on some of the cooperation that we try to give to the governors and to the local committees.

RESTORATION REQUESTED

Therefore, Mr. Chairman, I hope that you will reconsider this small cut of \$15,000, and that we may have it restored to the budget.

Also, I point out that we exist in the Labor Department more or less on squatter's rights. We are not actually a part of the Labor Department, except for housing and bookkeeping purposes. In that instance, to carry through with the action that was taken on the House floor of reducing a certain budget in the Labor Department, one of the

bureaus or divisions of the Labor Department, by several thousand dollars, and specifying that this amount granted to the President's Committee was in addition to that, means that the \$15,000 taken from the Bureau of Labor Standards would impose a burden on that division by reason of our simply being domiciled there. They are two separate propositions.

BUDGET SITUATION

Senator HILL. Your funds are carried, are they not, in the budget item for the Bureau of Labor Standards?

Mr. BUNTING. That is correct. But simply as a matter of house-keeping.

Senator HILL. I understand. You are separate from them and operate independently, but as a matter of housekeeping your funds are in that budget item, is that correct?

Mr. BUNTING. That is true.

Senator HILL. Any questions, Senator Dworshak?

Senator DWORSHAK. I would like to know whether there is any noticeable change in employers toward employment of physically handicapped. Are you making any progress toward a more understanding approach to this problem?

Mr. BUNTING. It is very widespread. It is very encouraging. Of course, in my past connections, I have had a pretty good opportunity to observe it.

One of the problems we do face, and which we are trying to find a way to solve, has to do with presidents and chairmen of boards, and directors of companies saying, "This is a wonderful thing and we will do it" and then you run into foremen, supervisors, and personnel directors who have certain other obligations to the companies. At that point we commence to have frictions. That is the point we are really trying to accumulate the information on so that the foremen and supervisors, the employment directors, the pre-employment examination procedures, which are employed in many instances, will prove to be helpful instead of retarding measures.

I have, Mr. Chairman, in addition to the other material, some printed documents which you may or may not have time to use.

Senator HILL. You may leave that with the committee. That will be very fine.

Will you tell the General, please, that we are sorry he could not be with us, but we understood fully why he could not be.

We are glad to have had you.

We shall certainly give careful consideration to his letter, and to his testimony, as well as to your testimony, sir. We are much obliged to you.

Mr. BUNTING. Thank you, sir.

Senator HILL. The committee will stand in recess now until 10 o'clock in the morning.

(Whereupon, at 12:07 p. m., Monday, April 8, 1957, the committee recessed, to reconvene at 10 a. m., Tuesday, April 9, 1957.)

LABOR-HEALTH, EDUCATION, AND WELFARE APPROPRIATIONS, 1958

TUESDAY, APRIL 9, 1957

UNITED STATES SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, D. C.

The subcommittee met at 10 a. m., pursuant to recess, in room F-82, the Capitol, Hon. Lister Hill (chairman of the subcommittee) presiding.

Present: Senators Hill, Pastore, Thyé, Dworshak, and Potter.
Senator HILL. The subcommittee will kindly come to order.

DEPARTMENT OF LABOR

OFFICE OF THE SECRETARY

STATEMENTS OF JAMES E. DODSON, ADMINISTRATIVE ASSISTANT,
SECRETARY OF LABOR; AND J. ERNEST WILKINS, ASSISTANT
SECRETARY OF LABOR

APPROPRIATION ESTIMATE

Salaries and expenses: For expenses necessary for the Office of the Secretary of Labor (hereafter in this title referred to as the Secretary), including [the conduct of a program of promoting employment of the older worker, and including services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C., 55a) ; teletype news service;] payment in advance when authorized by the Secretary for dues or fees for library membership in organizations whose publications are available to members only or to members at a price lower than to the general public; and [not to exceed \$4,000 for the purchase of one passenger motor vehicle for replacement only; \$1,751,000, of which not more than \$154,490 shall be for international labor affairs] *purchase of uniforms or allowances therefor, as authorized by the Act of September 1, 1954, as amended (5 U. S. C. 2131) ; \$1,619,000.*

JUSTIFICATION OF LANGUAGE CHANGES

Deletions

1. The phrase "including the conduct of a program of promoting employment of the older worker," has been omitted because the planning phase of the program has been completed and the 1958 budget proposes funds for carrying on an operating program be appropriated direct to the Bureau of Employment Security and the Bureau of Labor Statistics. The omitted language has not been inserted into the appropriation language of the two Bureaus mentioned, because it is our opinion that the execution and servicing of such a program is inherent in their normal functions and requires no specific authorization.

2. The phrase "and including services as authorized by section 15 of the act of August 2, 1946 (5 U. S. C. 55a)" has been omitted as a specific attribute of individual appropriations to the Department and added as a general provision applicable to all appropriations.

3. The provisions for teletype news service has been deleted from this appropriation and inserted in the language establishing a revolving fund under the proposed new appropriation structure for the Department.

4. The provision "and not to exceed \$4,000 for the purchase of 1 passenger motor vehicle for replacement only" has been omitted since it has served its purpose during the current fiscal year and there is no need for perpetuation.

5. It is proposed to omit the phrase "of which not more than \$154,490 shall be for international labor affairs" as being unduly restrictive of operations within a single appropriation. There has been a definite and constructive trend in the last decade to break away from line-item budgeting and dollar limitations. There must be a certain amount of flexibility within a single appropriation to meet unforeseeable circumstances. Without this flexibility, incongruous, organizational situations can arise which defy solution and must be permitted to endure until relief is afforded by the next succeeding fiscal year's appropriation. The Department, therefore, regards this limitation inharmonious with modern advancements toward efficiency in budgeting and administration.

Additions

The phrase "including purchase of uniforms or allowances therefor as authorized by the act of September 1, 1954 (65 Stat. 1114), as amended" is inserted to reinstate the availability of this appropriation for the purpose stated as originally provided for in the fiscal 1956 version by section 1501 of the Supplemental Appropriation Act, 1956 (Public Law 219, 84th Cong.). It was inadvertently omitted for fiscal 1957 thus depriving the Department of the authority which other Departments have to purchase replacement uniforms for its chauffeurs during the current fiscal year.

Summary of new positions

Office of Administrative Assistant Secretary:

1 GS-12 organization and methods examiner----- \$7, 570

Office of International Labor Affairs:

1 GS-17 Deputy Assistant Secretary----- 14, 620

1 GS-11 ILO Operating Officer----- 6, 390

1 GS- 4 Junior administrative assistant----- 3, 415

2 GS-14 area specialists----- 10, 320

1 GS- 5 secretary----- 3, 670

Office of Personnel Administration:

1 GS- 9 Classifier----- 5, 440

1 GS- 7 Classifier----- 4, 525

1 GS-12 Placement Officer----- 7, 570

1 GS- 5 Processing clerk----- 3, 670

The library:

2 GS- 7 cataloger----- 4, 525

1 GS- 5 cataloger----- 3, 670

3 GS- 3 clerk typist----- 3, 175

Office of Defense Mobilization:

2 GS-12 mobilization specialist----- 7, 570

1 GS-11 communication specialist----- 6, 390

2 GS- 5 secretary----- 3, 670

EFFECT OF HOUSE ACTION

Activity No. 1. Executive direction and program coordination

The full amount requested of \$620,055 for 57 positions was allowed by the House. This is an increase of \$56,355 over 1957 revised base. This increase includes \$48,785 for mandatory items and \$7,570 for one position for the management improvement program of the Administrative Assistant Secretary and for a greater volume of budget work required in connection with new legislative proposals.

Activity No. 2. International labor affairs

The House allowed an increase of \$24,975 for mandatory items and denied an increase of \$51,815 and 5 positions for program expansion. This program reduction will prevent the Department from:

(a) Following the labor developments in countries of regions of the world such as Latin America, Africa, and the Near East. Because of the far-reaching influence of workers and worker organizations in the political life and economic

development of a country, it is essential that the United States be thoroughly informed on the activities and attitudes of these workers as United States foreign policy is developed and day-to-day actions are taken. The world is still in the process of testing the fitness of political systems and the validity of political philosophies. This country needs to know about Communist activity among workers in other countries. Its significance must be appraised and proposals for dealing with it must be developed. Area specialists in the Department analyze developments and provide information and advice to the Department of State which is considered along with other information and advice in developing policy and in determining day-to-day action. Without the additional staff the Government may be without expert analyses of labor developments in areas of the world.

(b) From improving service to employers and workers in their participation in the ILO. United States employers have voted to participate in the ILO during 1957. Future participation to be dependent upon improvements made in certain activities of the ILO. Only a small part of the increase is requested to service the ILO function. The Departments of Labor, Commerce, and State have a program to improve United States participation in the ILO. Additional staff are needed to do the job.

(c) The Department also requested additional funds to improve the executive direction and administration of international labor programs. The Assistant Secretary needs assistance because of his far-reaching responsibilities for liaison with employer and worker groups; his responsibility for policy advice to key people in the Department of State and because of his extensive responsibilities for representing the United States in conferences outside the country.

In addition the House restored to the appropriation language a dollar ceiling on the amount of the appropriation which could be spent for international labor affairs. Apart from the fact that the House limitation of \$170,000 is less than the amount allowed of \$184,465, inclusion of a dollar ceiling destroys flexibility to meet emergency fiscal requirements during the fiscal year. Flexibility within an appropriation is essential to efficient operations to meet unforeseeable circumstances. In any event, the dollar ceiling should be consistent with the amount allowed in the budget.

Activity No. 3. Central administrative services

The total increase requested for this activity is \$128,445. The House action permits an increase of \$101,945. This will allow mandatory items of \$41,110 and 14 positions of \$60,835. It denies 5 positions and \$26,500. This has the following effect:

(a) For personnel activities we requested 4 new positions and \$17,615. We can allocate \$13,060 for 3 positions and lose 1 job of \$4,655. The loss of \$4,655 will retard our efforts to adequately handle personnel services required by the Bureaus.

(b) For library services we requested 6 new positions and \$25,435. We can allocate 5 positions of \$16,675 but we lose 1 position at \$3,760 and \$5,000 to buy necessary books to add to the library. This loss of \$8,760 will hamper our efforts to reduce catalog backlog and to keep our library current on books and periodicals.

(c) For publications, reports, and informational services we requested 6 new positions and \$33,935. We can allocate 4 positions and \$24,370. We lose 2 positions and \$9,565. Denial of the full amount requested will impede the Secretary's efforts to develop the type of publications and to expand dissemination of materials to inform workers, management, and others of matters of concern to improvement of the welfare of wage earners.

(d) For budget and fiscal activities we requested 3 positions and \$10,350. We can allocate 2 positions and \$6,730 and we lose 1 position at \$3,620. Denial of the full amount requested will impede our efforts to establish better cost accounts control for the working capital fund program.

Activities No. 4. Defense mobilization affairs

The House allowed \$50,000 of the request for \$275,000. The amount allowed is to cover nonrecurring rental and maintenance costs of space at the Department's relocation site to house a nucleus staff to perform a variety of essential functions necessary to continuity of the Department in the event of an emergency.

The amount of \$225,000 not allowed will prevent the Department from (a) developing, for emergency use, appropriate and effective wage and salary stabilization programs essential to economic stabilization in times of an emergency.

(b) to develop ways and means to assure ability to supply manpower resources to meet production requirements of military and essential civilian assumption,

(c) to maintain an accurate and up-to-date standby list of skills critical to mobil-

ization, and (d) to provide staff to coordinate the program and to provide a full time emergency communication officer.

Amounts available for obligation

	1957	1958
Appropriation or estimate.....	\$1,751,000	\$1,785,340
Transfers:		
To bureaus to finance working capital fund.....	-344,000	-----
To BLS and BES for older worker program.....	-137,000	-----
From Mexican farm appropriation.....	+15,800	-----
Nonrecurring items: Skills of the work force.....	-39,075	-----
Total estimate.....	1,246,725	1,785,340

Obligations by activities

Description	Revised 1957 base		Estimate, 1958		House allowance, 1958	
	Positions	Amount	Positions	Amount	Positions	Amount
Executive direction and program coordination.....	56	\$563,700	57	\$620,055	57	\$620,055
International labor affairs.....	19	159,490	24	238,305	19	184,465
Central administrative services.....	93	523,535	112	651,980	107	625,480
Defense mobilization affairs.....	-----	-----	5	275,000	-----	50,000
Total obligations.....	168	1,246,725	198	1,785,340	183	1,480,000

Obligations by objects

Object classification	Adjusted 1957 base	Estimate, 1958	House allowance, 1958
SUMMARY OF PERSONAL SERVICES			
Total number of permanent positions.....	168	198	183
Average number of all employees.....	162	194	179
Number of employees at end of year.....	168	198	183
01 Personal services.....	\$1,102,530	\$1,294,230	\$1,200,745
02 Travel.....	25,800	37,700	25,800
03 Transportation of things.....	2,000	2,000	2,000
04 Communication services.....	19,300	19,800	19,300
05 Rents and utilities.....	-----	50,000	50,000
06 Printing and reproduction.....	6,500	6,500	6,500
07 Other contractual services:			
For contributions to revolving fund.....	52,795	61,195	61,195
For services performed by other agencies.....	-----	188,000	-----
For miscellaneous items.....	16,370	17,870	16,370
08 Supplies and materials.....	14,030	14,530	14,030
09 Equipment.....	7,000	12,500	7,000
11 Contributions to retirement fund.....	-----	80,615	76,660
13 Refunds, awards, and idemnities.....	400	400	400
Total obligations.....	1,246,725	1,785,340	1,480,000

Summary of changes

1957 actual appropriation.....	\$1,751,000
Transfers:	
To finance Bureau's shareof working capital fund.....	-344,000
From Mexican farm account.....	+15,800
To BES and BLS for older worker.....	-137,000
Nonrecurring items: Skills of the work force.....	-39,075
Revised 1957 base.....	1,246,725
1958 appropriation request.....	1,785,340
Net change requested.....	+538,615

	Estimate, 1958		House allowance	
	Positions	Amount	Positions	Amount
For mandatory items:				
Extra day of pay on 1957 base.....	None	\$4,895	None	\$4,895
Executive pay raises on 1957 base.....	None	24,915	None	24,915
Retirement contribution on 1957 base of 168 positions.....	None	68,920	None	68,920
Retirement and depreciation on working capital fund.....	None	8,400	None	8,400
Subtotal.....	None	107,130	None	107,130
For program items:				
For the international labor program.....	5	54,510	None	None
For management improvement.....	1	8,043	1	8,043
For budget and fiscal.....	3	11,397	2	7,151
For personnel activities.....	4	18,760	3	13,867
For library activities.....	6	27,720	5	21,182
For information activities.....	6	36,055	4	25,893
For mobilization planning.....	5	275,000	None	50,000
Subtotal.....	30	431,455	15	126,145
Grand total.....	30	538,615	15	233,275

PREPARED STATEMENT

Senator HILL. Mr. Dodson, we are glad to have you here with us this morning and any other witnesses you may have with you. We will be glad to have you proceed now in your own way, sir.

Mr. Dodson. Thank you.

I have previously filed with the committee the complete statement with regard to all of the items of the Office of the Secretary. At this time I have a very short statement to read with regard to the effect of the House cut.

Senator HILL. All right, sir. Your complete statement will be inserted in the hearings at this point.

(The statement referred to follows:)

The total request for 1958 is \$1,619,000. This is a net increase on a comparable basis over 1957 of \$312,400 of which \$275,000 is to carry out the Department's responsibilities in the defense mobilization program. The balance of the increase is accounted for as follows:

Increases:

For international labor program.....	\$51,815
For the Administrative Assistant Secretary.....	7,570
For the Office of Personnel Administration.....	16,915
For the library.....	26,125
For retirement contributions.....	68,020
For 1 extra day of pay in 1958.....	4,170
For executive pay raise authorized in 1957.....	24,915
For increase in revolving fund contribution.....	13,945

Subtotal..... 213,475

Decreases: For completion of planning phases of the older worker program (\$137,000) and skills of the work force program (\$39,075)..... 176,075

Total net increase..... 37,400

The breakdown of the estimate by activity, by object, and by purpose is shown on pages SEC-4 and SEC-5 of the material submitted to the committee.

I would like to give you a brief explanation of the proposed changes:

Excluded from the Office of the Secretary's budget for 1958 is a total of \$466,800 for performing certain centralized services for all bureaus of the Department. We have dropped this amount from the budget for 1958 and re-

flected it in the Bureau budgets. I will explain this in detail later on when we come to the item on the proposed new revolving fund.

Since the planning phases of the skills of the work force and older worker programs will be completed by the close of fiscal 1957 we have not included in the 1958 request \$176,075 for this work during the current year.

For expansion of the international labor program, a net increase of 5 jobs and \$51,815 is requested to provide staff for a Deputy Assistant Secretary, 2 additional area specialists and 1 clerk and 1 additional staff specialist and a clerk to work on increased ILO participation. One position available in 1957 has been eliminated. Assistant Secretary Wilkins in charge of the Office of International Labor Affairs is here and available to the committee for any interrogation they may desire to make of him.

For my own office I am requesting one additional position at \$7,570 in order to strengthen our management improvement program. We have much more work to do now on legislative reports and recommendations than in the past. Public Law 801 passed by the 84th Congress requires an estimate for each of the first 5 years of operation of any proposed legislation by the administration or referred by Congress to us for comment. In addition we must calculate manpower required by major classification and the cost of administration whenever the activity involved exceeds \$1 million. This has added greatly to our work and at present our only recourse is to work overtime to fulfill our responsibility in this field.

An increase of \$16,915 is requested for new positions for the Office of Personnel Administration to handle increased activities in the field of recruitment, training, executive development and performance appraisal. For several years Congress has allowed a staffing formula of 1 personnel person to every 105 employees. It is estimated that the personnel office will be required to handle employment matters for approximately 6,400 employees. If we are to use the full application of the formula of 105 to 1, this would allow a personnel staff of 61 employees. The current authorized strength of the Office of Personnel Administration is 45 positions. This increase would provide for 4 additional employees or a total staff of 49 positions which is substantially below the ratio allowable by Congress.

For the departmental library we are requesting an increase of \$26,125 of which \$5,000 is for equipment and the balance for salaries. This will provide six additional positions in the library. At the present time we have a staff of 19. The functions of the library were the subject of a study several years ago by an outside consultant who recommended a total staff of 29 people. We have not been successful in getting increases for the library that we believe are essential to maintain the books and other reference documents in a manner and condition that will enable satisfactory service to be rendered to the employees of the Department, other Federal agencies, and outsiders using the library for reference such as labor, management organizations and staffs of colleges. The justifications appearing on pages SEC-14 and SEC-15 go into greater detail as to need. The emergency shifting of personnel that is required to meet the day-to-day demands upon the library is not a satisfactory method of operation. For example, catalogers are shifted to do reference work while at the same time there is a backlog of cataloging. The additional positions requested would provide 1 additional reference librarian and 2 catalogers, as well as a clerk-typist, which would relieve higher paid people being diverted from their duties to those of a lesser skill.

The \$68,020 for retirement contributions is requested pursuant to Public Law 854, 84th Congress; \$4,170 for the extra day of pay in 1958, and \$24,915 for the executive pay increases authorized by the last session of Congress.

The functions of the Office of the Secretary share of the increase required for the service functions proposed to be financed out of a revolving fund is \$13,945.

In our 1956 estimate we included request for funds for carrying out the Department's delegated responsibilities in the defense mobilization program. These responsibilities are those delegated to us by the Director of the Office of Defense Mobilization. The committee at that time disapproved our request which was also inclusive of funds needed to carry out the delegations to the department from the Federal Civil Defense Administration and stated " * * * it would be for the central agency charged with the primary responsibility to prepare and present to the Congress a total integrated program * * * " As a result of the position taken by this committee and confirmed by the Congress this matter has been the subject of discussions at high levels and we have been informed that

the Director of the Bureau of the Budget under date of January 18, 1957, forwarded a communication to Chairman Clarence Cannon setting forth the principles that the administration had followed in connection with the approval of funds for defense mobilization activities. Our understanding is that the Bureau of the Budget followed the policy of approving requests for funds where an agency has been assigned responsibilities through defense mobilization orders for the conduct of programs beyond the agency's regular peacetime resources and also for significant nonrecurring costs such as those for alterations of buildings and the initial moves to a relocation site. The estimate before you has been appraised by the Bureau of the Budget in keeping with this policy. We have specific delegations of authority from ODM for work in the fields of manpower and wage stabilization planning.

The funds are requested to be appropriated to the Office of the Secretary in order that we may have flexibility of administration through using such facilities of the several bureaus of the Department as may be deemed necessary to properly do the developmental and planning work involved. In addition to working on the delegated responsibilities the Department desires to locate permanent staff at its relocation point and in this connection the estimate includes \$50,000 to defray rental and related costs during the first year of occupancy of an office to be established at our relocation point for performing their regular duties but at the same time assuming certain responsibilities for quickly placing into operation the Department's emergency plans if and when an emergency occurs. It is quite possible that in future years the General Services Administration will be requested to pick this item up. Of course, space for which rent is now being paid that we may vacate both in Washington and at field locations will represent an offset to the cost for rent at the relocation point.

Assistant Secretary Siciliano will be in charge of the program aspects of the delegated responsibilities and is here available to the committee.

I would now like to take up our request for the establishment of a revolving fund.

This proposal for the establishment of a revolving fund is new for the Department but is not new with many large agencies of Government such as Agriculture, Interior, Commerce, and the Department of Health, Education, and Welfare. In essence, it is a device to finance operating costs of centralized services used by all bureaus and offices of the Department in order to (a) more accurately reflect proper program costs, (b) simplify method of payment, and (c) enable bureaus to exercise better self-control of services and items requisitioned. This method of financing has the approval of the General Accounting Office, the General Services Administration and the Bureau of the Budget.

Last year during our hearings in the Senate, Senator Hill suggested that our 1958 budget reflect in Bureau budgets their fair share of the costs of certain centralized service operations and the committee report directed us to develop and submit such a plan. The testimony on this matter appears in the Senate hearings on page 23.

We are proposing that, beginning in 1958, the activities referred to on page REV-3 of the budget justifications be financed through the revolving fund by reimbursement from bureaus on the basis of services rendered.

In addition to the types of services illustrated in the Senate report, we have also included items of information, accounts and audits, and visual presentation.

We are requesting an appropriation of \$150,000 for working capital to get this program underway. It will be replenished by reimbursements from the bureaus for actual services performed.

In 1957, \$769,065 of which \$590,780 was in the appropriation for the Office of the Secretary, was appropriated to the Department to finance the activities concerned and, for 1958 we are asking \$95,335 additional. The total amount, \$864,400 is distributed among the appropriations of the several bureaus for reimbursement to the fund.

The increase includes \$77,335 for additional personal services including 6 new positions in the Office of Information, publications, and reports to carry out the Secretary's desire to maintain a better and more coordinated service to the various segments of our economy by keeping them more fully informed of the activities of and services available in the Department. Through the medium of employee details we have experimented with the idea of developing certain basic informational media on a departmentwide basis and are convinced that this is the most comprehensive, effective and economical way to acquaint man-

agement, workers and the public with the aims and functions of the Department. For example, during the past year there was developed the American Workers' Fact Book. The Superintendent of Documents rode our requisition for 10,000 copies for sale to the public. Within 36 days after delivery these publications for sale were completely exhausted and a reprint of 7,500 copies was authorized. To date there has been a total of 16,800 of these publications sold at a unit cost of \$1.50 per copy. Further evidence of the value of this publication has been forthcoming from various sources. The steelworkers union purchased 1,000 copies and the United States Information Agency has ordered 15,000 copies; 10,000 copies of a revised and translated version are being prepared for Pakistan. The press notices were most complimentary. For example, the New York Times in an editorial said, "tells a story of economic progress more exciting than a shelf full of Horatio Alger novels."

Other publications which because of their very nature, must be developed at the departmental level but at the same time have great value to all of the bureaus, are The United States Department of Labor . . . Today; The United States Department of Labor . . . and What It Does; A Subject Listing of Publications of the United States Department of Labor. There are also programs directed toward special projects such as our most recent ones—the older worker project, the skills of the work force—which have resulted in a departmental approach to the issuance of material to the public to bring into focus the extent of the problem and efforts being made to provide a solution to it. Very often the development of material for radio and television use should be at the departmental level and here again staff is required to work with the bureaus and with the companies involved in order that the presentation may be most effective to the public and most comprehensive of the Department's functions.

One new position in the Division of Budget and Fiscal Control is included to handle the additional budget and fiscal work caused by the creation of the fund and two new positions in the Division of Accounts and Audits to perform the accounting and cost distribution for the revolving fund. We have requested that the Division of Accounts and Audits of the Office of the Secretary be included in the revolving fund because it renders a truly centralized service in the fields for which it is responsible. It performs all accounting and audit and payroll functions for five bureaus and offices of the Department: the Office of the Secretary, Office of the Solicitor, Bureau of Veterans' Reemployment Rights, Bureau of Labor Standards, and the Bureau of Apprenticeship. It also handles, on a departmentwide basis, all necessary relationships with the Treasury Department and the General Accounting Office in the field of accounting. Two new positions in this Division are requested to perform the accounting and cost distribution for the revolving fund. The remaining \$18,000 increase is for first year depreciation on the equipment involved.

Page REV-7 shows distribution of the costs to bureaus. Percentages used for each activity are based on prior years' experience of services furnished to the Bureaus.

Finally, I would like to refer to the new language requested in the general provisions.

We are requesting that the words "stenographic reporting" be deleted from the current authorization to use section 15 of the act of August 2, 1946. Heretofore, several bureaus had separate authorization to employ experts and consultants under that act and the Department had general authority to contract for stenographic reporting services. Other bureaus have occasional need for the employment of experts and consultants so we are seeking, by the elimination of the two words, to extend the authority to the Department generally and, at the same time, simplify our appropriation language by elimination of the specific provisions in other appropriations. I think I should point out here that, if this request is denied, the specific authorizations previously enjoyed by the several bureaus should be reinstated.

The request for authority to pay special per diem allowances to employees and their dependents is needed to compensate for the economic disruption of families in the event of moves of personnel contemplated in connection with the decentralization of the functions of the Bureau of Employees' Compensation and the transfer of some regular functions of the Department to its permanent relocation point outside of Washington.

We feel that ample precedent exists for granting this request in similar provisions which were made in the cases of organizational relocation during and after World War II. Without this provision, the loss of personnel inherent to these moves will be greatly aggravated, with attendant loss of efficiency by reason of the necessity to restaff on such a large scale.

EFFECT OF HOUSE REDUCTION

Mr. DODSON. The appropriation request for 1958, taking into consideration certain adjustments, made as a result of the House approval of our revolving fund, is \$1,785,340. On a comparable basis, this is an increase of \$538,615 over 1957. Of this increase, \$107,130 is for mandatory items and \$431,485 is for 30 additional positions and retirement contributions on such positions.

The House has allowed \$1,480,000, which permits continuation of the present staff plus mandatory items to be carried in 1958 on an annual basis and which also allows \$76,145 for 15 additional positions, and \$50,000 for a nonrecurring rent item for a national office emergency relocation site.

INTERNATIONAL LABOR PROGRAM

The House has denied 5 positions amounting to \$54,510 for necessary expansion of the international labor program, 5 positions and \$225,000 for the Secretary to initiate his program of defense mobilization planning, and 5 positions at \$25,830 to meet demands for certain centralized services to the bureaus.

The Secretary, when he appeared yesterday, talked in some detail with regard to our needs for the international labor program and the defense mobilization item. At the end of my statement today I would like to insert 2 very brief statements for the record, 1 by Assistant Secretary Rocco Siciliano, who is in charge of the defense mobilization readiness program in the Department, and 1 by Assistant Secretary J. Ernest Wilkins, who is in charge of international labor affairs.

Senator HILL. We will be glad to have those two statements go into the record.

Mr. DODSON. All right, sir.

(The statements referred to appear at the conclusion of Mr. Dodson's statement.)

CENTRAL ADMINISTRATIVE SERVICES

Mr. DODSON. I will now speak on the "Central administrative services" item.

The reduction in this item involves 1 position and \$4,655 for personnel activity; 1 position and \$3,760, plus \$5,000 for book purchases for the library; 2 positions and \$9,565 for the publications and reports services, and 1 position and \$3,620 for the cost-accounting program for the working capital fund. This means five less jobs than requested.

Loss of 5 positions and \$25,830 will retard our efforts to adequately handle personnel service work required by the bureaus. It will hamper our work to reduce catalog backlog in the library, it will impede our efforts to develop a better publications program designed to reach a greater number of wage earners, and it will impede our efforts to establish better cost-accounts control for the working capital fund.

WORKING CAPITAL FUND

APPROPRIATION ESTIMATE

Revolving fund: For the establishment of a revolving fund, to be available without fiscal year limitation, for financing all expenses necessary for the procurement of supplies, equipment and services and maintenance of operation of such common services as the Secretary, with the approval of the Bureau of the Budget, determines may be performed more advantageously as central services for the Department of Labor, including the purchase of teletype news service, \$150,000: Provided, That the Secretary is authorized to capitalize as part of this fund, at fair and reasonable values determined by him, all supplies and equipment, on hand or on order, and other assets and liabilities relating to the service at the time it is transferred to the revolving fund: Provided further, That the fund shall be (1) reimbursed for all items and services furnished at rates which are approximately equal to expenses of operations, including accrued annual leave and depreciation of equipment, and (2) credited with all other receipts from the operation of the fund.

JUSTIFICATION FOR LANGUAGE

The addition of this fund to the Department's appropriation structure will enable a more realistic evaluation of the actual cost of each program within the Department since funds will be appropriated direct to the bureaus requiring the services to be financed. At the same time it will remove a distortion from the appropriation for the Office of the Secretary. What, in previous years, might have appeared as an increase in that appropriation actually was the reflection of increased demands made by the other constituent bureaus of the Department.

EFFECT OF HOUSE ACTION

Mr. DODSON. The House has approved the establishment of the working capital fund but has restricted it to reproduction services, visual exhibit services, central supply services, and telephone, mail, and messenger service. In addition, it recommended language to permit advance reimbursement and not allow the proposed capitalization.

The House action allows us a working capital fund similar to that authorized for the Department of Health, Education, and Welfare and is in accord with this subcommittee's recommendation last year.

The services not allowed by the House have been restored to the Office of the Secretary appropriation.

That completes my statement, Mr. Chairman.

Senator HILL. With reference to that working capital fund, Mr. Dodson, how much have you been denied on that now?

Mr. DODSON. It is a case of functions, Mr. Chairman, that have been denied. We had asked that there be included in the working capital fund account certain work pertaining to our publication information work, some budget and accounting work. The House has denied those functions.

I will say that when this committee recommended last year that we look into the establishment of a working capital fund, it did not indicate those two items of activity.

Senator HILL. They did not indicate those two items?

Mr. DODSON. No, sir. So that the working capital fund now is more in line with what this committee recommended us to look into last year.

Senator HILL. In other words, then, the allowance in the bill now would permit you to carry out what we recommended last year; is that right?

TRANSFER LANGUAGE

Mr. DODSON. Yes, sir. And also the action that the House took in the language would allow us to have reimbursements in advance. In other words, as we see the need of work for the bureaus, we would ask for a transfer from the bureaus in that amount of money that we think will cover the work.

Senator HILL. Will the language that the House put in permit those transfers?

Mr. DODSON. Yes, sir; it is entirely workable.

Senator HILL. Did the House put that language into the bill, or into the report?

Mr. DODSON. They put it into the bill.

Senator HILL. Did they put it right into the bill?

Mr. DODSON. Yes, sir.

Senator HILL. So that it is now in the bill; is it?

Mr. DODSON. Yes, sir.

Senator HILL. And you would like to keep that language in the bill; is that it?

Mr. DODSON. Yes, sir.

ESTABLISHMENT OF WORKING CAPITAL FUND

Senator HILL. We will insert the language as it now appears in the bill as passed by the House to establish the working capital fund. (The matter referred to follows:)

Working capital fund: There is hereby established a working capital fund, to be available without fiscal year limitation, for expenses necessary for the maintenance and operation of (1) a central reproduction service; (2) a central visual exhibit service; (3) a central supply service for supplies and equipment for which adequate stocks may be maintained to meet, in whole or in part, the requirements of the Department; and (4) telephone, mail and messenger services: *Provided*, That any stocks of supplies and equipment on hand or on order on June 30, 1957, shall be used to capitalize such fund: *Provided further*, That the fund may be used to finance the cost of centralized procurement of supplies and equipment and that the fund shall be reimbursed in advance from available funds of bureaus, offices, and agencies for which services are performed at rates which will return in full all expenses of operations, including reserves for accrued annual leave and depreciation of equipment.

Senator HILL. Then the truth is that as the bill is now written and the appropriations carried, you could go forward, as this committee contemplated last year?

Mr. DODSON. Yes, sir. This is workable, very workable.

EFFECT OF HOUSE REDUCTION ON PERSONNEL REQUIREMENTS

Senator HILL. You spoke about your personnel services. Can you give us a little more detailed explanation of how those services would be affected by the reduction in the budget estimate?

Mr. DODSON. In the Department of Labor we operate a central Personnel Division that services all the bureaus. The large bureaus have only one liaison person that works with this central personnel service.

The demands on the personnel service here in the past year have been great, with the tight labor market, with the problems of getting employees, competing with others, and also the fact that our budget estimate included a request for additional staff, some 313 in toto for

the Department. Also, personnel people are usually allowed on the formula basis, 1 to 135 or 1 to 110. There are different formulas for different agencies of the Government.

RECRUITMENT PROBLEM

Senator HILL. Do you have much trouble getting personnel now?

Mr. DODSON. Yes, sir. It is very difficult, particularly in the stenographic and typing fields. Economists are now in short supply.

Senator HILL. Does your personnel request constitute five additional people?

Mr. DODSON. No, sir. The action of the House deprives us of one additional position. We had asked the House for 4 positions, so we really have 3.

Senator HILL. You have the 3 now, so that there is a question of only 1 additional person; is that correct?

Mr. DODSON. Yes, sir.

Senator HILL. Senator Pastore, do you have any questions you would like to ask?

Senator PASTORE. Yes, Mr. Chairman.

What kind of job is this one elimination?

Mr. DODSON. It is hard to say just what it will be.

Senator PASTORE. Under what category would it come? Is it specialized work?

Mr. DODSON. This would likely eliminate a clerical person, about a grade 5 person.

Senator PASTORE. There is nothing to get excited about on that; is there?

Mr. DODSON. I have to agree reluctantly with you.

Senator HILL. Is there anything else you would like to add, Mr. Dodson?

Mr. DODSON. No, sir; there is not.

Mr. Wilkins is here, if you have any questions.

Senator HILL. We will be glad to have you make any statement you see fit, Mr. Wilkins.

Mr. WILKINS. Mr. Chairman, my written statement with respect to the effect of the House cut on the budget for the International Labor Affairs will be filed.

Senator HILL. That will appear in full in the record.

Mr. WILKINS. We set out the accomplishments and duties and responsibilities of the person for whom we are trying to get additional positions.

There is only one thing that I would like to emphasize. In the language in the House bill they restored a dollar ceiling to our appropriation. We are of the opinion and considered judgment that that ceiling does not give the Secretary the kind of flexibility he ought to have in administering his budget.

CEILING ON FUNDS FOR INTERNATIONAL LABOR AFFAIRS

The other thing about it that is not quite clear is that the House fixed a ceiling of \$170,000 for use in International Labor Affairs, and we are not certain that that includes the mandatory increases that were allowed by the House.

Senator HILL. How much do the mandatory increases amount to?

Mr. WILKINS. \$24,975.

Our base for the fiscal year 1957 was \$159,490. So that if the \$170,000 figure includes the \$24,975, our figure for the fiscal year 1958 is less than it was for fiscal 1957. I think it is important that that be clarified so that we will know exactly where we are.

Senator HILL. Is that ceiling in the bill, or was that in the report?

Mr. WILKINS. The ceiling is in the bill.

Mr. DODSON. Page 2, line 12. It states:

* * * of which not more than \$170,000 shall be for International Labor Affairs.

Senator HILL. That is not clear, then, as to whether that is to be a ceiling on everybody, or whether, as you say, it includes these mandatory increases.

Mr. WILKINS. Yes.

MANDATORY INCREASES

Senator HILL. In addition to the question of the mandatory increases you are asking for some additional personnel, are you not?

Mr. WILKINS. Yes, sir, Mr. Chairman.

Senator PASTORE. May I interrupt there?

Senator HILL. Yes, Senator.

Senator PASTORE. What kind of flexibility would you prefer?

Mr. WILKINS. It would seem that it would be better, in the bill, in the figures themselves, if the figures were fixed for the International Labor Affairs, that the Secretary have authority to shift from item to item as he does in some of the other branches of the Department.

Senator PASTORE. Would language be necessary in that event?

Mr. WILKINS. I do not think language would necessarily be necessary.

Senator PASTORE. Would you have to delete this line 12?

Mr. WILKINS. I think we would have to delete the line 12.

Senator PASTORE. Is that what you are asking for, really?

Mr. WILKINS. Yes.

Mr. DODSON. Our original budget request was without the limitation.

Senator HILL. If you did not delete this language, then that would absolutely impose a ceiling or you could not shift anything, so that the sum total would be above this \$170,000; is that right?

Mr. WILKINS. That is right.

Senator HILL. Do you have any further questions, Senator?

Senator PASTORE. No.

Senator HILL. You may proceed to make whatever statement you wish, Mr. Wilkins.

AREA SPECIALISTS—MIDDLE EAST, AFRICA, AND LATIN AMERICA

Mr. WILKINS. In 1956 and 1957 you allowed us two area specialists, to cover Europe and the Near East. We are asking for two additional area specialists, to cover the Middle East and Africa and Latin America. We ask for these two positions, plus a clerical position.

We now have 2 professionals and 2 clerical persons handling the work of the International Labor Organization, in preparation of documents, position papers and what not, for the Conference of the

International Labor Organization and for the many committees that it has.

I am sure you are familiar with the fact that the employers are nominated by the National Association of Manufacturers and the National Chamber of Commerce, and they have agreed to go along with the ILO for 1957, provided our influence in the organization is increased. So, to aid us in this work we ask for 1 additional professional and 1 clerk.

I think it is very important that we do that if we are to build up better relations and exercise a greater influence in the International Labor Organization.

Senator HILL. Do you mean you would then have 6 people instead of the present 4?

Mr. WILKINS. That is right; in the operation for the ILO.

DUTIES OF AREA SPECIALISTS

Senator HILL. Let me ask you this, sir, about these 2 area specialists that you now have and the 2 additional ones that you want, 1 for Latin America and 1 for Africa: Can you give us a brief picture of what those area specialists will do?

Mr. WILKINS. This is set forth in my statement here, Mr. Chairman.

Senator HILL. You might just briefly summarize it for us.

Mr. WILKINS. These area specialists appraise the attitudes of workers and work organizations in all of the countries represented in the work. They study the question of Communist influence, Communist-dominated trade unions, and things of that sort. We provide information to the Government with respect to the movements of Communist workers. We furnish information to the Department of State on the effect of the Organization of American States on workmen. And we gather information with reference to wages of workers in countries of the 77 nations that comprise the ILO.

This information is made available to Members of Congress and is made available, as I said, to the Department of State. It is made available to the Department of Defense or any of the other agencies of the Government.

SPECIALISTS' SALARIES

Senator HILL. What is the salary of one of these area specialists?

Mr. WILKINS. It is a grade 14, Mr. Chairman, and that starts at \$10,320.

Senator PASTORE. May I inquire at this point, Mr. Chairman?

Senator HILL. Yes, go ahead.

Senator PASTORE. Can you, for the record, give us an example of one of the advantages that we receive because of these area inspectors? What have been some of the fruits of this work?

Mr. WILKINS. It is a little hard to speak in specifics, but these specialists have gathered information which we have been able to incorporate into reports. Just take one of our Latin American countries, like Venezuela, for instance, where the American Government has a lot of interests in respect to oilfields and that sort of thing; they gathered information on the wages of people who work in these areas. They have gathered information on the question of whether or not the workers are Communist-inclined or whether it is a free,

democratic process that we have there. I think that is one of the things that has been done. And, of course, there is the question of the number of workers, whether or not women work, the conditions of women at work and hours of work, and that sort of thing.

Senator PASTORE. The reason why I asked the question, Mr. Chairman, is that when I was at the United Nations there was somewhat of a feeling of antipathy toward this kind of activity. I do not know that it was ever justified, but I have been at wits' end to ever determine what good it does us after we find out these things and put them into the form of statistics, and write reports.

If you are going to strive to cut a budget at all, I mean in the essentials, that is, the things that should be essentially cut, as against those things we know we cannot cut, why would not the elimination at this point be good unless a good case can be made for the advantages of it?

I know it is desirable to make all these investigations and determinations if you could well afford to do it, but if you are going to cut somewhere, why would not this be a good place to cut as against some of these other things where you can cut?

Mr. WILKINS. I presume the answer to that is that the work in which you are interested is always most important to you.

Senator PASTORE. I am not talking about myself, I am talking about the Nation now.

Mr. WILKINS. I think it is important, Senator, that we do work in this area. No one can argue seriously that working conditions in the United States are not much better and far superior to the conditions of work of other people, in other parts of the world. But it seems to me that in making these studies and participating in the International Labor Organization the United States Government has an opportunity to improve the working and living standards of working people in other parts of the world.

We certainly must agree this is a very distinct advantage, that if we increase the living and working standards of people throughout the world we eliminate, to some degree, the importation by the United States of commodities that are manufactured by cheap labor. I think that is a very important thing, from our standpoint.

Senator PASTORE. Do you mean with reference to tariffs?

Mr. WILKINS. Yes, tariffs. I think it is very important.

Senator HILL. Do you have any further questions, Senator?

Senator PASTORE. No, Mr. Chairman.

Senator HILL. Do you have anything you would like to add, Mr. Dodson?

Mr. DODSON. No, sir.

Senator HILL. Thank you very much for your appearance here this morning.

You are going to stay with us this morning; are you not?

Mr. DODSON. Yes, sir; I will be here all the way through.

PREPARED STATEMENTS

Senator HILL. Very well. And the statements of Mr. Wilkins and Mr. Siciliano, which you have presented for inclusion in the record, will appear in the record at this point.

Mr. DODSON. Thank you, Mr. Chairman.

(The statements referred to follow:)

TESTIMONY OF ASSISTANT SECRETARY OF LABOR J. ERNEST WILKINS ON
INTERNATIONAL LABOR AFFAIRS APPROPRIATION

1. AREA SPECIALISTS

In 1956 and 1957, Congress appropriated money for 2 area specialists and 1 clerical person. Two additional area specialists and a clerk are requested.

One of the area specialists previously approved is now handling Europe and the other is handling the Far East.

One of the new positions requested would be to handle the Near East and Africa and the other would be to handle Latin America.

This increase is requested to permit the Department of Labor to follow the labor-manpower developments in countries of regions of the world such as Latin America and the Middle East.

The Department of Labor has know-how in the labor and manpower fields just as Department of Agriculture has in the agricultural field; Treasury in monetary and finance; and Commerce in trade. A specialist who follows a given area can put to good use the Department's know-how in analyzing the meaning of trade union developments, labor-management relations, social insurance programs, labor conditions, wages, etc.

The analyses and interpretations made by area specialists in the labor-manpower field, along with those of Agriculture, Treasury, and Commerce, provide the Department of State with the basis for determining policy and taking day-to-day action. One of the major United States foreign policy objectives is to keep nations and peoples friendly to this country. The analyses and interpretations of the attitudes and activities of workers in other countries provide a basis for shaping United States actions to develop and maintain this friendship.

Without these additional funds, the United States Government may be without expert analyses of labor developments and particularly the causes of Communist activity among workers in other countries.

Accomplishments of area specialists.—In talking about the work and specific accomplishments of the area specialists, it is difficult to list specific accomplishments without revealing information which would be injurious to our relations with other countries. Comments are therefore rather general and where specific countries or regions are mentioned I hope the committee will accept them on an off-the-record basis.

Area specialists have given major assistance in developing manpower and labor programs which are contributing to achieving United States foreign policy objectives.

1. Area specialists now on the job have appraised the attitudes of workers and worker organizations in many countries and advised Department of State on how to take problems into account in foreign policy actions.

2. In cooperation with other agencies, the Department of Labor has developed programs to assist countries to combat communism.

3. Advised Department of Defense reemployment and labor relations problems in several Far Eastern areas where there are large military operations. Bad practices have resulted in unfavorable reactions by other nations.

4. The Department of Labor has developed a manpower and training program for SEATO and furnished a representative to represent the United States Government on SEATO working groups.

5. Worked with Department of State in getting United States employers operating in Far Eastern countries to consider labor relations practices which would be helpful in building better attitudes toward the United States.

6. Provided assistance to the Indian Government through Department of State, ICA, and private agencies on their professional and skilled manpower problems to meet the industrialization taking place.

7. Provided assistance through ICA and ODM to OEEC in developing a program to improve mobility of labor, as well as to increase needed professional and technical manpower.

8. Advised Department of State and others re policy on offshore procurement which is designed to assist in supporting democratic worker groups.

9. Department of Labor has assisted Department of State and other agencies in considering the problem of improving the effectiveness of the Organization of American States and has suggested the kinds of manpower and labor problems needed and which the Organization might handle effectively.

2. HANDLING UNITED STATES PARTICIPATION IN THE ILO

In 1957, 2 professional and 2 clerical people were used by the Department of Labor in handling United States participation in the ILO. A request is made to increase this by 1 professional and 1 clerical person.

The Departments of State, Commerce, and Labor in May 1956 worked out an arrangement for handling United States participation in ILO. The Department of Labor has responsibility for handling all substantive issues before the ILO and for general coordination of the contributions of other agencies to United States participation.

The additional staff will be used to:

1. Get United States employers and workers to advise more fully in the development of United States positions on issues before ILO.

2. Assist in the work with employers and workers to develop ideas for reshaping the ILO programs and make them serve more effectively the agreed objectives of the organization.

In addition, the increased staff will contribute to:

1. More effective presentation of United States experiences and views on issues before the ILO;

2. More thorough and qualitative consideration in the formulation of the United States Government views;

3. More effective participation in ILO meetings which provide the opportunity to inform employers and workers of other nations of the true nature of United States basic institutions.

As you know, the National Association of Manufacturers and the United States Chamber of Commerce have been very critical of participation in ILO. Both organizations have voted to participate in 1957, contingent upon improvements in United States participation and influence in ILO. The Department of Labor will find it very difficult to live up to its responsibilities without this additional small amount of money.

The House restored to the appropriation language a dollar ceiling on the amount of the appropriations which could be spent for international labor affairs. We believe that the inclusion of a dollar ceiling destroys flexibility to meet emergency fiscal requirements during the fiscal year. We believe that flexibility within an appropriation is essential to efficient operations to meet unforeseeable circumstances. We, therefore, strongly urge the dollar ceiling language be eliminated.

3. LEADERSHIP AND ADMINISTRATIVE SERVICES

The Assistant Secretary has far-reaching responsibilities for maintaining liaison with the employer and worker groups and with the public on ILO matters: he has responsibility to advise the key policy people in the Department of State on all labor aspects of foreign policy and program; and he must spend a sizable portion of his time outside the country attending international conferences. Because of the range and nature of his duties the Assistant Secretary needs a deputy who can assist him in carrying the day-to-day policy recommending and liaison functions and who can act for him during his absence.

STATEMENT OF ASSISTANT SECRETARY OF LABOR ROCCO C. SICILIANO ON THE DEFENSE MOBILIZATION READINESS REQUEST

A major item disallowed by the House committee was the sum of \$225,000 for mobilization-readiness planning. This creates a serious problem for the Department and, I believe, for national readiness effort. The House committee did not disapprove the activity represented by the item but asked that the request be made through the Office of Defense Mobilization.

This position indicates that we have not made clear the nature of the relationship between the Department's mobilization readiness work and the ODM responsibilities. The Department does not perform services for that agency in

the sense that we do a portion of its work. The preparedness work for which we request funds represent departmental responsibilities that are inseparable from the Department's function as the Government's manpower agency. It is the Department that must be prepared to discharge manpower responsibilities—in a war emergency as in peacetime.

The ODM role is to coordinate and to provide leadership on behalf of the President to the preparedness activities of the departments and agencies of the executive branch. As part of his coordination function, the Director of Defense Mobilization has issued specific delegations to each of the major departments, explicitly stating their responsibilities with respect to mobilization readiness. These delegations in the case of the Department of Labor represent a specific statement of the readiness aspects of its inherent responsibilities, not an addition of new responsibilities. The appropriation item in question, therefore, is properly a part of the Department's budget request.

The Department's defense readiness program is aimed at developing mobilization plans and emergency operating capability in the broad and important fields of manpower supply and wage stabilization. The State employment security agencies affiliated with the Department must be readied to serve as the heart of the operating manpower agency in wartime. In addition, units now in the Department must be prepared to be the nucleus for a wage stabilization field organization.

Our readiness planning is directed at the practical, down-to-earth job of identifying and accomplishing those steps which, taken in advance, will give those who survive a better chance of continuing to survive and of reconstructing a workable economy. Emphasis is upon developing relocation capability, secure communications, chains of succession in command, a reserve of trained executives from outside Government, clear understanding of the emergency responsibilities of each unit, and providing a comprehensive "kit of operational tools" which manpower and wage officers in the field can adapt and use as local contingencies may dictate.

The development and testing of these plans requires extensive staff work both in Washington and in the field by several bureaus in the Department. The effect of House action, therefore, is to place the Department in the difficult position of having very specific and difficult mobilization readiness responsibilities without either specific funds or the ability to utilize other funds to carry them out. Unless there is a restoration of the appropriation proposed for this purpose, these responsibilities will not be discharged on even a minimum, calculated-risk basis.

OFFICE OF THE SOLICITOR

STATEMENTS OF STUART ROTHMAN, SOLICITOR OF LABOR; AND WARD E. BOOTE, ASSISTANT SOLICITOR, DIVISION OF EMPLOYEE BENEFITS AND APPELLATE LITIGATION

APPROPRIATION ESTIMATE

Salaries and expenses: For expenses necessary for the Office of the Solicitor, **[\$2,021,000]** \$2,263,000, *together with not to exceed \$365,000 to be derived from the highway trust fund created by section 209 of the Highway Revenue Act of 1956.*

【Salaries and expenses: For an additional amount for "Salaries and expenses", \$300,000, to be derived from the Highway Trust Fund created by section 209 of the Highway Revenue Act of 1956.】

Summary of new positions

APPELLATE LITIGATION

1 GS-11 attorney-----	\$6,390
Deduct lapses-----	—115
01 Personal services net-----	6,275

EMPLOYEES COMPENSATION

1 GS-12 attorney-----	\$7,570
1 GS-4 clerk-stenographer-----	3,415
Total-----	10,985
Deduct lapses-----	—235
01 Personal services, net-----	10,750

EMPLOYMENT SECURITY

1 GS-12 attorney-----	\$7,570
Deduct lapses-----	—95
01 Personal services, net-----	7,475

REGIONAL OFFICES

2 GS-11 attorneys at \$6,390-----	\$12,780
Deduct lapses-----	—980
01 Personal services, net-----	11,800

Amounts available for obligation

	1957	1958
Appropriation or estimate-----	\$2,021,000	\$2,235,070
Transfer from highway trust fund-----	300,000	365,000
Comparative transfer from "Salaries and expenses, Office of the Secretary of Labor"-----	14,600	-----
Comparative transfer from "Salaries and expenses, Mexican farm-labor program, Bureau of Employment Security"-----	27,500	-----
Total available-----	2,363,100	2,600,070

Analysis by activities

Descriptions	Adjusted 1957 base		Estimate, 1955		House allowance, 1955	
	Positions	Amount	Positions	Amount	Positions	Amount
1. Litigation-----	40	\$284,461	43	\$319,246	37	\$282,662
2. Interpretations and legal advisory services-----	45	305,928	46	331,837	40	289,612
3. Wage determinations-----	73	391,356	73	462,243	69	438,290
4. Legislative advisory services-----	19	141,780	19	149,970	18	140,878
5. Enforcement of regulatory labor laws-----	157	1,079,124	159	1,167,128	142	1,075,165
6. Executive direction and management services-----	28	160,421	28	169,646	27	159,393
Total direct obligations-----	362	2,363,100	368	2,600,070	333	2,386,000

Obligations by objects

Object classification	Adjusted 1957 base	Estimate, 1958	House allow- ance, 1958
Total number of permanent positions.....	362	368	333
Average number of all employees.....	346	359	324
01 Personal services.....	\$2,077,850	\$2,166,650	\$1,978,850
02 Travel.....	106,100	120,200	108,000
03 Transportation of things.....	900	900	900
04 Communication services.....	31,600	31,900	31,600
05 Rents and utility services.....	2,250	2,250	2,250
06 Printing and reproduction.....	10,000	10,000	10,000
07 Other contractual services.....	24,400	24,550	24,400
Services performed by other agencies.....	60,600	62,920	60,600
08 Supplies and materials.....	42,100	42,400	42,100
09 Equipment.....	6,000	6,000	6,000
11 Contribution to retirement fund.....		131,000	120,000
15 Taxes and assessments.....	1,300	1,300	1,300
Total direct obligations.....	2,363,100	2,600,070	2,386,000

Summary of changes

1957 actual appropriation.....	\$2,021,000
Transfer from highway trust fund.....	300,000
Comparative transfers:	
Bureau of Employment Security (Mexican farm-labor program) ..	27,500
Office of Secretary (working capital fund).....	14,600
Revised 1957 base.....	2,363,100
1958 appropriation request.....	2,600,070
Net change requested.....	+236,970

	Estimate, 1958		House allowance	
	Positions	Amount	Positions	Amount
For mandatory items:				
Retirement contribution on 1957 base of 362 positions.....	None	\$129,900	None	\$120,000
Payment to departmental working capital fund.....	None	2,320	None	2,320
Federal-aid highway program.....	None	65,000	None	65,000
Subtotal.....	None	197,220	None	187,320
For program items:				
For the appellate litigation program.....	1	6,590	None	None
For employees' compensation program.....	2	11,325	None	None
For employment-security program.....	1	7,825	None	None
For Mexican farm-labor program.....	2	14,010	None	None
Litigation.....			-3	-17,610
Interpretations and legal advisory services.....			-5	-32,450
Wage determinations.....			-4	-22,595
Legislative advisory services.....			-1	-8,576
Enforcement of regulatory labor laws (regional offices).....			-15	-73,533
Executive direction and management services.....			-1	-9,656
Subtotal.....	6	39,750	-29	-164,420
Grand total.....	6	236,970	-29	+22,900

EFFECT OF HOUSE ACTION

Activity 1. Litigation

The House action reduced this activity by \$36,584 (6 positions) under the 1958 estimate. This includes disallowance of the requested program increase of \$17,915 and \$18,669 reduction in operations below the 1957 base because of transferred and mandatory cost items which must be met in 1958. These items cover contributions to the civil-service retirement fund and the departmental working capital fund.

The House action will mean a reduction in the trial litigation and employees' compensation programs. Less effective enforcement of the two principal Federal

wage and hour laws—the Fair Labor Standards Act and the Public Contracts Act—will result. Enforcement actions filed in the Federal district courts and in administrative proceedings under these two major laws have been mounting steadily. For the past several months actions have been filed at the rate of 100 or more per month. This rate of filing cases indicates that for the first time more than 1,100 cases will be filed during a fiscal year. This high plateau of effective enforcement activity will be curtailed by the House action because less staff will be available to try the cases when they come to trial. There will also be less legal advice available in support of the administration of the Federal Employees' Compensation Act, the Longshoremen's and Harbor Workers' Compensation Act, and other related workmen's compensation statutes.

A proposed program increase for 1958 of \$6,590 (1 additional attorney position) for the appellate litigation program was disallowed. This increase was justified because important cases testing wage determinations made under authority of the Public Contracts Act will reach the appellate court stage in 1958. In addition, in this program area there are still serious unresolved legal problems with respect to the Puerto Rican wage order program as a result of the drastic changes made by the 1955 amendments to the Fair Labor Standards Act.

Another proposed program increase for 1958 of \$11,325 (2 additional positions) for the employees' compensation program was also disallowed. With these additional positions, the amount of recoveries from third-party tortfeasors responsible for injuring Government employees during their work could be substantially increased. A large portion of such recoveries remains in the Treasury as a net gain to the Government.

Activity 2. Interpretations and legal advisory services

The House action reduced this activity by \$42,225 (6 positions) under the 1958 estimate. This includes disallowance of the requested program increase of \$7,825 and \$34,400 reduction in operations below the 1957 base because of transferred and mandatory cost items. These items, in addition to a fund transfer from the "Mexican farm labor program" appropriation, covers contributions to the civil-service retirement fund and the departmental working capital fund which must be met in 1958.

The House action, if sustained, will mean less available legal services to the constituent bureaus of the Department in the administration of the statutes entrusted to the Department. Of particular importance are the legal services, interpretations, and opinions which are given continuously to the Wage and Hour Division on the Federal wage, hour, and child labor laws; to the Bureau of Employment Security on the unemployment insurance, employment service, Mexican farm labor, and veterans' readjustment assistance programs; to the Bureau of Veterans Reemployment Rights on the reemployment rights statutes; to the Bureau of Employees' Compensation on the various workmen's compensation statutes; and to the Employees' Compensation Appeals Board in cases which are appealed to the Board.

A proposed program increase for 1958 of \$7,825 (1 additional attorney position) was sought in this activity for the employment security program. The legal work in this area has been added to significantly with supplemental unemployment insurance programs, numerous problems raised by State agencies under the Reed Act and various new unemployment insurance programs. Because of the increasing importance of these matters and of conformity questions regarding Federal-State relationships, the proposed increase is well justified.

Activity 3. Wage determinations

The House action reduced this activity by \$23,953 (4 positions) under the 1958 estimate. This disallowance will result in a reduction by this amount in operations below the 1957 base because of transferred and mandatory cost items. These items cover contributions to the civil-service retirement fund and the departmental working capital fund. The House allowed an increase of \$49,000 for the purpose of placing the supplemental funds provided in the current year, by transfer from the highway trust fund, on an annual basis in 1958.

The House action, if sustained, will reduce the resources available to the activity for the predetermination of prevailing wages which become minimum on federally financed or assisted construction as required under the Davis-Bacon Act, as amended, and several other similar statutes. The time element is of vital importance in this work. Extended delays in collecting and evaluating the factual basis essential to the processing of these wage determinations, after being requested by the Federal procurement agencies, could result in holding

up invitations to bid on construction projects of vital importance to the country. Forced absorption of the mandatory cost items in 1958 will tend to increase the overall time required to process a wage determination request.

Activity 4. Legislative advisory services

The House action reduced this activity by \$9,092 (1 position) under the 1958 estimate. This will result in a reduction by this amount in operations below the 1957 base because of transferred and mandatory cost items which must be met in 1958. These items cover contributions to the civil-service retirement fund and the departmental working capital fund.

If the action of the House is sustained, the forced absorption of these mandatory cost items would have a deterring effect on the multitude of important legislative and other legal advisory services performed in this activity for all the constituent bureaus and top policymaking officers of the Department.

Activity 5. Enforcement of regulatory labor laws (regional offices)

The House action reduced this activity by \$91,963 (17 positions). This includes disallowance of the requested program increase of \$14,010 and \$77,953 reduction in operations below the 1957 base because of transferred and mandatory cost items which must be met in 1958. These items, in addition to a fund transfer from the Mexican farm labor program appropriation, covers contributions to the civil-service retirement fund and the departmental working capital fund. The House allowed an increase of \$16,000 for the purpose of placing the supplemental funds provided in the current year, by transfer from the highway trust fund, on an annual basis in 1958.

The effect of the House action, if sustained, will mean a reduction below the 1957 base in the work being performed by the regional offices. This work is concerned primarily with enforcement actions in administrative proceedings and in the Federal district courts in support of the principal Federal wage, hour, and child labor laws—the Fair Labor Standards and the Public Contracts Act; and with the preparation of advisory opinions and the rendering of day-to-day legal advice on questions arising under the statutes and Executive orders administered by the Department.

The proposed program increase of \$14,010 (2 additional attorney positions) which the House disallowed was related to the Mexican farm labor program. There has been a progressive increase in the legal problems created by the Mexican farm labor program not only in interpretation and construction of the migrant labor agreement and the standard work contract but also because of the increased number of compliance cases arising under the program. Since in many of these compliance cases there is a potential financial liability against the United States, it is highly important that these cases receive careful legal service before any joint determination is made. Involved also is the need for meetings and discussions with Mexican consuls, employers, administrative officials, representatives of labor unions and other parties with respect to the operation of the program.

Activity 6. Executive direction and management services

The House action reduced this activity by \$10,253 (1 position) under the 1958 estimate. This will result in a reduction by this amount in operations below the 1957 base because of transferred and mandatory cost items which must be met in 1958. These items cover contributions to the civil-service retirement fund and the departmental working capital fund.

The House action, if sustained, will primarily affect and reduce the supporting services performed by the management services portion of the activity.

PREPARED STATEMENT

Senator HILL. Mr. Rothman, we are glad to have you here this morning and will be glad to have you make any statement you see fit, sir.

Mr. ROTHMAN. Senator Hill, with your permission, I would like to file for the record a written statement and would like to supplement it with an additional statement.

Senator HILL. Very well; your prepared statement will appear in the record at this point.

(The statement referred to follows:)

STATEMENT OF STUART ROTHMAN, SOLICITOR OF LABOR

I appreciate this opportunity once more to present the justification of the budget estimates of the Office of the Solicitor for the coming fiscal year.

During the past few years, the Department of Labor has taken many steps to improve its programs and the administration of laws which promote the welfare of the Nation's working people. This has greatly accelerated the work of the Solicitor's Office, particularly its law-enforcement activities. These activities include litigation, interpretations, administration, and other advisory services.

Despite the increased workload, it has been our firm purpose to handle every case in such a way that no charge of partiality can be made in any instance. It has also been our goal to prevent the accumulation of any backlogs and to give to the public prompt and courteous service. I believe that we have succeeded in meeting these goals. The Department's record has won increasing respect and confidence from workers and employers alike, as well as from the public.

The litigation of the Department, and especially that which reaches the highest court, involves issues that have a direct effect upon the welfare of millions of workers. Often entire industries are affected.

In 12 decisions or final orders handed down by the Supreme Court in fiscal year 1956 in which we had an interest, the results were 100-percent favorable to the Department's interpretations of the two major Federal wage-and-hour laws, the Fair Labor Standards Act and the Walsh-Healey Public Contracts Act. The most important cases related to those brought by cotton, textile, and woolen mills in an effort to have declared invalid the Secretary's minimum-wage determinations under the Walsh-Healey Public Contracts Act. The Supreme Court's refusal to review the decisions of the Court of Appeals of the District of Columbia, upholding the Secretary's authority to prescribe uniform industry-wide standards, left those decisions in effect.

The increase in our enforcement activity under the Fair Labor Standards and Public Contracts Acts is reflected in the number of cases filed in the Federal district courts and in administrative proceedings. These actions have grown from 581 in fiscal 1954, to 646 in fiscal 1955, to 719 in fiscal 1956, and the increase is continuing. During the first 8 months of the current fiscal year, almost as many cases have been filed as during all of the last fiscal year. We expect the total for fiscal 1957 will be in excess of 1,100.

Restitution of back wages agreed to through legal actions under the Fair Labor Standards Act totaled \$370,678 in fiscal 1953; \$277,965 in 1954; \$193,867 in 1955; and \$441,587 in 1956. In December of the current fiscal year the greatest single recovery ever achieved under the Fair Labor Standards Act, either by litigation or administrative action, occurred. A group of cases decided by the Supreme Court in favor of the Department resulted in the payment of \$236,629 in back wages to 1,810 employees.

Gross recoveries in third party tort proceedings under the Federal Employees' Compensation Act is another important enforcement indicator. In fiscal year 1953 these recoveries totaled \$2,188,563; in 1954, \$2,098,712; in 1955, \$2,069,202; and 1956, \$2,403,916. This latter amount is the greatest recovered in any fiscal year under the act.

Enforcement cases under the Davis-Bacon and related acts in fiscal year 1953 totaled 152; in 1954, 307; in 1955, 404; and in 1956, 692. Ineligibility determinations for failure to comply with the Federal law on wages and working conditions in fiscal 1953 were 8; in 1954, 16; in 1955, 28; and in 1956, 36. Firms and individuals declared ineligible cannot bid on Government contracts for a period of 3 years.

In this same Davis-Bacon area, restitution to workers in fiscal 1953 totaled \$103,542; in 1954, \$326,460; in 1955, \$196,397; and in 1956, \$224,816. In December of the current fiscal year the largest single recovery in the history of the Davis-Bacon Act was obtained (over \$44,000).

Wage determinations issued under the Davis-Bacon program totaled 20,188 in fiscal 1953; 17,743 in 1954; 17,770 in 1955; and 22,133 in 1956. The latter figure is an alltime high. Determinations to date in the current fiscal year are running well ahead of last year and, based on estimates received from the contracting agencies themselves, may reach the unprecedented total of 31,000.

The work of the wage determination activity was already at a high peak when there was added to it the wage determination program under the Federal-Aid

Highway Act of 1956. This act applies to the highway program the Davis-Bacon Act requirements, with certain modifications spelled out in the act. One important change requires the Department of Labor to consult with State highway departments. The Senate Appropriation Committee last year described this provision as follows:

"The Secretary of Labor cannot delegate to any contracting agency the responsibility placed exclusively upon him to determine the prevailing wage rates in accordance with the statutory standards. He is required, however, to 'consult with the highway department of the State in which a project on the Interstate System is to be performed' and to predetermine these wage rates 'after giving due regard to the information thus obtained'."

Over 800 highway program determinations have been issued and in each case we have consulted the appropriate State highway department. We will continue this cooperative procedure as this program is accelerated. We understand that this is what the Congress wants us to do and we find it a very satisfactory way to operate. Apparently the State highway officials also like it. In January the president of their association, Mr. W. A. Bugge, had this to say before the Senate Committee on Public Works regarding the relationships of the State highway departments with us:

"We wish to say that Solicitor Stuart Rothman of the Labor Department and his staff have displayed a most sincere cooperative attitude in their dealings with the departments and have expeditiously furnished prevailing wage rates."

Mr. Bugge also stated that the wage determination program under the act "seems to be working out very well."

The supplemental funds provided in the current year for the Federal-aid highway program should be put on an annual basis for fiscal 1958. This accounts for the increase of \$65,000 requested for the operation of the program. Funds for this program are derived from the highway trust fund created by section 209 of the Highway Revenue Act of 1956.

As part of its enforcement responsibilities the Solicitor's Office performs functions under the Federal Employees' Compensation Act. It supervises litigation to obtain reimbursement of compensation paid to Federal employees or their dependents under the act in cases where third parties are responsible for the injury for which compensation is paid by the Government. Eleven thousand dollars additions is requested in 1958 for the employees' compensation activity. The requested increase would provide for 1 additional attorney and 1 additional clerk-stenographer. The Government presently recovers about \$1½ million per year from persons responsible for injuring Government employees during their work. If we had additional personnel, the amount of these recoveries from third party tortfeasors could be substantially increased.

An increase of \$6,400 (one additional position) is requested in 1958 for the appellate litigation activity. A substantial increase in this program is expected. Attacks now being made, or expected to be made, upon wage determinations under the Public Contracts Act will reach the appellate court stage in fiscal 1958. There are also serious unresolved legal problems with respect to the Puerto Rican wage-order program. These arise from the drastic changes made by the 1955 amendment to the Fair Labor Standards Act.

The employment-security activity has been added to significantly with supplemental unemployment-insurance programs, numerous problems raised by State agencies under the Reed Act, and various new unemployment insurance programs. Because of the increasing importance of these matters and of conformity questions regarding Federal-State relationships, it is difficult for the legal staff to keep up with the work. We are asking for one additional attorney for this program.

Over 428,000 Mexican nationals came into the country last year under the Mexican farm-labor program. This number does not necessarily reflect the workload, but the legal problems created by the Mexican farm-labor program are increasing. Since many compliance cases under this program may result in liability for the United States, it is highly important that these cases receive careful legal review. In addition there is need for discussion with Mexican counsuls, employers, administrative officials, representatives of labor unions and others. Two additional attorney positions are requested in the regional offices for this program.

As the statistics which I have presented show, the volume of work of the Solicitor's office has increased in each of the past 4 years. We think that this work has been performed well and that the laws entrusted to us have not been administered fairly, impartially and efficiently. Our purpose is to continue to

improve our performance and the modest increases requested will help to do so.

EFFECT OF HOUSE ACTION

Mr. ROTHMAN. I wish to emphasize that the \$214,070 reduction by the House of Representatives below the request for 1958 would cut the appropriation for the Office of the Solicitor considerably below our level for the present fiscal year.

The estimate submitted included a modest increase of \$39,750, covering six positions, to assist us in handling our increased workload. If the action of House stands, the Office of the Solicitor would suffer a loss of \$174,320 below the revised 1957 base.

Senator HILL. Is that below what you have for the present fiscal year?

Mr. ROTHMAN. Below what we have for the present fiscal year.

Senator HILL. That is, \$174,320 below what you have for the present fiscal year?

Mr. ROTHMAN. Yes, sir, below the revised 1957 base.

The only way this can be absorbed is to reduce the staff below the 1957 level, to the serious detriment of our law-enforcement activities and other programs.

MANDATORY CHARGES

The amount approved by the House is the same as the direct appropriation for fiscal 1957. However, in fiscal 1958 the Solicitor's Office must meet \$132,220 in mandatory charges for retirement and for the departmental working capital fund which we do not have to meet in the current fiscal year.

In addition to these items, there must be added the amount transferred from the Mexican farm labor budget as suggested by this committee last year, as well as our part of the base funds transferred from the Office of the Secretary for the departmental working capital fund.

These amount to \$270,500 and \$14,600, respectively.

The revised base for 1957, including the previously mentioned mandatory items and the authorized \$365,000 to be derived from the highway trust fund, thus becomes \$2,560,320. The House approval of \$2,386,000 is \$174,320 short to carry the staff approved for 1957 on an annual basis in 1958. This will involve a reduction of 29 jobs below the 1957 authorized strength.

In addition, the House action will not allow for a program expansion of 6 position, at \$39,750, proposed for 1958.

INCREASED WORKLOAD

The volume of work of the Solicitor's office has increased in each of the last 4 years. The appropriations have increased, but only to take care of the increased workload. We think that this work has been performed well and the laws entrusted to us have been administered fairly and impartially and efficiently.

It is my earnest hope that we can continue to improve our performance. However, if the House reduction stands, I fear that our efficiency of operation will be impaired at the expense of the wage earners who benefit by proper enforcement of our labor laws.

Senator HILL. I might point out that there are two reasons why the acts of Congress have, of course, increased your work. One is the

increase of the minimum wage and the other is the highway construction program. That is right; is it not?

Mr. ROTHMAN. That is true, Senator.

Senator HILL. Are there any other activities that have increased your work recently besides those two?

Mr. ROTHMAN. The recently enacted Reed bill in the area of employment security has increased the number of interpretations requested by the States concerning the use of the funds made available to the States by the Reed bill.

In addition to these specific laws, I believe that there has been a general acceleration of the programs of the Labor Department, and it has increased the activities and work of the Solicitor's Office.

Those are the only three laws, however, that occur to me at this moment.

Senator HILL. Referring to the 29 positions which you would lose if the House figure stands, can you break those down for us very briefly? How many lawyers and what other types of personnel are included in that figure? Do you have that offhand? Can you tell us how many of those 29 are lawyers?

Mr. ROTHMAN. At this point, Senator, it is only an estimate, but of the 29 it would be approximately 18 to 20 attorneys, and a large number of them would be in the field offices where they are presently needed to take care of the increased workload brought about by litigation under the Fair Labor Standards Act.

If I may, I would like to give you an example and tell you what our problem is.

Senator HILL. Go right ahead, sir.

WORKLOAD OF ATTORNEYS

Mr. ROTHMAN. During the last year, the number of cases filed in the courts under the Fair Labor Standards Act has been running at about 100 cases a month. That would mean that the total litigation caseload under the Fair Labor Standards Act for the coming fiscal year will be in the area of between 1,000 and 1,200 cases, which would be the largest caseload in the history of the act since 1938. We have attempted to budget our activities in such a way that we will have trained attorneys available at the time when the caseload hits. The caseload has now hit, and if we do not have the funds required to increase our force, we will not have the staffs in the field offices to handle the work.

FEDERAL-AID HIGHWAY ACT

Senator HILL. Let me ask you this question, Mr. Rothman, getting to the subject of the Federal-Aid Highway Act: The question was raised on the floor of the House as to whether or not the Federal-Aid Highway Act of 1956 authorizes the use of highway trust fund money for administrative expenses of the Labor Department in the matter of wage determinations. Has there been any determination of that question?

If not, what is being done to determine that question?

Mr. ROTHMAN. This is being done to find out, Senator: The Department of Labor has requested the General Accounting Office to fur-

nish the Department with an opinion which, of course, would be made available immediately to this subcommittee.

Senator HILL. Do you expect to have that shortly?

Mr. ROTHMAN. The General Accounting Office advised me orally this morning that it hopes to have it at the end of this week or the first part of next week.

Senator HILL. As soon as you get that opinion, will you let us have a copy?

Mr. ROTHMAN. Yes, indeed, Senator.

(The material referred to follows:)

UNITED STATES DEPARTMENT OF LABOR,
OFFICE OF THE SECRETARY,
Washington 25, D. C., April 3, 1957.

Hon. JOSEPH CAMPBELL,
Comptroller General of the United States,
General Accounting Office, Washington 25, D. C.

DEAR MR. CAMPBELL: I would appreciate your consideration of a question that has recently been raised concerning the proper construction of certain language in the Highway Revenue Act of 1956 and the Federal-Aid Highway Act of 1956.

In the 2d session of the 84th Congress there was enacted the Federal-Aid Highway Act of 1956, section 115 of which requires the Secretary of Labor to perform certain functions with respect to the predetermination of prevailing wage rates for highway projects on the Interstate System. At the same time there was enacted the Highway Revenue Act of 1956, which established a highway trust fund and, in section 209 (f) (1) of the Act, provided that amounts in the trust fund "shall be available, as provided by appropriation Act, for making expenditures * * * to meet those obligations of the United States * * * which are attributable to Federal-aid highways, including those portions of general administrative expenses of the Bureau of Public Roads payable from such appropriations)."

After the passage of this legislation, in the same session of the Congress, the Second Supplemental Appropriation Act, 1957, was enacted. There was appropriated by this act for salaries and expenses of the Office of the Solicitor, Department of Labor, "\$300,000, to be derived from the highway trust fund created by section 209 of the Highway Revenue Act of 1956." The committee report on the bill stated that this amount was "for necessary salaries and expenses in carrying out the additional duties placed on the Secretary of Labor as a result of the application of the Davis-Bacon Act to highway projects on the Interstate System as provided in section 115 of the Federal-Aid Highway Act of 1956." (S. Rept. No. 2770, 84th Cong. 2d sess.).

A question has now been raised as to whether section 209 (f) (1) of the Highway Revenue Act authorizes the use of funds from the highway trust fund for administrative expenses of the Department of Labor in making wage determinations as provided in section 115 of the Federal-Aid Highway Act of 1956.

As will be seen from the attached copy of section 115 of the Highway Act, no highway project on the Interstate System can proceed until the Secretary of Labor has performed the functions required of him. He is required to consult with State highway departments and give due regard to the information thus obtained in making his predeterminations of wages, and it is further required that these predeterminations "shall be set out in each project advertisement for bids and each bid proposal form and shall be made part of the contract covering the project."

Since it seemed clear that the obligations for salaries and expenses required to perform these functions are, under the act, "attributable to Federal-aid highways", the Department requested Congress to provide a supplemental appropriation from the trust fund to carry out this function. In so doing, however the Department pointed out that "if Congress should consider it more appropriate we would have no objection to an appropriation from general revenues." In this connection your attention is directed to the enclosed copy of a letter from the Secretary of Labor to the chairman of the Senate Appropriations Committee, dated July 16, 1956.

I would appreciate receiving your advice in this matter. If there is any additional information which you desire before reaching a decision, please let me know.

Sincerely yours,

JAMES T. O'CONNELL,
Acting Secretary of Labor.

COMPTROLLER GENERAL OF THE UNITED STATES,
Washington, April 16, 1957.

The honorable the SECRETARY OF LABOR:

DEAR MR. SECRETARY: By letter dated April 3, 1957, with enclosures, the Acting Secretary of Labor requested our advice whether section 209 (f) (1) of the Highway Revenue Act of 1956 (70 Stat. 399), authorizes the use of funds from the highway trust fund for administrative expenses of the Department of Labor in making wage determinations provided for in section 115 of the Federal-Aid Highway Act of 1956 (70 Stat. 385).

In section 115 of the Federal-Aid Highway Act of 1956, the Congress extended the requirements of the Davis-Bacon Act of August 30, 1935, as amended (40 U. S. C. 276a), to highway projects of the National System of Interstate Highways. The Congress further provided therein that the Secretary of Labor shall make predeterminations of prevailing wage rates, which "shall be set out in each project advertisement for bids and in each bid proposal form and shall be made a part of the contract covering the project."

Section 209 of the Highway Revenue Act of 1956 established a highway trust fund on the books of the Government, and in subsection (f) (1) thereof defined the scope of its expenditure availability as follows:

"(1) *Federal-aid highway program.*—Amounts in the trust fund shall be available, as provided by appropriation acts, for making expenditures after June 30, 1956, and before July 1, 1972, to meet those obligations of the United States heretofore or hereafter incurred under the Federal-Aid Road Act approved July 11, 1916, as amended and supplemented, which are attributable to Federal-aid highways (including those portions of general administrative expenses of the Bureau of Public Roads payable from such appropriations)."

In his letter the Acting Secretary of Labor expresses the view to the effect that expenses in connection with making the wage determinations constitute obligations that are "attributable to Federal-aid highways" and, therefore, properly payable from the highway trust fund. The same conclusion was stated in an accompanying memorandum of law of the Solicitor of your Department.

The quoted section 209 (f) (1)—by its plain terms—makes amounts established in the highway trust fund available, as provided by appropriation acts, for expenditure after June 30, 1956, and before July 1, 1972, to cover those obligations which are attributable to Federal-aid highways. The parenthetical statement "including those portions of general administrative expenses of the Bureau of Public Roads payable from such appropriations" merely emphasizes the congressional intent that the fund is to be used to defray the administrative expenses incurred by the Bureau of Public Roads in carrying out the Federal-aid highway program.

In reporting out H. R. 10660 which became the Highway Revenue Act of 1956, it was stated in House Report No. 2022 (p. 70), and in Senate Report No. 2054 (p. 37) with reference to said section 209 (f) (1) that "The expenditures referred to are those which normally have been paid out of the appropriation entitled 'Federal-aid highways, Bureau of Public Roads, Department of Commerce'." While this explanation of the character of expenditures properly chargeable to the fund may have been intended to operate as a restriction on its authorized uses, such explanation may not be construed as precluding the Congress from utilizing the fund for other or more extended purposes if it chooses to do so. And it must be recognized that the latest expression of the Congress is controlling (see 19 Comp. Gen. 961).

If your inquiry is directed to the question of whether a proposed appropriation from the highway trust fund to the Department of Labor to carry out its Davis-Bacon Act functions is so authorized by the enabling legislation as not to be subject to a point of order under the rules of the respective Houses of the Congress, this, of course, is a matter not within our province to decide, but rather for determination by those Houses in conducting their proceedings.

Sincerely yours,

JOSEPH CAMPBELL,
Comptroller General of the United States.

USE OF HIGHWAY TRUST FUND

Senator POTTER. Could I ask a question along that line?

Senator HILL. Go right ahead, Senator.

Senator POTTER. Even if you get an opinion that you have the authority to take funds from the highway trust fund to administer the Bacon-Davis provisions of the Highway Act, I think it is a bad practice for any agency to start dipping into the highway trust fund.

If the Department of Labor can do it, then it would follow that the Department of the Treasury could do it because they collect the taxes, they can dip in. Then the first thing you know, we will have a trust fund without any funds in it.

Mr. ROTHMAN. Senator, I appreciate the opportunity to clarify that point.

First, I believe there are a number of distinguishing features in this situation from that which may be involved in the example you use, the Treasury Department. I think it is perhaps regrettable the way in which this matter was first brought out.

The Federal-Aid Highway Act, in section 115, imposes specific duties both upon the Secretary of Commerce and upon the Secretary of Labor. In no other part of the act, to my knowledge, are specific obligations and functions placed upon some other department of the Government. So it is distinguishable from any other governmental agency that has something to do indirectly with the highway program. But here, under one provision of the Federal-Aid Highway Act, as a matter of specific obligation with respect to the development of programs, the Secretary of Commerce has to do certain things, the Secretary of Labor has to do certain things, directly attributable to this program and to no other program.

FINANCING PROVISIONS

The financing provisions of the highway trust fund provides that the funds shall be available to pay the expenses attributable to the Federal highway program as determined by appropriation acts. I do not see any distinction between giving one department of Government funds from the trust fund to carry out its specific obligations imposed by this law and giving another department, also expressly mentioned in the very same paragraph of the statute, the funds with which to carry out its specific obligations.

But I also appreciate that it is a matter for the Congress, as it was last year when it determined that the trust fund was the appropriate source. The same Congress that enacted the Federal-Aid Highway Act of 1956, including the financing provisions, determined that it would make the funds available from this particular fund. The record will show, of course, that at that time there was no dipping into the fund on the part of the Labor Department. We suggested that while it may be made available from the trust fund—and several Senators in the record indicated that was the case—we pointed out that it would be perfectly acceptable to have it made available from some other source. But I believe, as a matter of budgeting, that there is good reason that where the statute expressly provides that specific duties are imposed on an agency of the Government, that it might be

desirable—and it is a matter for the Congress to decide—that the money should be made available from the same fund.

CRITICISM OF USE OF TRUST FUND

Senator POTTER. As a matter of the budget, I think it is a bad practice, because this is a budgetary item. You have Bacon-Davis provisions in other acts, in which you go through the regular channels of securing an appropriation to carry out the provisions of the act.

Mr. ROTHMAN. That is right.

Senator POTTER. When an exception is made here, particularly with a trust fund where taxes that the public is paying have been increased; assuming that the funds will go for a highway construction program, I think we are establishing a bad precedent. I would much prefer that if you need additional employees or whatever you need to carry out the Bacon-Davis provisions of the act, that the Department of Labor present the request as a regular budgetary item.

If this present situation is allowed to stand, I can see where other agencies of the Government might say, "Well, we will ask for an item of appropriation to carry out certain provisions and we will tap the trust fund."

DIRECT APPROPRIATION PRACTICE APPROVED

Personally, I am fearful of that. I hope we can strike this from the bill so that you can ask, as a direct appropriation, for the funds you need to carry out the provisions of the act.

Mr. ROTHMAN. Senator, as the Department of Labor said last year, if the Congress should consider it more appropriate, appropriations can be made from the general revenues. But I do think it well to keep in mind that the Department of Labor stands in a different position from any other agency of the Government that is not specifically mentioned in this bill as having responsibilities. In that respect we stand in the same position, I would think, as other Government agencies that are expressly given responsibilities in the act. But I again say it is certainly up to the Congress to determine.

Senator POTTER. It is a matter for the Congress to decide, I appreciate that. But I am convinced that it is better to do it in the appropriation, in my personal opinion.

Senator PASTORE. Are we talking about the \$365,000 now?

Mr. ROTHMAN. Yes, sir.

TRANSFER RECOMMENDED BY BUDGET BUREAU

Senator PASTORE. Whose idea was it to transfer the \$365,000? Was it in the recommended budget of the House of Representatives? Did the Department of Labor originally recommend it that way, or was that the solution in the House?

Mr. ROTHMAN. Last year when the matter was considered the Bureau of the Budget made a recommendation that it be paid from the highway trust fund. The Senate Appropriations Committee so allowed it, the House conferees so allowed it, and it was confirmed by both the Senate and the House last year.

At the time it was considered last year two Senators pointed out that it could be made available from that fund, and one of them thought

that it could not be made available from any other source. This year, following the precedent established, we submitted the same proposal, and while the question was raised a short time ago in the House, it was allowed by the House.

ATTORNEYS IN FIELD OFFICES

Senator PASTORE. You say that the personnel involved would entail 18 to 20 attorneys in the field offices. How is that distribution made? How does that work? Do you have offices all over the country?

Mr. ROTHMAN. We have 10 regional offices, Senator. The regional offices, among their other duties, administer and enforce the legal aspects of the Department's programs, including the Fair Labor Standards Act and the Walsh-Healey Act. A good example would be the recent activities of our regional office in Boston in connection with the home workers in the jewelry industry in the New England area.

A heavy part of the Department's litigation caseload falls within the work of the regional offices, and it would be there where we would be very heavily hit by a reduction in force. Of course, we could, if necessary, make some of the adjustments in the central office. We would have to determine what would be the wisest thing in the interests of good government to go.

Senator PASTORE. Overall, how many attorneys do you have in the office doing this kind of work, including the regional offices and the central office here? I am talking now in connection with the Fair Labor Standards Act.

FEDERAL-AID HIGHWAY ACT PROVISION

Senator HILL. If you will excuse me for just a moment, Senator, before we get to the Fair Labor Standards Act, it might be good to have in our record at this point the provision in the Federal-Aid Highway Act that we have really been discussing here. That provision is as follows:

SEC. 209 (f) EXPENDITURES FROM TRUST FUND.—

(1) FEDERAL-AID HIGHWAY PROGRAM.—Amounts in the trust funds shall be available, as provided by appropriation acts, for making expenditures after June 30, 1956, and before July 1, 1972, to meet those obligations of the United States heretofore or hereafter incurred under the Federal-Aid Road Act approved July 11, 1916, as amended and supplemented, which are attributable to Federal-aid highways (including those portions of general administrative expenses of the Bureau of Public Roads payable from such appropriations).

That, of course, does not make any reference at all to the Department of Labor. The only reference it makes to a department is to the Bureau of Public Roads, where we would expect it to be, of course, because that is the Bureau that administers the program.

DEFICIENCY APPROPRIATION LANGUAGE

To bear out what Mr. Rothman has said, I will read some language from the Deficiency Appropriation Act of last year, reading from chapter VI of that act:

DEPARTMENT OF LABOR

OFFICE OF THE SOLICITOR

Salaries and expenses: For an additional amount for "Salaries and expenses," \$300,000, to be derived from the highway trust fund created by section 209 of the Highway Revenue Act of 1956.

That was just a specific thing for the present fiscal year, but I thought we ought to have that since we have been discussing this matter. I thought we might have those two provisions of the statutes in here.

Senator PASTORE. Am I to understand, from what the gentleman has already said, that that was the idea that was already advanced last year by the Senate committee, this authorization of the money?

Senator HILL. That was an estimate sent up to us by the Bureau of the Budget. The estimate come up to the Senate committee from the Bureau of the Budget and we put that estimate into the bill, which meant that the estimate was put in by the Senate Appropriations Committee. Then, of course, it was approved by the Senate, and then it went to a conference committee of the House, and the House conferees agreed to it, and, of course, both the Senate and the House approved the conference report.

I do not like to interrupt, Senator, but I thought it might be well to get this in with regard to that question.

Senator PASTORE. That puts it in the proper chronological order.

HOUSE VOTE ON REDUCTION

Senator HILL. That is right.

Also in that connection, Mr. Rothman, I would like to call attention to the fact that the House vote on the new reduction was a rather decisive vote, 241 for the deduction and 171 against it. That is about a 70-vote majority. Some of those votes were rather close, we know, but this one was a rather decisive vote.

Mr. ROTHMAN. You are correct, sir.

Senator HILL. In one of those votes, you know, the reduction lost by one vote.

Mr. ROTHMAN. Yes; that is true.

Senator HILL. That is another matter entirely from what we are discussing here, but they lost by one vote. I think the vote was about 206 to 207.

Senator THYE. Mr. Chairman, I would be interested in having Mr. Rothman give us the specific details as to what his problems would be in the event the House figure stands. I was not here at the time you opened the hearing this morning.

I have been reading your statement, Mr. Rothman, since arriving at the hearing this morning. I was detained in my office with a long-distance call.

I would like to have the answers specifically as to what the House reduction would do to your Department. How would it affect your

ability to carry the load that you must carry and be responsive to the needs of the public that you serve, if the House cut stands?

Senator HILL. Will you excuse me just 1 minute, Senator Thye?

Senator THYE. Yes, Mr. Chairman.

Senator HILL. I think Mr. Rothman attempted to summarize that for us while you were tied up on that telephone call. I felt a little guilty in interrupting Senator Pastore's questions. Would you let him complete his questioning and then we can go back to you, Senator Thye?

Senator THYE. Yes.

ENFORCEMENT OF FAIR LABOR STANDARDS ACT

Senator PASTORE. That is exactly what I have been trying to get at. We have been told that there would be a cut in personnel, and that among them would be 18 to 20 attorneys who enforce the Fair Labor Standards Act in the field. I want to know how that cut would affect the enforcement of that act.

Senator THYE. That is exactly what my question is.

Senator PASTORE. Just mentioning numbers will mean nothing unless we get an overall picture of what the result will be.

Mr. ROTHMAN. If I may, before I reply to your question, Senator Pastore, I would like to comment briefly on one of Senator Hill's comments.

ABSORPTION OF MANDATORY CUTS

A number of the Members of the House have told me that they did not understand, at the time the cut in the Solicitor's Office was made, that it would be necessary for the Solicitor's Office to absorb these mandatory costs, but the matter had developed to the point where there was not much that they could do about it at that point.

TOTAL FIELD STRENGTH

In answer to your question, Senator Pastore, you asked what our total strength was, and this is the answer: Our total base or authorized strength for the field offices are 93 attorneys, and the 2 principal Federal wage and hour laws, the Fair Labor Standards Act and the Public Contracts Act, would be affected.

As I pointed out, enforcement actions under these two major laws have increased steadily over the past several months. The rate of filing cases is the largest in the history of the act. Now that the time has come to handle those cases, in fairness not only to the employees involved but to the employers, we will not have the necessary strength.

In addition to the total 29 positions which will be below our authorized base, other positions will have to be distributed within the central office and elsewhere.

So, in general, we will not be in a position to carry on the law-enforcement activities of the Department of Labor as well as if we were permitted to stay on our authorized base strength that we were authorized to have in 1957.

RECOVERIES FROM THIRD-PARTY TORT FEASORS

We would also appreciate the additional modest request that we made. Among the purposes of the request, here is an example: The

Federal Government presently obtains from third-party tort feasons, who injure Federal workers to whom the Government must pay workmen's compensation, a kind of subrogation right. Gross recoveries from third parties in the calendar year 1956 amounted to \$2,510,416. We have a very small staff, and if we were allowed to have 2 additional persons, 1 attorney and 1 secretary, we believe that we could save for the Government a substantially increased amount of money.

Senator HILL. Do you have any further questions, Senator Pastore?

Senator PASTORE. No.

Senator HILL. Senator Thye?

Senator THYE. Yes, Mr. Chairman.

That amount of money that you would secure for the Government, Mr. Rothman, would be what kind of money? And why is it owed to the Government?

TYPICAL CASE

Mr. ROTHMAN. For this reason, Senator: Let us take an example. An automobile driver strikes and injures a United States mail car and injures the driver; the United States Government must pay workmen's compensation under the Federal Employees' Compensation Act to the employee of the United States Post Office. Unless some efforts are made to obtain the amount in damages from the third party, who was at fault, who struck the United States employee, that person is relieved of a financial obligation that he does have.

Senator THYE. And it is your Department's responsibility to pursue that case and to collect damages if it is possible to collect them?

Mr. ROTHMAN. Our responsibility is the responsibility to see that somebody pursues that case. The United States employee may on his own pursue it, but in such a case we recoup our payments.

Senator THYE. Does the responsibility fall to the District Attorney's Office in the respective State where the accident occurs?

Mr. ROTHMAN. No. We have been using counsel well-versed and qualified by experience and reputation to obtain it.

Senator THYE. Let me use an example here. Just assume now that a mail carrier driving down a city street in St. Paul was struck by Mr. A—we will call him that for the sake of identification—and that Mr. A has insurance and that the police and everybody concerned have established the fact that Mr. A's car hit the mail carrier and that the mail carrier was injured; how do you proceed in that particular case?

I am not a lawyer and am not familiar with the procedure in such cases.

Mr. ROTHMAN. It is a very complicated arrangement, and one in which the Government, in order to maintain the proper role of Government and not otherwise, does not go too far.

In answer to your question, I will say we do not hire the attorney. It is the responsibility of the injured person to obtain his own counsel, and he can choose whatever attorney he wishes. There are some instances where the injured person, for one reason or another, including his lack of interest because he is obtaining workman's compensation from the Government, does not do anything.

In those cases we do have approved attorneys in the area, and we recommend the attorney.

Senator THYE. Let me pursue that just a little further. Say that the man was struck, that there was damage to the mail truck. Who collects for the mail-truck damage? Do you collect it, as a department, or does the district attorney collect it? Or who is responsible for collecting for the damage to that mail truck? Does that not fall to the Postmaster General and his staff to go into the damage there?

Mr. ROTHMAN. For the damage to the mail truck, I would say "Yes."

FUNCTIONS UNDER EMPLOYEES' COMPENSATION ACT

Senator THYE. In the event that the man has suffered a physical disability, he is going to limp for some time, who establishes the extent of the man's disability? He has now been caused to limp and he is not going to be as active and probably will not get back on his mail route.

Mr. ROTHMAN. The United States Department of Labor, through the administration of the Federal Employees' Compensation Act.

Senator THYE. Is that where you come in?

Mr. ROTHMAN. Yes, sir.

Senator THYE. In proportion to the number of automobiles on the highways and on the streets, your so-called accidents have increased and you have more cases of that type, which you have to follow into court; is that correct?

Mr. ROTHMAN. Yes, sir.

Senator THYE. If you do not follow the case, that man may be drawing employees' compensation for some additional time and he may come up with a claim which one of us people in Congress would have to pursue through the Judiciary Committee because he suffered a permanent disability.

Is my understanding of that correct?

Mr. ROTHMAN. Under the Federal Employees' Compensation Act, we believe that permanent disability, all aspects of the injury, can be handled administratively. There is a period of limitations involved. We do find that members of the Congress, because of a late filing, are asked to see whether the administrative agency will consider one of these claims for one reason or another.

Senator THYE. That is right.

Then another consideration is that if he has suffered a permanent disability and the man that struck his mail truck had liability insurance. Or do you, as Solicitor, concern yourself with making certain that he has pursued legally to collect damages for the physical disability that he has suffered, to collect from the insurance company that covers the other man's vehicle and the other man?

Mr. ROTHMAN. That is correct, Senator. As Solicitor, it is our obligation to see to it that the employee has pursued this matter so that the Federal Government recoups and obtains whatever funds are due it because of the incident.

Senator PASTORE. But as to the actual work in the field, insofar as the bringing of the suit is concerned, even by subrogation, is that done by one of these 18 or 20 attorneys that are being dropped, or is that done by some attorney in some other department? I think that is the question that Senator Thye wants answered.

Senator THYE. Yes.

Senator PASTORE. It is true that we have these rights under the law, but who actually carries out the machinations of bringing this to a substantial collection of damages?

Mr. ROTHMAN. Because of the arrangement under the law, the injured employee can obtain his own counsel.

Senator PASTORE. And so he usually does, because his damages there would be far in excess of his compensation; is that not correct?

Mr. ROTHMAN. That is right.

To answer your previous question, it is done through private counsel.

Senator PASTORE. Now you come to the question that he has received compensation and you want to recoup the amount of money he has received overall in his recovery in court; is that correct?

Mr. ROTHMAN. That is correct.

Senator PASTORE. How do you do that? Do you employ one of these attorneys to do that?

Mr. ROTHMAN. No; we do not.

I can ask Mr. Boote, who is here, the Assistant Solicitor, in charge of employees' compensation to tell you about that.

Senator PASTORE. We are trying to show the justification of these 18 to 20 attorneys. Let us show it.

Senator THYE. We must have some idea in our minds as to why they are necessary; otherwise, for myself, I will say I am going to have a terrible time of it, after having answered a lot of mail this morning about Government spending, to justify why I should vote an increase here.

I have just gotten through answering some very irritated taxpayers.

Senator HILL. Mr. Boote, can you answer that question?

THIRD PARTY CASES

CASES EXAMINED

Mr. BOOTE. Mr. Chairman, let me mention that out of the 18 attorneys mentioned, there are about 2 or 3 attorneys that are constantly combing cases that come in by the thousands from various parts of the country to the Bureau of Employees' Compensation and look for liability in these third-party cases. They examine, on an average, about 15,000 cases a year, that is, either new cases, or cases that are sent back for one or more reasons.

One of their main jobs is to find the liability, to find the cases in which we think we can recoup damages. Those cases are combed. Very often the liability is so clear that the official superior of the employee, following our regulations, will notify this man to proceed in accordance with those regulations, which would require him to institute suit against the third party.

That is not the end of the line, because very many times we can assist the attorney who is trying the case out in the field. He is not our attorney, he is a private attorney, but he relies very often on material that we can supply him in order to make a better case.

Senator THYE. Let us go into that right here.

Most of those attorneys take the cases on the basis of getting a percentage of whatever is collected in damages; is that correct?

Mr. BOOTE. That is correct.

Senator THYE. You are not going to go in there and do the legal work, are you, and then let the attorney collect the percentage on what is obtained as an indemnity against the insurance company?

Mr. BOOTE. That is correct. But he needs materials to work with, that is, he needs evidence, he needs witnesses.

Senator THYE. Your case is getting weaker. I hope you are not going to furnish him the material and the supplies to enable him to be successful in the prosecution of a claim against the insurance company, as a private attorney, when we know that most of the time he collects a substantial percentage of the damages which he succeeds in getting as a claim against the insurance company. You are not making a very strong case if you are saying that you will supply material for him when he works on the basis of collecting a percentage of the indemnity.

Mr. BOOTE. Let me give you an illustration.

Senator PASTORE. Before you do that, let me get into this. I am a lawyer, too.

Senator THYE. I am not a lawyer.

Senator PASTORE. Your primary interest is to recoup the money, is it not?

Mr. BOOTE. That is right.

RECOUPMENT OF COMPENSATION DUE TO COURT RECOVERY

Senator PASTORE. The point is that if ever a recovery is made in a court of law, you will get back the money that you paid out in compensation?

Mr. BOOTE. Yes.

Senator THYE. May I interrupt at that point?

Senator PASTORE. Yes.

Senator THYE. The man is allowed a certain amount of compensation for a disability or injury, is he not? That is part of the Workman's Compensation Act; is that right?

Mr. BOOTE. Workmen's compensation.

Senator THYE. He is entitled to that, and that is not what you are trying to recoup, is it?

Mr. BOOTE. We are trying to recoup the number of dollars paid from the employees' compensation fund to that injured worker, and that number of dollars very often, Senator, is greater than the amount of recovery he is going to get from the third party. So we have practically a hundred percent interest in these cases.

Senator PASTORE. He cannot keep both, in other words. You see, an employee is entitled to compensation as a matter of right, but should he for that injury for which compensation has been paid make a recovery of the third party, then he must pay back to the Government the money he collected in compensation. Their job is to see that he gets it back.

Senator THYE. That is what I want to get clear for the record.

Senator PASTORE. They have used a lot of words to say a simple thing.

Senator THYE. You have explained it. I want to make certain here that that is the procedure.

DETERMINATION OF WORKMEN'S COMPENSATION

Let us take another example now. Suppose that Mr. A was the man driving the vehicle that struck a mail carrier's truck and that Mr. B was the mail carrier injured; that Mr. B was laid up for 6 months because of the injury, before he came back onto the job; that he was drawing workman's compensation for all the 6 months that he was disabled. How much would he be drawing a week in workman's compensation?

MR. BOOTE. It depends on his pay. Let us assume he gets three-quarters of his pay.

SENATOR THYE. That is three-quarters of whatever pay he draws. If he is driving a mail truck it may be somewhere near \$5,000.

Then in this example assume that you go in there and you examine the case when he has brought suit against Mr. A and that Mr. A had insurance and that Mr. B succeeded in getting a claim against the insurance company and a settlement is made, and assume that the settlement is in the round run of so many thousands of dollars; then do you go in there to examine the case to determine whether or not the man collected as much money as you have paid him?

MR. BOOTE. The operation is this: He may receive his compensation, his workman's compensation, all during this time, from the very day he is hurt.

SENATOR THYE. Yes. I mentioned 6 months.

AGREEMENT FOR REIMBURSEMENT

MR. BOOTE. He enters into an agreement to reimburse the Government out of the money he recovers from the third party.

SENATOR THYE. From the insurance company.

MR. BOOTE. In whatever manner he may recover.

He may have to sue, or a settlement may be made. But the very moment he gets paid by the insurance company, that is when we reach back to take out all we have paid. That includes the medical expense, of course.

SENATOR THYE. That is true; the medical expense and the benefits paid.

Suppose that he says, "I still have a pain in my right leg and I am confident this is going to remain with me, and every time I take a quick step it hurts," and he says, "Now, here, I am claiming that some of this settlement was for a physical injury that is going to remain permanent"; where do you get into that argument now?

That is the root of it, because I am quite certain that you would have quite a time making a case as to whether you could take all of that money away from him.

STATUTORY REQUIREMENT

MR. BOOTE. The statute tells us to do so, so we have to. It is the statute that we rest on. It directs that after the employed has recovered he shall reimburse us out of that recovery to the extent of the actual number of dollars paid. Then the statute goes on to say that the balance remaining in the employee's hands afterward, that is the net balance, will also operate as a credit against future compensation on account of that same injury. So if he is destined to draw some further compensation on account of an impaired leg, in this

case, we just would not pay him until the amount which he ordinarily would receive as compensation equals the credit.

Senator THYE. Mr. Chairman, I am glad I asked all of these questions, because I think we have made a clearer record than we had before, or, at least, it is clearer in my mind than it was before these questions were asked.

TOTAL AMOUNTS RECOVERED ANNUALLY

Senator PASTORE. And the proof of the pudding is in the eating. Can you tell us now, sir, how much your average recoup amounts to annually?

Senator HILL. How much does it mean to us?

Senator PASTORE. How much do we recoup?

Mr. BOOTE. It constitutes really a lot of money.

Senator HILL. How much did you get last year, for instance?

Mr. BOOTE. I want to start back a little bit further and see if I could give you the figures. Unfortunately, I did not bring those figures.

Senator HILL. Can you supply us those figures for the record at this point?

Mr. ROTHMAN. Senator, I can supply those figures.

Senator PASTORE. Right now?

Mr. ROTHMAN. Yes, sir.

Mr. BOOTE. From 1941.

Mr. ROTHMAN. The gross recoveries starting in 1941 have progressively increased from \$469,318 in 1941 to over \$2.5 million in 1956.

I will be very happy to make available for the record this statement.

(The information referred to follows:)

Gross recoveries made in third party cases for the calendar years 1941 to 1956, inclusive, Federal Employees Compensation Act

1941-----	\$469,318.00	1949-----	\$1,361,025.71
1942-----	391,224.00	1950-----	1,437,916.80
1943-----	789,888.00	1951-----	1,510,320.20
1944-----	949,347.00	1952-----	2,007,993.72
1945-----	1,016,230.00	1953-----	2,034,088.16
1946-----	1,044,999.00	1954-----	2,165,949.64
1947-----	1,370,295.52	1955-----	2,312,749.08
1948-----	1,037,198.57	1956-----	2,510,416.46

Prior to the year 1948 reports were prepared by calendar years, since fiscal 1948 reports are also available on a fiscal year basis as follows:

Fiscal year:		Fiscal year—Continued	
1948-----	\$1,224,176.47	1954-----	\$2,098,712.94
1949-----	1,230,451.15	1955-----	2,069,202.49
1950-----	1,526,129.20	1956-----	2,403,913.54
1951-----	1,400,472.00	1957 (July-Decem-	
1952-----	1,671,189.00	ber)-----	1,270,694.10
1953-----	2,188,563.78		

ATTORNEY'S EXPENSES

Senator THYE. Can you also make available for the record what your Solicitor's expenses have been in connection with this particular activity over that same period of time? None of us would object once your case is made clear, to the increase in the number of solicitors or attorneys if you make your case.

Mr. ROTHMAN. Yes, sir.

We have at the present time 2 attorneys full-time and I believe 1 part-time in this work, and we are asking for 2 additional persons, 1 attorney, and 1 stenographer.

Senator HILL. At a total cost of how much?

Mr. ROTHMAN. The total cost of all those now engaged in this work?

Senator HILL. No. I am speaking about the additions that you want.

Mr. ROTHMAN. That would be \$11,325 for this function.

Senator HILL. How much is going to this function at the present time?

Mr. ROTHMAN. I will have to supply that amount.

(The information referred to follows:)

At the present time there are approximately 2½ man-years of attorney time and 2 man-years of clerical and stenographic time allocated to the program of recoveries in third-party tort cases under the Federal Employees' Compensation Act. The estimated cost for the current fiscal year is \$34,600.

This is approximately the same staff that has been devoted to this phase of the activity since the employees compensation program was transferred to the Department of Labor in 1950. It is our understanding that prior to 1950 there were at times as many as five attorneys allocated to this work.

Senator PASTORE. So that the record will be straight on that point, let me ask a question.

If the House figure is allowed, are you saying we will have to curtail even existing facilities with respect to these recoupments? Are you saying that, for the record now?

Mr. ROTHMAN. I had not planned, in this particular area, to reduce the size of the staff, but if it does not come here it will have to come some place else.

Senator PASTORE. But I think the record ought to show it; otherwise there will be misunderstanding here.

Senator THYE. I think the record has to be clear here because I anticipate that I may be in on the conference and we want the material that will give us the proper argument on our side.

STATEMENT ON EFFECT OF REDUCTION

Mr. ROTHMAN. We have prepared a statement which indicates the effect of the House action and where the reduction in the base of the 1957 personnel would have to take place. With the permission of the chairman, I will supply that for the record.

Senator HILL. Very well. We will appreciate it if you will furnish that along with the other information you said you would furnish the committee.

Mr. ROTHMAN. Yes, sir.

(The material referred to follows:)

EFFECT OF HOUSE ACTION

Activity 1. Litigation

The House action reduced this activity by \$36,584 (6 positions) under the 1958 estimate. This includes disallowance of the requested program increase of \$17,915 and \$18,669 reduction in operations below the 1957 base because of transferred and mandatory cost items which must be met in 1958. These items cover contributions to the civil-service retirement fund and the departmental working capital fund.

The House action will mean a reduction in the trial litigation and employees' compensation programs. Less effective enforcement of the two principal Federal wage and hour laws—the Fair Labor Standards Act and the Public Contracts Act—will result. Enforcement actions filed in the Federal district courts and in administrative proceedings under these two major laws have been mounting steadily. For the past several months actions have been filed at the rate of 100 or more per month. This rate of filing cases indicates that for the first time more than 1,100 cases will be filed during a fiscal year. This high plateau of effective enforcement activity will be curtailed by the House action because less staff will be available to try the cases when they come to trial. There will also be less legal advice available in support of the administration of the Federal Employees' Compensation Act, the Longshoremen's and Harbor Workers' Compensation Act, and other related workmen's compensation statutes.

A proposed program increase for 1958 of \$6,590 (1 additional attorney position) for the appellate litigation program was disallowed. This increase was justified because important cases testing wage determinations made under authority of the Public Contracts Act will reach the appellate court stage in 1958. In addition, in this program area there are still serious unresolved legal problems with respect to the Puerto Rican wage-order program as a result of the drastic changes made by the 1955 amendments to the Fair Labor Standards Act.

Another proposed program increase for 1958 of \$11,325 (2 additional positions) for the employees' compensation program was also disallowed. With these additional positions, the amount of recoveries from third-party tortfeasors responsible for injuring Government employees during their work could be substantially increased. A large portion of such recoveries remains in the Treasury as a net gain to the Government.

Activity 2. Interpretations and legal advisory services

The House action reduced this activity by \$42,225 (6 positions) under the 1958 estimate. This includes disallowance of the requested program increase of \$7,825 and \$34,400 reduction in operations below the 1957 base because of transferred and mandatory cost items. These items, in addition to a fund transfer from the "Mexican farm labor program" appropriation, cover contributions to the civil-service retirement fund and the departmental working capital fund which must be met in 1958.

The House action, if sustained, will mean less available legal services to the constituent bureaus of the Department in the administration of the statutes entrusted to the Department. Of particular importance are the legal services, interpretations, and opinions which are given continuously to the Wage and Hour Division on the Federal wage, hour, and child labor laws; to the Bureau of Employment Security on the unemployment insurance, employment service, Mexican farm labor, and veterans' readjustment assistance programs; to the Bureau of Veterans Reemployment Rights on the reemployment-rights statutes; to the Bureau of Employees' Compensation on the various workmen's compensation statutes; and to the Employees' Compensation Appeals Board in cases which are appealed to the Board.

A proposed program increase for 1958 of \$7,825 (1 additional attorney position) was sought in this activity for the employment-security program. The legal work in this area has been added to significantly with supplemental unemployment-insurance programs, numerous problems raised by State agencies under the Reed Act, and various new unemployment insurance programs. Because of the increasing importance of these matters and of conformity questions regarding Federal-State relationships, the proposed increase is well justified.

Activity 3. Wage determinations

The House action reduced this activity by \$23,953 (4 positions) under the 1958 estimate. This disallowance will result in a reduction by this amount in operations below the 1957 base because of transferred and mandatory cost items. These items cover contributions to the civil-service retirement fund and the departmental working capital fund. The House allowed an increase of \$49,000 for the purpose of placing the supplemental funds provided in the current year, by transfer from the highway trust fund, on an annual basis in 1958.

The House action, if sustained, will reduce the resources available to the activity for the predetermination of prevailing wages which become minimum on federally financed or assisted construction as required under the Davis-

Bacon Act, as amended, and several other similar statutes. The time element is of vital importance in this work. Extended delays in collecting and evaluating the factual basis essential to the processing of these wage determinations, after being requested by the Federal procurement agencies, could result in holding up invitations to bid on construction projects of vital importance to the country. Forced absorption of the mandatory cost items in 1958 will tend to increase the overall time required to process a wage-determination request.

Activity 4. Legislative advisory services

The House action reduced this activity by \$9,092 (1 position) under the 1958 estimate. This will result in a reduction by this amount in operations below the 1957 base because of transferred and mandatory cost items which must be met in 1958. These items cover contributions to the civil service retirement fund and the departmental working capital fund.

If the action of the House is sustained, the forced absorption of these mandatory cost items would have a deterring effect on the multitude of important legislative and other legal advisory services performed in this activity for all the constituent bureaus and top policymaking officers of the Department.

Activity 5. Enforcement of regulatory labor laws (regional offices)

The House action reduced this activity by \$91,963 (17 positions). This includes disallowance of the requested program increase of \$14,010 and \$77,953 reduction in operations below the 1957 base because of transferred and mandatory cost items which must be met in 1958. These items, in addition to a fund transfer from the Mexican farm labor program appropriation, covers contributions to the civil service retirement fund and the departmental working capital fund. The House allowed an increase of \$16,000 for the purpose of placing the supplemental funds provided in the current year, by transfer from the highway trust fund, on an annual basis in 1958.

The effect of the House action, if sustained, will mean a reduction below the 1957 base in the work being performed by the regional offices. This work is concerned primarily with enforcement actions in administrative proceedings and in the Federal district courts in support of the principal Federal wage, hour, and child labor laws—the Fair Labor Standards and the Public Contracts Act; and with the preparation of advisory opinions and the rendering of day-to-day legal advice on questions arising under the statutes and Executive orders administered by the Department.

The proposed program increase of \$14,010 (2 additional attorney positions) which the House disallowed was related to the Mexican farm labor program. There has been a progressive increase in the legal problems created by the Mexican farm labor program not only in interpretation and construction of the migrant labor agreement and the standard work contract but also because of the increased number of compliance cases arising under the program. Since in many of these compliance cases, there is a potential financial liability against the United States, it is highly important that these cases receive careful legal service before any joint determination is made. Involved also is the need for meetings and discussions with Mexican consuls, employers, administrative officials, representatives of labor unions, and other parties with respect to the operation of the program.

Activity 6. Executive direction and management services

The House action reduced this activity by \$10,253 (1 position) under the 1958 estimate. This will result in a reduction by this amount in operations below the 1957 base because of transferred and mandatory cost items which must be met in 1958. These items cover contributions to the civil-service retirement fund and the departmental working capital fund.

The House action, if sustained, will primarily affect and reduce the supporting services performed by the management services portion of the activity.

SALARIES AND EXPENSES, OFFICE OF THE SOLICITOR, LABOR

Amounts available for obligation

	1957	1958
Appropriation or estimate.....	\$2,021,000	\$2,235,070
Transfer from highway trust fund.....	300,000	365,000
Comparative transfer from "Salaries and expenses, Office of the Secretary of Labor".....	14,600	-----
Comparative transfer from "Salaries and expenses, Mexican farm labor program, Bureau of Employment Security".....	27,500	-----
Total available.....	2,363,100	2,600,070

Obligations by activities

Description	Adjusted 1957 base		Estimate, 1958		House allowance, 1958	
	Positions	Amount	Positions	Amount	Positions	Amount
1. Litigation.....	40	\$284,461	43	\$319,246	37	\$282,662
2. Interpretations and legal advisory services.....	45	305,928	46	331,837	40	289,612
3. Wage determinations.....	73	391,386	73	462,243	69	438,290
4. Legislative advisory services.....	19	141,780	19	149,970	18	140,878
5. Enforcement of regulatory labor laws.....	157	1,079,124	159	1,167,128	142	1,075,165
6. Executive direction and management services.....	28	160,421	28	169,646	27	159,393
Total direct obligations.....	362	2,363,100	368	2,600,070	333	2,386,000

OFFICE OF THE SOLICITOR

Obligations by objects

Object classification	Adjusted 1957 base	Estimate, 1958	House allowance, 1958
Total number of permanent positions.....	362	368	333
Average number of all employees.....	346	359	324
01 Personal services.....	\$2,077,850	\$2,166,650	\$1,978,850
02 Travel.....	106,100	120,200	108,000
03 Transportation of things.....	900	900	900
04 Communication services.....	31,600	31,900	31,600
05 Rents and utility services.....	2,250	2,250	2,250
06 Printing and reproduction.....	10,000	10,000	10,000
07 Other contractual services.....	24,400	24,550	24,400
Services performed by other agencies.....	60,600	62,920	60,600
08 Supplies and materials.....	42,100	42,400	42,100
09 Equipment.....	6,000	6,000	6,000
11 Contribution to retirement fund.....	-----	131,000	120,000
15 Taxes and assessments.....	1,300	1,300	1,300
Total.....	2,363,100	2,600,070	2,386,000

Senator HILL. Do you have any further questions, Senator Thye?

Senator THYE. No, sir; I have not.

Senator HILL. Do you have any other questions, Senator Pastore?

Senator PASTORE. No, Mr. Chairman.

Senator HILL. Senator Potter?

FEDERAL-AID HIGHWAY ACT OF 1956

Senator POTTER. Yes.

I would like to go back again to the \$365,000 to enforce the Bacon-Davis Act provisions under the Federal Highway Act. You have a

division within the Department of Labor, whose specific duty it is to enforce the Bacon-Davis provisions; is that correct, sir?

Mr. ROTHMAN. Yes, Senator.

Senator POTTER. How many employees do you have in that division at the present time?

Mr. ROTHMAN. There are 73 employees.

Senator POTTER. How many are there in the Washington office and how many in the field?

Mr. ROTHMAN. The 73 are all in Washington.

WAGE DETERMINATION FUNCTION

We have, in connection with the wage-determination function for the Interstate Highway System, decentralized a part of the responsibility to the regional offices because the Federal-Aid Highway Act requires the Secretary of Labor to consult with the State highway departments in connection with the determinations that are made. We thought that the best way to discharge the responsibility of consulting, is to get the people involved as close together as possible. So we are using our regional offices, and there are 24 such positions in the field.

Senator POTTER. Are there 24 such positions in the field that are not filled at the present time, or are they filled at the present time?

Mr. ROTHMAN. Some are filled and some are not yet filled.

Senator POTTER. With this \$365,000, how many additional employees would that mean in enforcing the Bacon-Davis provisions?

Mr. ROTHMAN. The \$365,000 is for the purpose of placing the \$300,000 appropriation on an annual basis but would not call for an increase in the authorized strength.

Senator POTTER. Did you say it would not?

Mr. ROTHMAN. That is right.

Senator POTTER. In other words, you have the employees at the present time to enforce the Bacon-Davis provisions?

Mr. ROTHMAN. We have not filled every one of the authorized positions. And the reason for that is that the number of project awards that was to be made last year did not come up to the estimate and it was just a matter of prudent financial accountability and budgeting that we did not fill all of the positions last year. But we are prepared to do so, and we expect the caseload to come up to the estimate this coming year so that we will need all of these positions.

COMPLAINTS OF VIOLATIONS

Senator POTTER. How many complaints did you have last year of violation of the Bacon-Davis provisions?

Mr. ROTHMAN. If we are talking about complaints with respect to violations of the Bacon-Davis provisions generally, we have a present caseload of some 692 complaints of violations, which is the highest in the history of the act and exceeds the caseload in the year 1953 which was 152 cases, by the amount of 539.

Senator THYE. Mr. Chairman, I wonder if Senator Potter would yield. I would like to get information as to where most of these complaints are coming from, geographically.

Senator POTTER. I would first like to find out how many of those were from the highway program and how many were from other Bacon-Davis provisions.

Has the highway program been underway enough so that you have any complaints in connection with it, and, if so, how many were from the highway program?

Mr. ROTHMAN. The highway program is not underway enough with respect to actual construction work upon which to base any informed judgment as to what the violation picture might be like. We trust that there will not be any.

GEOGRAPHICAL CLASSIFICATION OF COMPLAINTS

Senator POTTER. Now can you respond to Senator Thye's question about where most of these complaints are coming from geographically?

Mr. ROTHMAN. While the complaints are not localized to any one part of the country, I think that it is fair to say that a larger number of them come from those States where labor organizations are not strong enough to protect their own wage standards, and certain regions of the country seem to have more violations than others, or it may be that there is more construction work going on of certain kinds. But they would come, for the most part, I would say, from the southern or southeastern part of the country. And even there, they are localized to certain States more than others.

Senator POTTER. Do you suppose we could have a breakdown for the record, by States, as to where the complaints are coming from?

Mr. ROTHMAN. Yes, Senator.

Senator HILL. Will you furnish that for the record, Mr. Rothman?

Mr. ROTHMAN. Yes, sir.

(The information referred to follows:)

Distribution by States, for fiscal year 1956, of cases received involving enforcement of labor standards under the Davis-Bacon and related acts

	Number of cases		Number of cases
Alabama-----	36	New Hampshire-----	1
Arizona-----	1	New Jersey-----	17
Arkansas-----	6	New Mexico-----	22
California-----	19	New York-----	14
Colorado-----	1	North Carolina-----	29
Connecticut-----	16	North Dakota-----	1
Delaware-----	8	Ohio-----	8
Florida-----	19	Oklahoma-----	14
Georgia-----	26	Oregon-----	3
Idaho-----	2	Pennsylvania-----	22
Illinois-----	20	Rhode Island-----	2
Indiana-----	5	South Carolina-----	32
Iowa-----	4	South Dakota-----	1
Kansas-----	2	Tennessee-----	27
Kentucky-----	8	Texas-----	149
Louisiana-----	8	Virginia-----	20
Maine-----	32	Utah-----	21
Maryland-----	19	Washington-----	5
Massachusetts-----	5	Hawaii-----	2
Michigan-----	12	Alaska-----	5
Minnesota-----	3	Puerto Rico-----	1
Mississippi-----	11	District of Columbia-----	16
Missouri-----	12		
Nebraska-----	5	Total-----	692

EMPLOYEES' FUNCTIONS

Senator POTTER. You have 73 employees. Are these all lawyers?

Mr. ROTHMAN. No, sir. It has been my practice to reduce the number of attorneys in this area and use clerical help and administrative help for establishing the wage predeterminations. Of this group, 30 are attorneys and the rest are administrative and clerical.

Senator POTTER. It seems to me that with a caseload of 692, that 73 employees are a lot of employees to enforce that 1 provision of the law.

Mr. ROTHMAN. Let us clarify what we are talking about. You asked for the number of complaints of violations. There are 692 complaints. The size of the staff that handles these complaints consists of less than a half-dozen attorneys. The Labor Department issued last year some 23,000 wage predeterminations for projects under the Bacon-Davis Act. Each wage predetermination may include 50 to 300 different classifications, and so we issue over 1 million different wage classifications a year.

There has been a steady increase in that workload without a proportionate increase in the size of the staff. So that with a caseload of, I believe, as low as 4,000 during one of the war years, we are now at a peak caseload of 23,000, and which may exceed 30,000 this coming fiscal year. The 73 employees, including the enforcement staff, which is within the 73, do that work.

I might say that of those million classifications, only a very, very small percentage are the subject of complaint.

Senator POTTER. In other words, the handling of the complaints is a small part of the workload of the 73 employees; is that right?

Mr. ROTHMAN. Yes.

The complaint may be that the predetermination originally issued was erroneous, and that requires one type of investigation. The other may be that a laborer or mechanic at the site of the work has not been paid the particular wage rate applicable to his work. That is another matter.

Senator POTTER. Of course, the thing that bothers me is that here we have the highway funds in the amount of \$365,000 to enforce the Bacon-Davis provision, and we have a statement here that actually we have not gotten underway yet, so that the work in conjunction with the Bacon-Davis provisions of the Highway Act has not had its effect.

FUNDS FOR HANDLING BACON-DAVIS PROVISIONS

Are we using highway funds to handle Bacon-Davis provisions of other acts?

Mr. ROTHMAN. No, sir. We have very carefully kept the funds segregated and identified as to all the services and work done in connection with the highway program.

I would like to comment on your question because a number of your questions were directed toward the administration of the Bacon-Davis Act generally and a number were directed toward the highway program, and there may be some confusion here.

RESPONSIBILITY UNDER HIGHWAY ACT

First, the act enjoins upon the Secretary of Labor the responsibility of wage determination for the Federal-aid Highway Act and to con-

sult with the State highway departments. In every instance in which a wage determination has been issued—and the figure is already approaching 1,000, it is perhaps around 850 wage predeterminations—we have consulted with the State highway departments.

You must appreciate that we are going into rural areas where there have not been wage predeterminations made before, no wage predeterminations for the highway program, this has required special investigations, field surveys, in addition to consultation.

We have not expended all of the \$300,000 because the full impact of the workload has not yet hit, but it will, and we do not want to be in the position to delay the issuance of these determinations.

There have been some criticisms as to whether there should be a Bacon-Davis provision in the Federal-aid highway program at all, and there was some criticism with respect to its administration when the Highway Act was enacted. But I would like to point out that the president of the American Association of State Highway Officials took occasion to tell the Senate Subcommittee on Public Roads that they were satisfied that the Labor Department was doing a fine job of cooperation and that they had no cause of complaint. And I trust very much that the problem of the criticism last year, about whether the highway program shall be based on the same fair labor standards applicable to other federally assisted or federally aided construction, does not get involved in this very simple question of the method of financing.

PREFERENCE AS TO SOURCE OF FUNDS

Senator POTTER. Mr. Rothman, would you have any objection at all if the committee, the Congress, budgeted your item for enforcing the Bacon-Davis provisions for the highway program and you got your funds from a direct appropriation rather than by taking them from the trust fund? Would you have any objection to that?

Mr. ROTHMAN. Senator, when the question of the first appropriation came up a year ago, the position of the Department of Labor was that if it were to be made from the general revenues as a direct appropriation it would be satisfactory to us, and I believe the position of the Department of Labor would still be the same. It is up to the Congress to decide the source of funds.

Senator POTTER. As long as you get your money, you do not care where you get it?

Mr. ROTHMAN. It would be easy to say that the answer is "Yes." But I think that the Congress has the principle to face as to whether, where the act specifically provides that the Department of Labor has this function, whether this function in the Department justifies payment from this fund or not.

Senator POTTER. We always are directing agencies to do certain things, and when that is done the matter normally goes through the regular channel, goes through the Bureau of the Budget, and it is a budgeted item in their appropriation.

As one member of the committee, I am extremely fearful of your agency or any other agency trying to move in on any trust fund.

That was not the purpose of the highway trust fund. The public has every right to assume that that trust fund was to build highways. I think we will establish a dangerous precedent if we allow your agency or any other agency to start dipping into that highway trust fund for other purposes.

NECESSARY REDUCTION IN ENFORCEMENT PHASE

Senator PASTORE. Mr. Rothman, are you saying in essence that if the House cut stands, that you will have to cut by almost 20 percent the enforcement phase of your work and that the only way that you can absorb this cut is in less enforcement?

Mr. ROTHMAN. Yes, sir.

Senator PASTORE. Is that what you are essentially saying?

Mr. ROTHMAN. Yes, sir. We will have to reduce our authorized strength below the 1957 authorized strength by some 29 employees.

Senator PASTORE. Out of how many?

Mr. ROTHMAN. Out of 362.

Senator PASTORE. And the only way that it will reflect itself is in the fact that there are just going to be less people to enforce these laws and that they will not be properly enforced; is that your argument?

Mr. ROTHMAN. They will not be as well enforced as if we had the additional funds.

Senator PASTORE. What is the difference between that statement and saying "properly enforced"? Let us not play with words. You cannot do your job according to law as you should do your job if this cut takes place; is that the fact?

You seem to hedge so much, by the time we get through, we do not know whether you really want it, or not.

Mr. ROTHMAN. Senator, of course, we do.

But I have always hesitated to say that we will not try to do the best job we can.

Senator PASTORE. I did not say you would not try, but that you cannot do the best job.

Mr. ROTHMAN. We cannot do the job we could do if we were not cut below our authorized base.

Senator PASTORE. That is what I said, that you cannot do the job.

Mr. ROTHMAN. I would like to respond to Senator Potter's question.

The Department of Labor's problem is not so much the fund but that we have adequate funds to maintain the labor standard requirements imposed upon the Department of Labor by the act.

METHOD OF FINANCING

Senator POTTER. I am not critical of the Department of Labor in your enforcement of the Bacon-Davis provision. I think you did a good job of explaining it. But I am critical of the way it is financed, which I realize is not certainly in your province.

Mr. ROTHMAN. That is right.

If I may, I want to make it clear to Senator Pastore that we feel very strongly about the necessity, if the House allowance stands, to reduce our authorized strength below 1957 when we are now feeling the full impact of our law-enforcement activities.

Senator PASTORE. I have always felt that you could not have the best staffed police force in any city unless you had the proper enforcement through the courts. Eventually there would be a breakdown. After all, we have these laws on the statute books and they have to be properly enforced.

The question we are trying to resolve today is: If you do take this cut, can you do as good a job in the public interest? I think that is the important question. Your answer is unequivocally no, is it?

Mr. ROTHMAN. That is right.

Senator PASTORE. That is all I have, Mr. Chairman.

Senator HILL. Thank you, sir.

BUREAU OF LABOR STANDARDS

STATEMENT OF PAUL E. GURSKE, DIRECTOR

APPROPRIATION ESTIMATE

Salaries and expenses: For expenses necessary for the promotion of industrial safety, employment stabilization, and amicable industrial relations for labor and industry; performance of safety functions of the Secretary under the Federal Employees' Compensation Act, as amended (5 U. S. C. 784 (c)); performance of the functions vested in the Secretary by title I of the Labor-Management Relations Act, 1947 (29 U. S. C. 159 (f) and (g)); [not to exceed \$53,400 for improving the conditions of migratory labor;] and not less than [\$155,900] \$197,575 for the work of the President's Committee on National Employ the Physically Handicapped Week, as authorized by the Act of July 11, 1949 (63 Stat. 409), and provided further, That no part of the appropriation for the President's Committee shall be subject to reduction or transfer to any other department or agency under the provisions of any existing law; including purchase of reports and of material for informational exhibits and expenses of attendance of cooperating officials and consultants at conferences concerned with the work of the Bureau of Labor Standards; [\$11,500] \$1,167,000.

Summary of new positions

Title	Grade	Number	Salary
2. Improving conditions of migratory workers:			
Labor standards adviser.....	GS-12.....	2	\$15,140
Research clerk.....	GS-5.....	1	3,670
Stenographer.....	GS-4.....	1	3,415
3. Reducing industrial accidents:			
Safety engineer.....	GS-13.....	1	8,990
Do.....	GS-12.....	1	7,570
4. Protecting young workers and advancing their employment opportunities:			
Child labor analyst.....	GS-13.....	1	8,990
Do.....	GS-12.....	1	7,570
Do.....	GS-11.....	1	6,390
Do.....	GS-9.....	1	5,440
Do.....	GS-7.....	1	4,525
Secretary.....	GS-5.....	1	3,670
Stenographer.....	GS-4.....	3	10,245
5. Promoting employment of the physically handicapped: Editorial clerk.	GS-7.....	1	4,525
Total.....		16	90,140
Deduct lapses.....			6,040
Net permanent.....			84,100
Regular pay above 52-week base.....			300
All personal services.....			84,400

Amounts available for obligation

	1957	1958
Appropriation or estimate.....	\$911,500	\$1,149,800
Comparative transfer from "Salaries and expenses, Office of the Secretary of Labor".....	13,400	0
Total estimate.....	924,900	1,149,800

Obligations by activities

	Adjusted 1957 base		Estimate, 1958		House allowance, 1958	
	Positions	Amount	Positions	Amount	Positions	Amount
1. Improving State labor legislation.....	22	\$156,244	22	\$164,044	22	\$164,044
2. Improving conditions of migratory workers.....	7	53,900	11	99,925	7	58,925
3. Reducing industrial accidents.....	41	372,901	43	433,201	40	387,901
4. Protecting young workers and improving their employment opportunities.....	12	80,155	21	148,255	12	84,755
5. Promoting employment of the physically handicapped.....	14	160,700	15	197,575	15	182,575
6. Registration of labor union data.....	5	24,182	5	25,482	5	25,482
7. Executive direction and management services.....	12	76,818	12	81,318	12	81,318
Total obligations.....	113	924,900	129	1,149,800	113	985,000

Obligations by objects

Object classification	Adjusted 1957 base	Estimate 1958	House allowance 1958
SUMMARY OF PERSONAL SERVICES			
Total number of permanent positions.....	113	129	113
Average number of all employees.....	112	129	110
Number of employees at end of year.....	110	127	111
01 Personal services.....	\$733,200	\$831,600	\$733,100
02 Travel.....	64,200	93,500	66,200
03 Transportation of things.....	2,800	5,100	5,100
04 Communication services.....	16,500	18,700	16,900
05 Rents and utility services.....		1,900	
06 Printing and reproduction.....	58,900	78,000	61,900
07 Other contractual services.....	4,750	5,050	4,750
Services performed by other agencies.....	28,050	34,650	31,950
08 Supplies and materials.....	12,100	16,000	13,600
09 Equipment.....	3,900	14,400	5,400
11 Grants, subsidies, and contributions: Contribution to retirement fund.....		50,300	45,600
15 Taxes and assessments.....	500	600	500
Total obligations.....	924,900	1,149,800	985,000

Summary of changes

1957 actual appropriation.....	\$911,500
Transfer to finance bureau share of working capital fund.....	+13,400
Revised 1957 base.....	924,900
1958 appropriation request.....	1,149,800
Net change requested.....	+224,900

	Estimate, 1958		House, Allowance	
	Positions	Amount	Positions	Amount
For mandatory items:				
Retirement contribution on 1957 base of 113 positions	None	\$45,800	None	\$45,500
Retirement and depreciation on working capital fund	None	3,900	None	3,900
Subtotal	None	49,700	None	49,400
For program items:				
For the migratory labor program	4	41,000	None	None
For the youth employment program	9	63,500	None	None
For the physically handicapped program	1	30,100	1	15,100
For conducting the President's Safety Conference	None	20,000	None	None
For extending safety services to industries using fissionable materials	2	20,600	None	None
Overall reduction, applied to reducing industrial accidents	None	None	-1	-4,400
Subtotal	16	175,200	None	10,700
Grand total	16	224,900	None	60,100

EFFECT OF HOUSE ACTION

Activity 1. Improving State labor legislation.—The House allowed the requested amount of \$164,044. The only increase is \$7,800 for mandatory contribution to the civil service retirement fund.

Activity 2. Improving conditions of migratory workers.—The House allowed \$58,925. This includes increase of \$3,700 for mandatory contribution to the civil service retirement fund and \$1,325 for the working capital fund. This action excludes a requested increase of 4 positions and \$40,000 to expand services for improvement of conditions of migratory workers and \$1,000 for contribution to civil service retirement fund for the new positions.

Activity 3. Reducing industrial accidents.—The amount allowed is \$387,901, a decrease of \$45,300 from the request. This action eliminates 2 positions and \$20,000 for extension of safety services to industries using fissionable materials and \$600 for contribution to civil service retirement fund for these 2 positions; \$20,000 for servicing the President's Conference on Occupational Safety; also, an overall decrease of \$4,700 eliminates 1 position from this activity. The House approved \$18,200 for mandatory contribution to the civil service retirement fund and \$1,500 for the working capital fund.

Activity 4. Protecting young workers and improving their employment opportunities.—The House allowed \$84,755, a decrease of 9 positions and \$63,500 from the request of \$148,255. This eliminates \$60,700 requested to launch an action program to alleviate unemployment among out-of-school youths and \$2,800 for contribution to the civil service retirement fund in this connection. The only increase allowed is \$4,600 for mandatory contribution to the civil service retirement fund.

Activity 5. Promoting employment of the physically handicapped.—The House allowed \$182,575, a decrease of \$15,000 from the request of \$197,575. This provides \$1,075 for the working capital fund; and 1 position and \$15,000 of the requested \$30,000 to accelerate the promotional activities of the President's Committee on Employment of the Physically Handicapped; and \$5,800 for mandatory contribution to civil service retirement fund.

Activity 6. Registration of labor-union data.—The House allowed the requested amount of \$25,482. The only increase is \$1,300 for mandatory contribution to the civil service retirement fund.

Activity 7. Executive direction and management services.—The House allowed the requested amount of \$81,318. The only increase is \$4,500 for mandatory contribution to the civil service retirement fund.

PREPARED STATEMENT

Senator HILL. Now we will hear from Mr. Paul E. Gurske, Director of the Bureau of Labor Standards. Will you come forward, please, sir?

Have you filed a statement for the record, Mr. Gurske?

Mr. GURSKE. Yes, Mr. Chairman. I filed a statement for the record and I would appreciate an opportunity to summarize it.

Senator HILL. Your full statement will appear in the record at this point, and you may now proceed to summarize.

(The statement referred to follows:)

STATEMENT OF PAUL E. GURSKE, DIRECTOR, BUREAU OF LABOR STANDARDS,
DEPARTMENT OF LABOR

Mr. Chairman and members of the committee, I am glad to appear before you again and discuss the program of the Bureau of Labor Standards.

Total fund available for 1957, exclusive of that for the physically handicapped program, is \$764,200, and the amount requested for 1958 is \$952,225, or an increase of \$188,025. The program increases are as follows:

1. For improving conditions of domestic migratory farmworkers, we are requesting 4 positions and \$40,000.
2. For development of a program for overcoming obstacles to employment of idle, out-of-school youths, we are asking 9 positions and \$60,700.
3. For conducting the 1958 President's Conference on Occupational Safety, we are asking for \$20,000.
4. For extension of safety services for the detection and control of radiation hazards, we are requesting 2 positions and \$20,000.

There are two other increases requested:

1. Under the provision of new legislation, effective July 14, 1957, we are required to contribute to the civil service retirement fund an amount equal to that contributed by employees. For this we are asking \$44,500.
2. An increase of \$2,825 is requested for the revolving fund, which provides for centralized services by the Office of the Secretary and previously carried in that budget. The increase requested for 1958 reflects the Bureau's share of overall increases.

The Bureau develops and encourages the adoption of labor standards, designs and promotes programs for accident prevention, promotes improved employment opportunities and working conditions for young people, promotes improvement of conditions of domestic migratory farmworkers, serves as a clearinghouse on all types of labor law and administration of such legislation, and administers the union-registration functions of the Labor-Management Relations Act, 1947.

IMPROVING STATE LABOR LEGISLATION

The Bureau gives technical assistance to State labor departments, workmen's-compensation commissions, labor, management, legislative commissions, State legislators, and other groups. The Bureau gave such assistance in 45 States during the past fiscal year. With 44 State and Territorial legislatures in session in 1957, demands for these services are now greater than ever.

There is a growing dissatisfaction with the failure of workmen's-compensation laws to keep pace with rising wages and cost of living and with other developments, such as exposure of workers to radiation. Practically every State workmen's-compensation law will need amendment if it is to deal adequately with injuries to workers exposed to radiation. All this has resulted in requests from groups in practically every State for a wide variety of technical assistance from our Bureau. Since January 1, 1956, we have given such service to 37 States on workmen's compensation. Our field consultants have helped a number of States on such problems as processing claims, recordkeeping procedures, referral of cases for rehabilitation, methods of administration of second-injury funds, and other administrative problems. We have prepared for a substantial number of States a chart which compares the provisions of the State law with certain generally recommended standards and showing the extent to which other State laws meet these standards.

A bulletin on State laws and patterns of administration dealing with second-injury cases and a report summarizing 1956 State legislative action have been completed. A revision of the Bureau's basic bulletin on State workmen's compensation laws showing State developments through 1956 is practically completed. We are also planning to issue a report on the status of public employees under workmen's-compensation laws.

The requests from the States are not limited to workmen's compensation but include many dealing with child-labor, minimum wage and wage payment, State prevailing wage laws, and occupational safety. No program expansion is contemplated in this area for 1958.

IMPROVING CONDITIONS OF MIGRATORY WORKERS

Since funds were made available for this activity for fiscal 1955, substantial progress has been made in improving the conditions of migratory farmworkers.

The President's Committee on Migratory Labor, established in 1954 and carried on with these funds, has brought about an excellent working relationship among the Federal agencies and has helped to strengthen and extend their programs in the field. This joint approach has stimulated the organization of similar official committees in the States. Five new committees were set up in 1956—Arizona, Florida, Idaho, Ohio, and Minnesota, making a total of 13 official State committees. Bureau staff gave assistance to all of these States in getting the committees underway and continued assistance during the year in developing their programs. There are 11 other States, which do not yet have committees, which have requested assistance from the Bureau in helping to prepare the ground for the establishment of a committee. Prospects appear good for positive action in several of these States in the near future.

The modest increase of \$40,000 we are requesting for 1958 is to provide more adequately for the President's Committee on Migratory Labor and to allow the Bureau to be in position to better respond to the requests from the States for assistance. These requests are not only for help in getting State committees underway and in assisting the official committees on program matters but also to help find ways to meet other problems, such as registration of crew leaders and regulation of transportation, improvement of housing, review and advice on proposed legislation applying to migrants. We can do a great deal, also, in encouraging the activities of voluntary agencies in extending their programs to include migrants, and in helping to find ways to get community groups interested and active in getting community acceptance of migrants.

The International Association of Government Labor Officials, in its annual convention in November 1956, recognizing the importance of this program, unanimously approved a resolution calling on this Department to extend its assistance to the States on this program.

The \$40,000 program increase requested will provide for 4 positions and for necessary travel and printing.

REDUCING INDUSTRIAL ACCIDENTS

Last fiscal year, the Bureau conducted 85 safety-training courses for 2,234 State and Federal employees, union members, and longshoremen. We also made 537 service visits to Federal agencies and maritime activities, and initiated 5 special industry-safety programs.

During 1956, emphasis was placed on the promotion of effective safety programs for State employees. Five programs were conducted—in Iowa, Minnesota, Maryland, Virginia, and Arkansas.

The President's Conference on Occupational Safety was held May 14-16, with a registered attendance of 2,472. The Department of Agriculture and women's and religious groups participated in the program for the first time.

With the increased funds granted in the current fiscal year for longshore and harbor workers' safety we have assigned two additional safety engineers to the field (and have others working out of the Washington office) to speed up the acceptance and application of the minimum-safety standards for longshore work developed by the Bureau. We have made extensive investigations of 260 ship-repair yards, and actively promoted the formation of labor-management safety committees as a means of reducing the accident rate in these establishments. We are developing safe-practice pamphlets for longshoremen, and specific training courses for longshoremen which will be gotten underway during the year.

Atomic-energy safety

An increase of 2 safety engineers and \$20,000 is requested for 1958 to extend our safety services in line with the memorandum of agreement entered into between the Atomic Energy Commission and the Department of Labor. The Department is charged with the responsibility for stimulating the provisions of safeguards for workers employed in private establishments producing and utilizing radioactive materials. These safety engineers will be assigned to work with State labor departments as they begin to assume their responsibility in the field of radioaction protection in private industry. They will promote the development and acceptance of uniform safety codes by State agencies and by management and workers. They will assist the States in training their safety personnel in the special techniques necessary for detection and control of radiation hazards.

President's Conference on Occupational Safety

The Conference is held biennially and brings together voluntary safety experts, administrators, educators, management, and labor representatives in an effort to inspire action to save human life and limb from the hazards of occupational injuries.

The first Conference was held in 1949 and attended by about 1,000 people. The last Conference was attended by 2,472, an increase of almost 150 percent.

The Bureau is requesting an increase of \$20,000 for 1958 to provide for employees to carry out the purposes of the Conference before, during, and after the actual meeting, and to provide necessary printing, telephone, duplicating, and other services.

PROTECTING YOUNG WORKERS AND ADVANCING THEIR EMPLOYMENT OPPORTUNITIES

The Bureau proposes in 1958 to launch an action program to alleviate unemployment among out-of-school youth by improving their employability and removing needless obstacles to their opportunities for work.

An increasing number and proportion of boys and girls who leave school at 16 are idle and are unable to get and hold jobs. In October 1956, a half million, or 42 percent, of the 16- and 17-year-old boys and girls who were out of school had no jobs. Idleness and unemployability in this large group of impressionable youngsters creates serious social and economic problems. Unless greater efforts are made to bridge the gap from school to work these young people of today and the swelling stream behind them will be a continuing burden to the community, economic development, and national defense. The economy of this Nation with its advancing technological demands needs the best in skill and responsibility that the coming generation of workers can provide.

The Bureau proposes to explore directly with local community leaders and agencies in selected localities the job difficulties of unemployed youth and stimulate action to correct the situation. The cities such as Charleston, W. Va., and Providence, R. I., where the Bureau of Labor Statistics has made a survey of school leavers, will be given first consideration in this selection. Bureau staff would consult with management and labor representatives, social agencies, placement officers, school authorities in these communities on the factors that contribute to the job problems of youth who leave school at 16. These will include: (1) Employer hiring policies, (2) union agreements, (3) workmen's compensation provisions, (4) child-labor regulations, and (5) lack of qualifications. On the basis of these findings the Bureau will work with all groups in the community in the development of programs to eliminate the obstacles to employment of youth and to open up job opportunities for those ready to work.

The Bureau also proposes to analyze the pioneer work of a few communities in upgrading the employment qualifications of idle youth who are unwilling to go on to school and are unable to compete in the labor market.

From experience gained in both of these areas the Bureau will develop materials evaluating the various causes of idleness among youth and provide guidelines which should be helpful to any community wishing to make an attack on these problems.

It will encourage national organizations to undertake action programs to help youth, who have left school, build up their qualifications and to help community leaders to see what present practices and policies need to be changed and what programs developed to create more job opportunities for youth.

The Bureau will use its Advisory Committee on Young Workers for guidance in the development of this program and for its promotion throughout the Nation. With its active support other communities will be encouraged to experi-

ment in solving the difficult problems of helping youth to assume their rightful place in the labor market of tomorrow.

An increase of 9 positions at \$60,700 to initiate this program is requested.

REGISTRATION OF LABOR UNION DATA

This activity is concerned with registration of unions, under sections 9 (f) and (g) of the Labor-Management Relations Act, as a condition to their use of the facilities of the National Labor Relations Board.

Approximately 39,000 different unions have registered with the Department since 1947. Annual registration is approximately 24,400.

EXECUTIVE DIRECTION AND MANAGEMENT SERVICES

This activity provides overall program direction and coordination and fiscal, administrative, and mail and messenger service.

EFFECT OF HOUSE ACTION

Mr. GURSKE. The House of Representatives approved an increase of \$2,825 for the working-capital fund and specified that funds for contribution to the civil-service retirement fund were also approved. Both are mandatory increases. However, the amount recommended by the House of \$985,000 contained a provision that not less than \$182,575 was to be available for the work of the President's Committee on Employment of the Physically Handicapped; the overall amount available to the Bureau of Labor Standards was reduced by \$4,700, which in effect eliminates 1 position from regular Bureau activities.

Specifically, the House action eliminated the following program increases:

SAFETY IN USE OF FISSIONABLE MATERIALS

We requested 2 positions and \$20,600 for extending safety services to industries using fissionable materials. I am sure that all of you have read statements by doctors and scientists warning against the dangers of shortened lives, leukemia, and bone cancer, which may result from overexposure to radioactivity. There are dangers which can be overcome if the States are given the help which they are requesting.

Commercial users of radium and other nonregulated radioactive materials, medical and industrial X-ray equipment, and similar sources of radiation, are not subject to the Atomic Energy Commission radiation-safety codes and they are controlled in only two States at the present time.

Senator PASTORE. May I ask a question at this point, Mr. Chairman?

Senator HILL. Yes, Senator.

Senator PASTORE. I am not quarreling with you, sir, but I have a question.

Why would not that function be better carried out by the Atomic Energy Commission?

Mr. GURSKE. We work with the Atomic Energy Commission, Senator, and, as you know, we work with the State labor departments. In most of the States this function of providing safety for employees on the job is in the State labor departments. So we are working with the Atomic Energy in cooperation with them.

NEED FOR ADDITIONAL EMPLOYEES

Senator PASTORE. Why do you need these two additional men? Is it to do the liaison work, or is it to do the work in safety standards?

Mr. GURSKE. To be experts and to work with the State labor departments in training their inspectors and so forth, in radiation detection.

Senator THYE. If I may interrupt, let me ask: What standards of qualification will you set up for these two men?

Mr. GURSKE. They must be either physicists or biologists.

Senator THYE. In what salary range would they be?

Mr. GURSKE. That, Senator, I could not tell you at the present time.

Senator HILL. You are asking for \$20,000 which would mean that they would get about \$10,000 each.

Mr. GURSKE. They would be a GS-12 and a GS-13.

Senator THYE. There would have to be some travel expense there; would there not?

Mr. GURSKE. That is right.

Senator THYE. That would come out of your general travel expense funds; would it not?

Mr. GURSKE. The first year there would not be too much travel because they would have to be trained in addition to being a graduate physicist or a biologist.

Senator PASTORE. People who deal privately and otherwise with fissionable material have to do it through a license with the Atomic Energy Commission. Relating this with the essentiality of cutting the budget, I wonder if we sometimes do not taint the good with some unreasonable request in other spheres where maybe the Department ought to stay out. I see the desirability of its as a liaison thing, because you are in constant communication with the various labor departments of the country. Then, on the other hand, you cannot touch this fissionable material unless you get a license from the Atomic Energy Commission. They spell out everything you have to know in dealing with this.

REQUEST FOR RESTORATION

The House cut out this item. Are you seriously asking that it be restored in the Senate?

Mr. GURSKE. Yes, Senator, because the Atomic Energy Commission does not supervise or inspect the use of isotopes in industry and radiation. In the use of X-rays, as you know, the survey shows that the use of X-rays is very dangerous if it is overdone, particularly using X-rays in these shoe stores, which has been very severely condemned.

There are many instances, of many places where the Atomic Energy Commission does not enter.

Senator PASTORE. This is a little apart from all that; is it not? This has to do with X-rays and things of that sort; does it not?

Mr. GURSKE. X-rays and the use of isotopes in industry.

Senator PASTORE. How about hospitals; would that come under this?

Mr. GURSKE. Hospitals usually come under the State boards of health.

Senator PASTORE. You do not go into that at all?

Senator THYE. Positively not?

Mr. GURSKE. No, sir.

Senator HILL. Your participation is limited to the industry; is it not?

Mr. GURSKE. On-the-job safety in industry.

Senator HILL. That on-the-job safety means that you do not get out beyond the jurisdiction of industry; is that correct?

Mr. GURSKE. That is right.

Senator PASTORE. I hope I do not belabor this too much because I was very much interested in these safety standards when I was Governor of my State. I would like to know how this works in a State.

FUNCTION OF PHYSICISTS

You have these two physicists who work for you. What do they do? Do they train other people that deal with this in the States? What is actually their function? What are these two people going to do in the whole United States?

That is what I would like to know. Are we going to make physicists out of other people?

Mr. GURSKE. No.

Senator PASTORE. What do they actually do? You want to bring two men to Washington here. I do not know how you can get them for \$10,000 apiece since we pay stenographers almost that kind of money in Washington. But you are going to get two trained physicists to do what? What is their function?

Mr. GURSKE. In the first place, Senator, to work with the States in establishing safety codes on radiation; secondly, to work with the State labor departments to train their inspectors in radiation detection.

Senator PASTORE. And you feel that two men can do this?

Mr. GURSKE. At the beginning, yes, because it is a new industry and the peaceful use of atomic energy is going to continue to grow.

Senator PASTORE. Wait a minute now. We began talking about X-rays in shoestores. Now we are getting into atomic energy again.

As I said before, when you begin to deal with atomic energy along the line you are speaking about, you come under the supervision of the Atomic Energy Commission. I know that because I am on the joint committee. This is a pretty tight field and it is very carefully watched.

I do not think these men you are asking for are going to get into that at all. You cannot tell me these people will have to go to General Dynamics and people of that kind. That comes all under the Atomic Energy Commission. If you are talking about an X-ray machine in a shoeshop, that is a little different.

Senator THYE. I might say that X-ray in the shoeshop has been there for a long time.

Senator PASTORE. That is what I say.

Senator THYE. That was a sale gimmick in a shoestore going back 14 years at least. I would say that about 14 years ago that was put into a shoestore in my community as a sales-promotion idea, and that was the whole sales talk, that they would fit the child's foot when he could not reasonably tell them where the shoe pinched. That was a good many years ago.

APPROVAL OF ATOMIC ENERGY COMMISSION

Senator PASTORE. I will ask a further question. Has this matter ever been discussed with anyone connected with the Atomic Energy Commission?

Mr. GURSKE. Yes, it has. It has their approval.

Senator PASTORE. Are there any reports on this at all as to your conversations?

Mr. GURSKE. Yes.

Senator PASTORE. I wish they could get into the record here somewhere.

Senator HILL. Is there anything in writing?

Mr. GURSKE. Yes.

Senator PASTORE. That would be very, very essential in the determination of this. If this has the approval of the Atomic Energy Commission, there may be a lot to it that I cannot see for the moment. But I do not think we ought to get into duplication. I think much of this work they already are doing.

Mr. GURSKE. Senator, I agree with you that we should not duplicate or overlap. But I think the point has been overlooked here that there are a lot of byproducts from the Atomic Energy Commission that the Commission does not go into or supervise or inspect.

Senator PASTORE. I would like to know what they are, really, and I think people on the floor of the Congress would like to know what they are when you discuss this item. That is going to be the argument. The argument is going to be that this is a job that the Atomic Energy Commission is doing in a grand style.

I think that justification has to be in the record.

CORRESPONDENCE WITH ATOMIC ENERGY COMMISSION

Senator HILL. Can you furnish us with any copies of any correspondence you have, particularly anything that gives the Atomic Energy Commission's approval to your program?

Then give us the details more completely, if you can, as to just what you are envisioning in this program.

You are asking for 2 people this year; next year perhaps you may ask for 4 and it will go on up.

Where is this program going to lead us?

You said that these people would not travel very much the first year. What would they do, then? Would they write letters on this thing, or get up pamphlets or publications on it, or what would they do?

Mr. GURSKE. Senator, they would have to be trained at Oak Ridge in addition to being a graduate from an accredited college. That is the only way that we can get this type of employee.

Senator HILL. Would it take a year to train them at Oak Ridge?

Mr. GURSKE. Six to nine months.

Senator HILL. I was thinking about just what they would be doing after they get this training.

Mr. GURSKE. At the requests of State labor departments they would go to the various States and help them with setting up their codes and training their people.

Senator PASTORE. And you will admit that is a function which is already being done by the Atomic Energy Commission. The Atomic

Energy Commission is already equipped, of course, with these experts who are going to train your experts to write up a code through the medium of a national convention on the subject, and surely they have the facilities to deal with this whole problem.

I will say that when atomic energy does become commonplace, that there may be a reason to throw this whole activity into the labor Department and divorce it from the Atomic Energy Commission entirely. But I think and I am afraid you are getting into serious duplication at the moment.

I would like to see the notes that led to this decision. I think it becomes quite necessary.

DELEGATION OF AEC FUNCTIONS TO STATES

Mr. GURSKE. We would be glad to do that, Senator.

And I should also like to call your attention to the fact that the Atomic Energy Commission is proposing legislation which would give them the authority to delegate some of these functions to the States.

Senator HILL. All that would be very interesting if you would give us that full story.

Mr. GURSKE. I would be glad to do so.

(The information referred to follows:)

In an agreement reached on August 15, 1956, between the Department of Labor and the Atomic Energy Commission it was agreed that the Department of Labor would undertake to—

1. Stimulate interest and activity in the provision of adequate safeguards for workers employed in establishments producing and utilizing radioactive materials;
2. Promote the development and adoption by State agencies of uniform safety codes for the protection of workers employed in such establishments;
3. Study the problems involved in the administration of such codes;
4. Assist the States in the training of their safety personnel in the special techniques necessary for the effective administration of such codes;
5. Promote acceptance of safety codes by management and by workers and to develop interest of management and labor groups in community safety.

SAFEGUARDS IN ATOMIC ENERGY INDUSTRY

Mr. GURSKE. I will now resume my statement.

In order to carry out the Department of Labor's basic function to develop, foster, and promote the welfare of the wage earner, it is incumbent upon the Bureau to develop an orderly and effective approach toward the establishment of reasonable safeguards which will aid the growth of this valuable but potentially hazardous industry.

Control of these hazards is a technical job and one which the Federal Government cannot do alone. Safeguards in industry are the responsibility of the State labor agencies, and the States are calling on the Bureau of Labor Standards for assistance. The funds eliminated would have allowed the Bureau to employ two physicists to work in cooperation with the Atomic Energy Commission in training safety personnel on how to detect, measure, and control radiation hazards.

PRESIDENT'S CONFERENCE ON OCCUPATIONAL SAFETY

EFFECT OF HOUSE CUT

The House also eliminated our request for \$20,000 for conducting the President's Conference on Occupational Safety. Increased staff responsibilities have grown with each succeeding conference because the number of delegates has increased from 1,000 in 1949, to 2,472 in 1956.

Senator PASTORE. How will the House cut affect that item? I remember that I attended one of these conferences and spoke at it. It was very instructive, and I thought it was a very wise thing to do.

What does this cut actually do?

Mr. GURSKE. It means that all of the staff work and the promotion and everything will have to be absorbed from other funds.

GROWTH OF CONFERENCE ACTIVITIES

When we started out in 1948 and 1949, the President's Conference was rather small. It has grown every other year, and last year, for the first time, we invited agriculture and next year we have invited the mining industry, and also transportation. We expect about 4,000 to attend, and it requires a great deal of staff work, and we do not have the personnel nor the funds to do an effective promotion job.

Senator THYE. Mr. Chairman, I have a question at that point.

Senator HILL. Yes, Senator Thye.

Senator THYE. Where is the end? Where are you going? When will you have covered all your work? Do you drop any of it, or do you always add more work?

Is this becoming a sort of a meeting conference annually? At the rate that you have gone from 1,000 delegates in 1949 to 2,472 in 1956, and now talking about bringing in these other agencies, are you ever going to drop any of them?

Mr. GURSKE. Not to my knowledge.

Senator THYE. Then this is going to snowball and you are going to keep right on. Where is the end? At the rate that you have snowballed since 1949 to 1956, 2,472 in 1956 as against 1,000 in 1949, where will we find ourselves 5 years from now at the rate that you are increasing there?

Will the conference ever have served its purpose to one group, or will you forever be increasing the number of groups that will be in attendance?

Mr. GURSKE. Senator, offhand I cannot think of any other groups that will be invited in in addition to the three that we invited last year and the coming year.

SOURCE OF DELEGATES

Senator THYE. Where do these delegates come from?

Mr. GURSKE. From the States, industry, labor, and public, insurance carriers, Society of Safety Engineers.

Senator POTTER. Who makes the selection? Do you make the selection, or do the State departments make the selection of delegates who will attend?

Mr. GURSKE. Senator, what we do is to ask the State labor department, the National Manufacturers Association, the chambers of commerce, labor, and other interested groups to make the selection of the delegates.

Senator HILL. How many groups will you have represented at your conference next year?

Mr. GURSKE. I do not understand what you mean, Senator.

Senator HILL. You spoke about asking in the mining group and some other group next year that you had not had last year. How many groups altogether will you have next year?

Mr. GURSKE. Manufacturing will be there. And State employees.

As you know, State employees have been the neglected group. And the medical association, the Industrial Nurses Association, and, as I stated, the farmers, and so forth.

Senator PASTORE. Do you have panels?

Mr. GURSKE. Yes.

Senator PASTORE. And then you have a large conference, to which you invite distinguished people to come and talk on the general subject of industrial safety?

Mr. GURSKE. Exactly.

Senator PASTORE. Are you saying now that if this House cut remains, there will not be a conference?

Mr. GURSKE. That is not true, except that we will not be able to follow through to get the benefits of the President's conference at the local level where the accidents occur.

Senator PASTORE. Can you be a little more explicit about that? In what way?

I know each State is conscientiously on its own to promote the best policy of industrial safety standards. I know that is the case in Rhode Island, and I think we have done a pretty good job up there. I do not see how any more money here will improve the picture there, outside of the fact that they will come here and get the viewpoint of other people.

Why do you need so large a staff in order to do this work? I kind of thought this thing more or less would run itself now. It is quite an accepted thing.

Mr. GURSKE. Yes, it is.

It is every other year, Senator, not annually.

Senator HILL. I appreciate that.

JOB SAFETY WEEK

Mr. GURSKE. For example, the President declared a Job Safety Week during the week of the conference last year. We asked that the governors also declare a Job Safety Week and then go down to the level of the larger cities, where the mayor also might follow through. That takes considerable staffwork and publicity. As a result, we only got 12 governors, I believe, to declare the Safety Week.

Senator THYE. Do you have any responsibility in getting the State of Minnesota to declare such a safety week, or to get the mayor of Duluth, Minn., to declare a Safety Week?

I think the mayor of Duluth would do that without much urging, because that is his business. It is good business on his part to have

a declaration coming from the Governor's office. You see, this thing here is just sort of an envisionary thing of which I cannot get a clear-cut picture as to its importance insofar as this \$20,000 is concerned that you are asking for.

I do know that you do not have to encourage the Governor of Minnesota to follow through on this. They never did have to encourage me when there was any such thing as a Labor Week, because I was most anxious to get my name attached to some sort of document of that kind.

Senator PASTORE. But if you knew he was going to do it for you, you would not do it. That is what it is coming to. You are offering the services and they are sitting back and saving the money on that. I just think that if you invited the governor to participate and left it up to him to see that the proper representation got there, you could let him do it on the local level.

Mr. GURSKE. Gentlemen, you may be surprised to know that we have had these President's conferences since 1948 with the thought that the governors would then pick it up and hold statewide conferences, and as of today, only 23 States have followed through.

Senator THYE. But in each instance you are spending more time and more money out of your Department because you have devoted to that function the time of the staff that you have now. You are coming in and asking for \$20,000 in additional funds, all for the purpose of prodding the governor to do something, and that is in view of the fact that the governor usually has the responsibility of safety within his State and the promotion of safety. That is also true as to the mayors in the cities.

MINNESOTA RECORD OF INDUSTRIAL SAFETY

I can take pride in the fact that Minnesota, for instance, has one of the best, outstanding records in industrial safety of any State in the Union. I think I can say that without any challenge.

Mr. GURSKE. I think you are right, Senator.

Senator THYE. Yes, sir. I can make that statement because we won two national awards in our State. And I was no exception.

I think that a letter urging this on the governors would be just as effective as the \$20,000 appropriation to put one or two men additionally in the field. That is what I am getting at.

Mr. GURSKE. We would not put anybody in the field, Senator. That is merely for staff work in promoting the conference and then following through after the conference.

Senator THYE. That is what I have reference to, that you hire somebody and you assign him and give him a desk and stenographic assistance and so forth, to go ahead and do this work, to bring about promotion.

I am thinking about how I am going to answer some of this mail that is coming in here. Also, last night I sat for a while and looked at a tabulation of funds granted in every department and every agency of the Government for 1956 as compared with the funds requested for 1958. I examined the figures for every agency, and I am just telling you it was staggering.

This morning you are getting a little of my reaction to studying last night those overall figures for every agency of the Government.

You are getting a little of it from me right here this morning across this table. Something has got to be done. I do not know where we are going to start, but we are going to start somewhere.

Senator HILL. Right there let me ask: If you do not get the \$20,000, how much will be expended now for your conference for next year?

How much are you going to spend anyway if you do not get this \$20,000? How much do you have in this budget here in addition to the \$20,000 you are requesting for this conference?

Mr. GURSKE. There would not be any addition, Senator.

Senator HILL. I do not mean additionally. You are asking now for \$20,000 additional; that is what it amounts to; is not that correct?

Mr. GURSKE. Yes.

Senator HILL. That is \$20,000 additional for the conference.

Suppose you do not get the \$20,000; how much will be expended on the conference anyway?

Mr. GURSKE. I would have to check the past records and also figure the additional expense of bringing in the mining industry and also the transportation industry.

COST OF LAST CONFERENCE

Senator POTTER. How much did you spend on the last conference you had?

Senator HILL. What did the last conference cost?

Mr. GURSKE. I think it was around \$13,441. We did not do the job we should have done.

You see, this is a program the States will have to do, and that is where the accidents happen and that is why the President's Conference is to stimulate greater activity at the local level.

I believe in operating economically. I think the Congress should see to it that every dollar is spent efficiently. But every year at the end of the year, when you come in and you find that there have been nearly 2 million on-the-job injuries, 87,000 men who have a permanent disability for life, 14,300 killed, I do not see how we can refuse to help these States and these small establishments.

Senator PASTORE. Nobody quarrels with that. That is a nice way to categorize and sentimentalize the picture. But Senator Thyne has said—and I quite agree with him—that a governor can be invited by you. You can point out all the accidents that you are talking about, you can illustrate the fact that this is the President's idea and that it is his conference and that you are vitally interested that each State be represented in all phases of its economy. If that governor is not interested enough to come to your conference, what good are you going to do him? If he is not interested in knowing the problems back home, knowing the fact that he does have a lot of industrial accidents; what good does it do you?

But he does know that as well as you do. He is as interested in it as you are, he is as interested in it, or maybe more so than I am, because that is his immediate responsibility.

If the governor is not interested enough to take up your invitation, how is he ever going to be interested enough to do anything about industrial safety?

I know we have to avoid these industrial accidents, but you do not do it because it has to be done on the local level. If the governor

is not interested enough to know what the governor in another State is doing and what advice you can give him, how are you ever going to get anything done?

All you are saying here is that we have to put a firecracker under the heels of every governor, and I do not believe that. I think they are dedicated, interested people. If they do not come to your conference, I think it is their own fault.

I do not think the taxpayers in this country ought to be spending money to stimulate an activity that the governors should be immediately interested in. I know that when I got my invitation we all got busy and we came down here, and we profited by it.

You are telling us that you have to promote this in every State, in every industry in that State that you have to be concerned with, like mining, because if you do not do it they will not. I think that is a sad commentary on local government, and I do not think that is quite the truth.

Senator THYE. I would say that your labor organizations devote a great deal of effort toward industrial safety. You also have your civic organizations in all your large cities that devote their efforts toward that end, and you have your State commissions devoted to it. You have the means right in the area involved. You have safety engineers in connection with those industries, all concentrating on that problem.

SAFETY AWARDS

I have taken part in very many programs, municipal as well as State, in annual dinners, giving awards to those that have achieved outstanding recognition in the field of safety, awarding them plaques. This is all done locally.

We know that you are doing it and doing a good job. However, how would you like to sit here on the committee and listen to all this? I sat here at this table all last week and the week before, with the Department of the Interior, and then in another room, with the Post Office Department and other agencies of Government, and then I come in here and sit with you, and every single item is for more money. How in the world are we going to justify that to the taxpayer who is already stumbling around under a tax burden which he does not know he is going to carry out? In one place you will have a local jurisdiction that must have township highways and construction to meet the need of school-bus service for that community, and then here is a school district with school buses and expanded school requirements. The property owner there has to carry that tax. Then here comes your income tax for the State, and then comes the Federal income tax.

EXPANSION OF GOVERNMENT ACTIVITY

We sit here, and every budget item that comes before us is expanded. There has not been an item that has shown one penny of decrease. How in the world are we going to justify it as representatives of these people who are taxpayers?

I do not know where the answer lies. I can only voice this to you because you are asking us for \$20,000 just to expand a conference on safety, and we know very well that that is a local responsibility of the governors and the mayors of the cities.

I am sorry to have made a speech here, Mr. Chairman.

Senator HILL. My dear sir, there is plenty of precedent for what you have said this morning. We are happy to have had your remarks.

ACCIDENTS IN SMALL ESTABLISHMENTS

Mr. GURSKE. Senator, the problem is in the 2¼ million small establishments, which are too small to have a safety engineer, too small to be serviced by an insurance carrier because their premium is so small, and that is where 70 percent of these accidents occur. That is the problem. And they do not come to the President's Conference, and they do not come to the governors' conference.

Senator THYE. How are you going to reach them with \$20,000?

Mr. GURSKE. One way to reach them is through community safety programs, to bring it right into the community where the plant operation happens to be.

Senator POTTER. That has to be at a local level, does it not?

Mr. GURSKE. That is right, sir.

Senator POTTER. You can have all the President's conferences that you want, but unless you have a governor or a mayor interested in initiating something like that, you are not going to aid the program one bit.

Mr. GURSKE. That is right.

Senator POTTER. You can have all the conferences you want here in Washington or wherever you might hold them, but it has to be done at a local level.

I concur with what Senator Pastore and Senator Thye have stated. Unless there is the desire—and I assume there is that desire—on the part of any mayor or any governor to want to promote safety in his own State or community, your program will not be effective.

I think there is a great tendency here for us to assume that all good comes from Washington, and that we have to tell them what to do. Probably this Conference has been a good thing, but, if you keep building it up, the first thing you know it is going to get way out of control and you can defeat the very purpose for which the Conference was started.

LOCAL RESPONSIBILITY

Senator PASTORE. It will not get out of control. The only thing I am afraid of is that you will be accepting on a Federal level what should be done locally or should be a State responsibility. That is the result of it.

Senator POTTER. When you do that, it gets out of control; it is not down where the safety problems are. The safety problems are not here in Washington; they are not in our Labor Department; they are down in the local shops and plants in the various communities. The farther you get away from the local community with these problems the less effective the program will be.

Senator HILL. Mr. Gurske, how much of your Conference that you have had here in the past do you feel has proved effective at the local level? As a result of these conferences, how much do you think that local activity has been stimulated or encouraged or challenged? That is the question.

Mr. GURSKE. Senator Hill, in the first place, following the President's Conferences, 23 governors followed through with statewide

safety conferences and also stimulated the labor groups to greater activity and, of course, the employer groups. There is no question but what the President's Conference has been a great inspiration in stimulating activity at the local level by drawing attention to this waste of manpower, cost, and suffering.

Senator PASTORE. I agree with that. But we are not talking about that phase of the problem at all, we are not criticizing that at all; we are just talking about this expansion of it.

EMPLOYMENT OF OUT-OF-SCHOOL YOUTHS

Mr. GURSKIE. Our next item, Mr. Chairman, is protecting young workers and advancing their employment opportunities. This is another item eliminated by the House. The House eliminated our request for 9 positions and \$63,500—which includes \$2,800 for civil service retirement fund contributions—to begin an action program to alleviate unemployment among out-of-school youths.

In October 1956 almost a half million, or 42 percent, of the 16- to 17-year-olds out of school were unemployed. We know some general things about these teen-agers, but not enough people know and care enough to do what is necessary to launch them properly on working careers. Some are slow learners, but not all. Many have family and personal problems. Few have developed good work attitudes and habits. Most are confused and do not know where to get help. They are problems to themselves, their families, their communities, and their prospective employers. Action must be taken in the communities with all the help that we can give them, the employers, labor, the schools, the employment offices, and civic organizations.

The amount we are requesting is about the same as we asked for last year to attack this problem, and which the Senate allowed. It failed to survive the conference committee.

In view of the need, we are coming back to you with this request. The funds will be used to help five demonstration communities size up their own problems as to how many and what kind of children are out of school and not at work; whether misunderstanding of child-labor laws keeps employers from hiring youths in suitable jobs; whether they lack employers' minimum qualifications, and then to help them develop action programs from their local resources to assist these youngsters to become responsible, self-supporting workers and citizens.

Senator THYE. I have a question at that point, Mr. Chairman.

Senator HILL. Yes, Senator Thye.

EMPLOYMENT OPPORTUNITIES FOR 16-YEAR-OLDS

Senator THYE. Where could a 16-year-old youth be employed, Mr. Gurskie?

Mr. GURSKIE. In a nonhazardous industry. And I might add that a survey shows that 95 percent of the jobs that youngsters can work in are nonhazardous.

Senator THYE. What sort of jobs would these so-called nonhazardous jobs be. Would it be in a grocery store, or a clothing store; would it be on a truck?

Mr. GURSKE. Yes, but not on a truck. It would be usually where no dangerous machinery was being operated.

Senator THYE. Would this boy be allowed in a warehouse?

Mr. GURSKE. It would depend upon the type of work in the warehouse.

Senator THYE. Just helping to move crates of merchandise, etc.; would that be permissible?

Mr. GURSKE. Yes, sir.

Senator THYE. For a 16-year-old?

Mr. GURSKE. Yes.

AVAILABILITY OF EMPLOYMENT

Senator PASTORE. In my State, the unemployment of late has seemed to be a little above the normal average. We are very, very much concerned with it. Our task is not so much the attitude of people toward employment, but our real difficulty is the availability of employment to meet the demand on the part of people who want a job and cannot find it.

How does this work into that?

We have a lot of 17-year-old boys in my State that want a job and are ready to go to work if you could only find it for them. Does this help them find a job, in an area where you already have 8 percent unemployment?

Mr. GURSKE. This program would prepare the youth for employment so that he would have something to offer the employer, because some of these children have the wrong attitudes and they have nothing to offer the employers.

Senator THYE. If the Senator will permit a question there, Mr. Chairman—

Do you say "prepare" the youth for employment?

Mr. GURSKE. Yes.

Senator THYE. What sort of preparation are you referring to there?

Mr. GURSKE. I think Miss Johnson, who is here, can answer that.

Senator HILL. Will you come around, please, Miss Johnson?

Senator THYE. Do you enter into the vocational field there, sir?

Mr. GURSKE. No.

Senator THYE. What would be the type of "preparation"?

Mr. GURSKE. Miss Johnson, can you answer that?

DIVISION OF CHILD LABOR AND YOUTH EMPLOYMENT

STATEMENT OF MISS ELIZABETH JOHNSON, CHIEF

JOB UPGRADING PROGRAM

Miss JOHNSON. The kind of activity that we would be encouraging is special supervision on jobs where the youngsters are not able to hold a job on their own. For instance, in Detroit, Mich., there is the job upgrading program which is very outstanding. It is unique. There is a similar one in Salt Lake City.

Senator THYE. Who operates those?

Miss JOHNSON. In both instances they are operated by youth councils in cooperation with other agencies.

Senator THYE. Who is responsible for the Youth Council? Who organized the Youth Council?

Miss JOHNSON. In Detroit the Youth Council is made up of education, personnel, labor, social, and civic agencies.

Senator THYE. Did you assume the responsibility of organizing that council, or was this a community activity inspired by some public-spirited person?

Miss JOHNSON. It was a community activity, inspired by the community people.

That program in Detroit has been going about 7 or 8 years. However, to our knowledge, that type of thing has expanded to only one other community in a small way at this time, which is Salt Lake City.

Because of the fact that the need is so great and the know-how so little and the problems of getting into action are difficult, the Bureau believes it can render a very great service with a very small amount of staff in this way. We would highlight the best knowledge that individual communities have developed in this area, help the educators, labor, employers, personnel, Youth Council groups, to share that and to give an impetus to grassroots action in other places.

STIMULATING COMMUNITY ACTIVITY

Senator POTTER. In other words, you would act as a stimulus to other communities to get them to carry on a community activity such as they have developed?

Miss JOHNSON. That is right.

Senator HILL. Five demonstration projects have been mentioned. Would the Federal Government finance all of these five projects by itself, or would the State or municipality or some local group be expected to help finance the particular project?

Miss JOHNSON. We would see the Bureau serving as observers and interpreters where there had been outstanding accomplishments already, and only as advisers in other areas.

One of the problems is how can resources be developed. Our approach would be to help the community find its own resources. There would not be sufficient Bureau funds to finance demonstrations themselves.

GUIDANCE AND TECHNICAL INFORMATION

Senator HILL. You would provide guidance and technical information, but the local community or some agency within the State, either public or private, would finance the project?

Miss JOHNSON. That is right. In Detroit, foundation funds are used and city funds and school funds.

Senator PASTORE. Does this program tend to conflict with any other program under the Department of Education?

Miss JOHNSON. No, it does not.

Senator PASTORE. It would occur to me that this is more an education problem than it is a labor problem.

Miss JOHNSON. It is both. It is a combination of a labor problem and an education problem.

These youngsters have great difficulty getting jobs because they do not meet employers' qualifications for responsibility and experience and yet they refuse to stay in school any longer when they have

passed their 16th birthday. When they have passed their 16th birthday, they are free to leave school. So that the schools lose their hold, as it were, over the youngsters, and one of the big problems is to find programs that would motivate the children.

Senator POTTER. Are they paid the same wage as an adult worker?

Miss JOHNSON. I think the present wage in the Detroit program is usually about 75 cents an hour, where they place them on jobs with social agencies, or public agencies. A part of the compensation is in extra supervision, because these youngsters need encouragement and assistance because if they had sufficient self-reliance and maturity they would not need to be in the program.

SALT LAKE CITY PROGRAM

I understand that in Salt Lake City, where their work is mostly in forestry, that the forestry people pay \$4 a day. But they provide 1 supervisor for 5 youngsters, and they report that these youngsters have done a remarkably good job and have become responsible and dependable with that extra type of supervision the program made possible.

Senator POTTER. I would assume you would have to be careful of this problem of having these teen-agers take jobs away from adults and be used as cheap labor.

Miss JOHNSON. That is a very real problem, to which certainly a great deal of attention will be given. And that is one of the things to learn from the communities, as to how they can help the youngsters and prevent exploitation and having them take jobs away from other people.

Senator PASTORE. How long has this program been under the aegis of the Department of Labor of the United States?

Miss JOHNSON. This is a proposal for a new activity. We have not started this. We have seen the problem but we have not started the work.

Senator HILL. They have not yet started the work and the House denied any funds.

What you are asking is that the funds be restored as the Budget recommended, is that correct?

Miss JOHNSON. Yes.

Would you like to see a few charts that I brought to show the gravity of the problem?

RISE IN TEEN-AGE POPULATION

The teen-age population is rising very fast. As you see, it is going up at the rate of 10,000 teen-agers a month, only in this 16- and 17-year group, which is the age when most youth are in high school, but they are free to leave if they wish to.

According to the census projections, we will have more in school but we will also have more out of school. So that even by 1960 this will apparently jump up to about 1.5 million, at least according to present trends.

We see how serious a problem this is because as we look over the past decade we see that the proportion of the out-of-school youngsters who are not working has been steadily rising.

Senator THYE. Miss Johnson, might I interrupt you at that point?

Would we be better off as a Nation to induce or endeavor to induce the youth that has reached the age of 16 to continue school?

The educational laws of the States do not have any further control over them. Would it not be better to concentrate on trying to get those youths to continue school?

I raise that question because in this highly technical age in which we are living, those young people need the education and oftentimes there may be a financial situation involved in the home so that a boy has to be an earner in order to supplement the family income.

It is my belief that because of the highly technical and scientific world we are compelled to live in, that we would need the training there. We will admit that there are some of those youngsters that are going to have to find employment, but if we try to gear ourselves to taking care of a big overburden of 16-year-olds because they just will not go to school, I am afraid we are going to fail in our educational level of adults in later years.

NATIONWIDE STAY-IN-SCHOOL CAMPAIGN

Miss JOHNSON. The Office of Education and the Bureau have been very much concerned over exactly this point that you have been making. We have developed as a joint project among the Office of Education and the Department of Labor and the Department of Defense, plans for a large-scale national stay-in-school campaign, with the objective of carrying the Senator's point to the youth of the Nation, to move their thinking to an era when they will need more training and better education to be able to make their way.

I have here the first copy of the campaign handbook from the Government Printing Office, and I would be happy to pass it to you to see.

We consider the problem of helping unemployed out-of-school youth as the Labor Department's special responsibility. We can contribute to this stay-in-school activity but preponderantly that is an education responsibility.

Senator PASTORE. But you may come up with answers in that particular phase of it, too, may you not?

Miss JOHNSON. Yes. And I think educators do feel in Detroit and other places, as they work on the country's problem of motivating these 16- and 17-year olds in the supervised work program, that they find better ways of motivating them to stay in full-time regular schools.

Senator HILL. Thank you, Miss Johnson.

Now, Mr. Gurske, will you continue with your statement, please?

IMPROVING CONDITIONS OF DOMESTIC MIGRATORY WORKERS

Mr. GURSKÉ. Next is the subject of improving conditions of domestic migratory workers. This is another increase eliminated by the House. This was an elimination of four positions and \$41,000, which included \$1,000 for contribution to the civil-service retirement fund, for improvement of conditions of domestic migratory workers, our own citizens.

The President's Committee on Migratory Labor coordinates the activities of the various Federal agencies which have programs for improvement of working and living conditions of domestic migrants.

The Bureau of Labor Standards also assists State and local action by helping the States to organize State migratory labor committees and giving service to such committees. There are now 13 State committees, 5 of which were established in 1956.

The funds requested by the Bureau would make it possible for us to give more help to the States that are requesting it in establishing committees and solving such problems as registration of crew leaders, stimulating voluntary action for inclusion of migrants in community programs, and regulation of transportation.

The Bureau has made real progress in service to migrants and funds were made available 3 years ago. But much remains to be done in improving housing, getting children into school, providing centers to care for children while both parents are working, and in meeting health and welfare needs.

Mr. Chairman, I would like to have Miss McConnell amplify a few of the highlights of this program.

Senator HILL. All right, Miss McConnell, will you come around here, please?

DIVISION OF STATE SERVICES

STATEMENT OF BEATRICE McCONNELL, CHIEF

MIGRATORY WORKERS

Miss McCONNELL. Mr. Chairman, as Mr. Gurske has said, this is the third year we have had the sum of \$50,000 for improving conditions of domestic migratory workers.

Senator HILL. Is that \$50,000 for the 3-year period?

Miss McCONNELL. Each year.

Senator HILL. In other words, what you are asking then, is that we raise the \$50,000 to \$90,000, is that correct?

Miss McCONNELL. That is correct.

About half of the \$50,000 goes to service the President's Committee on Migratory Labor, which is made up of the heads of the Departments of Labor, Agriculture, Housing and Home Finance, the Department of Health, Education, and Welfare, and the Department of the Interior because of the Bureau of Indian Affairs.

TECHNICAL ASSISTANCE TO STATES

Our part of the program, in the Bureau of Labor Standards, is the technical and advisory assistance to the States that are developing programs in one way or another for the improvement of migratory workers and their families.

The organization of State committees has been one of the ways in which the States have made real progress, and it is one of the ways in which a great many of the States are asking us for help in getting State agencies interested to work together on this problem.

We have at the present time pending 15 to 20 requests from States that do not yet have committees to give them some assistance in getting committees organized and under way. This, as in most of our

programs in the Bureau of Labor Standards, is not one which is operated in any way by the Bureau. We simply give the help to the States as they request it in getting their program going.

In some cases, as Mr. Gurske has pointed out, it relates to a legislative program; but in most instances it is the question of organization of the programs in the communities and on the State level.

I might say that there are now pending in the State legislatures of three States bills which would create such State committees. Those are States in which we have been giving assistance. The Governor of Delaware has announced that he is appointing a State committee. Michigan has a State committee and has had one for a number of years. Minnesota also has had a State committee for a number of years.

INTEREST OF NATIONAL ORGANIZATIONS

In addition to the State agencies, many of the national organizations are interested in working in this field. I might say that all of the major church groups, Protestant, Catholic, and Jewish, have evidenced a great deal of interest, and it is one of the groups with which we will cooperate in promoting programs on the State and local level.

Senator THYE. Mr. Chairman, I have a question at this point.

Senator HILL. Yes, Senator Thye.

Senator THYE. Miss McConnell, is my understanding correct that where States have organized such committees, that you have no further problem there?

Miss McCONNELL. Except that we do get requests from those States that have committees, Senator Thye, for program material and for information. Frequently a State committee, when it is organized, asks for information as to what other State committees have done, what they have found to be the most effective ways to get at their problem.

Senator THYE. I thought that as you proceeded, as their program proceeded to the point where you would have a State organized and well functioning, that you could concentrate your activities and that your own experience of previous years would aid in pinpointing or concentrating your activity to the areas where your assistance was more needed.

Miss McCONNELL. That is true.

Senator THYE. For that reason, it would seem to me that instead of expanding, almost doubling your activities, that you would be able to allow the community or the area, the State where they have successfully organized themselves, to function without your help, except perhaps you could furnish them bulletins that you might have developed, which could be mailed out to them—which is not a great expense—and then you could proceed to work in the fields where your services would be needed because they are not yet functioning.

But here you are coming in and asking for almost double your previous allowance in one appropriation although you have done your work in the past with the original amount. It is a little difficult to sit here and try to justify a request that is almost double after these years of work.

In what areas are you getting the greatest number of requests for assistance?

GEOGRAPHICAL AREAS AFFECTED

Miss McCONNELL. Do you mean geographical areas?

Senator THYE. Yes.

Miss McCONNELL. They really spread all over the country. I could make available to you the names of the States where we have had requests for assistance.

Senator THYE. I might point out that you do not have migratory workers in all areas. You have them along the coast because of your seasonal gardening and that type of work. You also have them in the fruit-producing areas because of the temporary nature of the work there. You also have them in your sugar-beet-growing areas and similar areas, your onion crop, and the nut crop.

Miss McCONNELL. And cotton.

Senator THYE. You do have them in cotton, but machinery is coming in and replacing the migratory worker so rapidly that in the case of the cotton industry there is no expansion but a curtailment.

Miss McCONNELL. I think that is probably true, that there is no expanding need for migratory workers in the cotton crop.

However, the United States Department of Agriculture has been studying this whole question of mechanization and the need for labor, and they recently made a report on this subject of migratory labor, that they saw in the immediate future no lessening of the need for migratory workers. There may be some shifts in crops, but the actual numbers are not actually decreasing.

There are about 33 to 35 States that have enough migrant workers in the State that form a substantial problem. In some of the States the numbers may not be as large as in others, but there is the consideration of the length of the season. You may have most of them for a comparatively short season, but you have your problems of housing, of community services, and all of the rest of the things for those migrants and their families. Many of these domestic migrants, as you know, do have their families go with them. It is as great a problem as it is in the States that have the very large numbers.

TOTAL STATES WITH PROGRAMS

Senator HILL. How many States have a real program for the migratory workers today?

Miss McCONNELL. There are 13 States with official State committees, Mr. Chairman. There are a number of other States where there are scattered community programs of one kind or another. We know of approximately 100 local programs that are underway of one kind or another. They may be child-care programs for the children for the time that their parents are working; they may be summer schools that have been established for the children; various kinds. Some of them are health programs.

But I could not give you an accurate answer as to actually how many States have done anything, but there is a tremendous interest in the country now and a sense of responsibility to try to do something for this group of people who, because they move from one place to another, are not in the position to do for themselves what the average citizen and his family can do.

Senator HILL. Do you have anything else, Senator Thye?

Senator THYE. No, Mr. Chairman.

Senator HILL. Thank you, Miss McConnell, and thank you, Mr. Gurske.

Mr. GURSKÉ. Thank you, sir.

Senator HILL. And thank you all very much.

The committee will now stand in recess until 10 o'clock tomorrow morning.

(Whereupon, at 12:20 p. m., Tuesday, April 9, 1957, the subcommittee recessed, to reconvene at 10 a. m., Wednesday, April 10, 1957.)

LABOR-HEALTH, EDUCATION, AND WELFARE APPROPRIATIONS, 1958

WEDNESDAY, APRIL 10, 1957

UNITED STATES SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, D. C.

The subcommittee met at 10 a. m., pursuant to recess, in room F-82, the Capitol, Hon. Lister Hill (chairman of the subcommittee) presiding.

Present: Senators Hill, Pastore, Thyne, Dworshak, and Potter.
Senator HILL. The subcommittee will kindly come to order.

DEPARTMENT OF LABOR

BUREAU OF VETERANS' REEMPLOYMENT RIGHTS

STATEMENT OF ROBERT K. SALYERS, DIRECTOR

APPROPRIATION ESTIMATE

"Salaries and expenses: For expenses necessary to render assistance in connection with the exercise of reemployment rights under section 8 of the Selective Training and Service Act of 1940, as amended (50 U. S. C. App. 308), the Service Extension Act of 1941, as amended (50 U. S. C. App. 351), the Army Reserve and Retired Personnel Service Law of 1940, as amended (50 U. S. C. App. 401), and section 9 of the Universal Military Training and Service Act (50 U. S. C. App. 459), and the Reserve Forces Act of 1955 (69 Stat. 598), **[\$383,000]** \$542,000."

Amounts available for obligation

	1957	1958
Appropriation or estimate.....	\$383,000	\$530,700
Comparative transfer from "Salaries and expenses, Office of the Secretary".....	+2,000	-----
Total estimate.....	385,000	530,700

Obligations by activities

	Revised base, 1957		Estimate, 1958		House allowance, 1958	
	Positions	Amount	Positions	Amount	Positions	Amount
1. Promotion of compliance and assistance to veterans.....	38	\$307,800	52	\$319,227	52	\$428,560
2. Executive direction and management services.....	10	77,200	14	111,473	14	113,440
Total obligations.....	48	385,000	66	530,700	66	542,000

Obligations by objects

Object classification	Adjusted 1957 base	Estimate, 1958	House allow- ance, 1958
SUMMARY OF PERSONAL SERVICES			
Total number of permanent positions.....	43	66	66
Average number of all employees.....	50	64	64
Number of employees at end of year.....	50	67	67
01 Personal services.....	\$317, 287	\$407, 790	\$407, 790
02 Travel.....	45, 000	58, 000	58, 000
03 Transportation of things.....	1, 000	2, 400	2, 400
04 Communications.....	11, 000	15, 000	15, 000
06 Printing and reproduction.....	2, 885	9, 000	9, 000
07 Other contractual services.....	4, 000	5, 210	16, 510
08 Supplies and materials.....	3, 100	5, 000	5, 000
09 Equipment.....	500	3, 000	3, 000
11 Grants, subsidies, and contributions (contributions to retirement fund).....		25, 000	25, 000
15 Taxes and assessments.....	228	300	300
Total obligations.....	385, 000	530, 700	542, 000

Summary of new positions

Field offices:	
3 GS-12, area representatives.....	\$22, 710
5 GS-7, contact representatives.....	22, 625
3 GS-4, clerk-stenographers.....	10, 245
3 GS-3, clerk-stenographers.....	9, 525
Office of the Director:	
1 GS-14, Chief, Division of Reserve Activities and Program Compliance.....	10, 320
1 GS-11, administrative officer.....	6, 390
1 GS-5, secretary.....	3, 670
1 GS-4, secretary.....	3, 415

Summary of changes

1957 actual appropriation.....	\$383, 000
Transfer from "Salaries and expenses, Office of the Secretary" (for working capital fund).....	+2, 000
Revised 1957 base.....	385, 000
1958 appropriation request.....	530, 700
Net change requested.....	+145, 700

	Estimate 1958		House allowance	
	Positions	Amount	Positions	Amount
For mandatory items:				
Extra day of pay on 1957 base.....	None	\$1, 194	None	\$1, 194
Retirement contributions on 1957 base of 48 positions.....	None	19, 843	None	19, 843
Retirement and depreciation on working capital fund.....	None	400	None	400
Subtotal.....	None	21, 437	None	21, 437
For program items:				
For reducing backlogs and improving services at separation centers.....	18	124, 263	18	124, 263
Subtotal.....	18	124, 263	18	124, 263
Excess House allowance.....				11, 300
Grand total.....	18	145, 700	18	157, 000

PREPARED STATEMENT

Mr. Salyers, we are glad to have you here with us this morning, and we will be glad to have you proceed in your own way, sir.

MR. SALYERS. Thank you, Mr. Chairman.

We have already submitted for the record a detailed justification, and I have here just a brief résumé which I would also like to submit for the record.

Senator HILL. Very well.

(The material referred to follows:)

STATEMENT OF ROBERT K. SALYERS, DIRECTOR, BUREAU OF VETERANS' REEMPLOYMENT RIGHTS, UNITED STATES DEPARTMENT OF LABOR

BASIS FOR REQUEST

The request of this Bureau for fiscal 1958 provides for 66 positions, an increase of 18 positions over the current fiscal year.

The reemployment rights program has been in the Department of Labor for 10 years. Much of that time it was regarded as temporary; now it is clear that it will be continued indefinitely. We have reappraised the program and the request presented to you today is intended to make it possible for us to do an adequate long-range job. The increase is requested for the following reasons:

(1) The number of ex-servicemen who return to preservice employers but who may encounter problems as to rights after reinstatement will steadily increase. There has been no cutoff date for reemployment rights eligibility.

(2) The increase in the Ready Reserve in fiscal 1958 and beyond, and the automatic transfer features beginning in August 1957 will materially increase the responsibility of the Bureau both in terms of direct assistance workload and promotion of compliance.

(3) The curtailment of other benefits for ex-servicemen leaves reemployment rights as the only major readjustment device available to those entering after January 31, 1955, and now coming out. The absence of other benefits will tend to increase the number desiring reinstatement and they should have prompt and adequate service.

(4) The President's Commission on Veterans' Pensions recommended that the Bureau give more adequate geographical coverage and improve the quality and speed of case handling. To do this, additional field offices and more personnel are needed; this is also true with respect to servicing the reemployment rights orientation which is done by military personnel at the separation points.

(5) Problem and caseload during the current year, which was expected to be approximately the same as in fiscal 1956, has in fact been greater during the first 6 months, and the backlog is again rising. The factors mentioned above will tend to accelerate this rise. (See workload table.) Each of these factors is discussed below.

REEMPLOYMENT STATUTES

The basic responsibility of this Bureau is to fulfill the intent of Congress that those who leave jobs to perform military service for the defense of our country will have job protection, with the least possible loss of ground upon their return to civilian employment. This concept of equitable treatment for ex-servicemen was first written into law in the Army Reserve and retired personnel service law of 1940. It has been continued, reemphasized, and expanded by the Selective Training and Service Act of 1940, the Service Extension Act of 1941, the Selective Service Act of 1948, the Selective Service Extension Acts of 1950, the Universal Military Training and Service Act, and most recently, the Reserve Forces Act of 1955.

This series of legislative acts has been tested and interpreted in several hundred Federal court cases, including six Supreme Court decisions, so that now reemployment rights have become an accepted and important phase of the Nation's industrial relations programs. The administration of these laws involves the management practices of business and the professions, wage and salary structures, collective bargaining agreements between management and labor, the protection of seniority, status and pay—practically all the employer-

employee relationships that exist between the worker and his employer, with the labor organizations as vitally interested parties.

REEMPLOYMENT RIGHTS COVERAGE

The reemployment statutes apply to all private employers and the Federal Government. In addition, many of the States and their political subdivisions have made provision for reemployment protection for their employees. The impact of the program is felt throughout the Nation in practically every county and city by most employers, returning ex-servicemen, and labor organizations. It involves enlistees, draftees, and reservists on extended duty, members of the Reserve components and the National Guard performing weekly drills or annual training, and even some categories of rejectees.

The reemployment rights program has been in the Department of Labor for 10 years. During that time there have been numerous developments with respect to the personnel procurement and reserve policies of the armed services. There have likewise been changes in the reemployment rights program due to legislative enactments (all of which have tended to broaden the coverage and establish new categories) and as a result of various court decisions. All the reemployment rights provisions remain in full force and effect and have not been effected by cutoff dates established for most other veterans' benefits. We have now reached a point in time where consideration should be given to the mission of this Bureau in fiscal 1958 and subsequent years and the capabilities which it must have to perform that mission.

FUNCTIONS OF THE BUREAU

Broadly, the functions of the Bureau are: (1) to insure that ex-servicemen and reservists have a clear understanding of their rights and that employers know the extent of their obligations; (2) to promote voluntary compliance so that the program may operate, as it has in the past, with a minimum of Government intervention and litigation; (3) to take effective action on all requests for direct assistance, handling problems promptly and negotiating amicable settlements where difficulties arise; and (4) to transmit to the Department of Justice, with all pertinent information, those cases where settlement has not been possible and the veteran desires to proceed in the courts.

INCREASE IN THE VETERANS BASE

Due to the cooperative attitude of employers and labor organizations, the interest of veterans' organizations, and to some extent, I believe, the promotion of compliance by the Bureau, most veterans who wish to return to their preservice employers do so without need for any special assistance. This is as it should be. A Bureau of the Census survey showed that 37 percent of all World War II and Korean veterans returned to their preservice employers—a surprisingly high number. Inevitably, however, many of those who returned without information or assistance from the Bureau, find at some time after return to work that they have not been reinstated properly with respect to seniority, pay, promotions, or fringe benefits. This results in cases arising after reinstatement which have always been a significant part of our workload and which are the most difficult and time consuming to handle, especially since many involve the question of damages. For most veteran benefit programs, January 31, 1955, marks a point after which the potential claims begin to decline, but for this Bureau the base continues to increase, since that date has no effect on reemployment rights.

THE ONLY MAJOR READJUSTMENT BENEFIT

In the past the existence of other benefits, such as mustering-out pay, GI education entitlement, and veterans' unemployment compensation, have, without doubt, helped to decrease the number of problems with which the Bureau must deal. Where the veteran had some doubts about, or difficulty in returning to his preservice employer, or felt he could do better, he had several alternatives. This is no longer the case, and it is difficult to predict the effect this will have. On the theory that "a bird in the hand is worth none in the bush" it seems likely that ex-servicemen who left some sort of job may be more interested in exercising their reemployment rights than was the case when they had other choices. Even some who held part-time or seasonal jobs will wish to hold on to them as an aid to continuing their education. We have already had some indi-

cation of this from men who entered after January 31, 1955, and who were released in the past 2 or 3 months. In our opinion, this factor will more than offset the estimated decrease in net returns to civilian life during 1958 and 1959.

EXPANSION OF THE READY RESERVE

As a result of the Reserve Forces Act of 1955, there is a projected buildup in the number of reservists required to perform training duty in 1958 and subsequent years. This has already taken place to some extent during the current year, and we have felt the effects of it during recent months. Beginning in August 1957, draftees and enlistees will not be discharged, but will be transferred automatically to the Ready Reserve for varying periods with obligation to perform periods of training duty with Reserve units. All will be required to take annual tours of training and many will have weekly drills. This is also true of members of the National Guard. To perform this duty, they have to take time from their jobs, and they have leave-of-absence protection under section 9 (g) (3). In the post-World War II and Korean periods, most veterans had 1 entrance into and 1 release from extended periods of duty and, therefore, only 1 "exposure." It is likely that both factors—the larger numbers involved and the compulsory nature of the training—will vastly increase the "exposure" as far as reemployment rights are concerned. The numbers of employers affected each year—particularly small employers—will be substantially increased. Even ex-servicemen who did not have a job prior to entering service and with whom we have not been concerned in the past will get jobs and will have Reserve obligations, with protection under section 9 (g) (3).

Another phase of the Reserve activities which will add to the Bureau's work is the necessity for an educational and promotion-of-compliance program during the next 2 years. During the past year, in cooperation with the Department of Defense, we held meetings of our State reemployment rights committees for a discussion of Reserve problems. These were helpful to all parties concerned. It is proposed to have one such meeting in every State during fiscal 1958. The Department of Defense will furnish speakers on the Reserve program, and the Bureau on the problem of employee relationships. Present membership includes representatives of management, labor, veterans' groups, and Government agencies. In addition to the regular membership, it is proposed to invite additional representatives of management and labor who may wish to attend. The Department of Defense has also suggested that in 1 or 2 States we should try to have several meetings in the larger labor-market areas. The Bureau's field representatives are responsible for arranging for and conducting these meetings and for following up on them from the point of view of the Department of Labor's interest. This is a very worthwhile and needed activity, but it requires much time and effort which cannot be reflected in workload statistics.

READY RESERVE TRAINEES

The Reserve Forces Act of 1955 made provision for enlistments in the Ready Reserve with 6 months of training duty and membership in a Reserve unit for 7½ years. It also established a special category of reemployment rights for this group, differing in some respects from that of the longer duty people and the training-duty reservists. The program is expected to reach about 100,000 per year by 1959. It is likely that the numbers will increase steadily as the advantages of this program become more widely known.

RECOMMENDATIONS OF THE PRESIDENT'S COMMISSION ON VETERANS' PENSIONS

The President's Commission on Veterans' Pensions made a detailed study and analysis of all programs for veterans and ex-servicemen, including reemployment rights. In its report, it pointed out that the Bureau's services were reasonably effective in the immediate areas where it had field offices, but were inadequate in areas farther removed from these locations. It also pointed to the shortcuts which the Bureau had taken in connection with the handling of many cases when the workload was beyond its capacity to handle on a current basis. It stated that reemployment rights should be continued for peacetime ex-servicemen as long as compulsory service remains in effect. In substance, it recommended that the Bureau, (1) increase its facilities so as to provide more uniform service to ex-servicemen, reservists, employers, and labor organizations in all States; (2) place its program operations on a long-range basis geared to

the military-manpower programs; (3) provide additional staff to properly train and supervise the volunteer reemployment-rights advisers for more efficient utilization of their services; and (4) improve the quality and speed of problem and case handling which had suffered from shortcuts made necessary by too heavy a load on too small a staff.

APPROACHES TO THE PROBLEM

There are several approaches that can be made to the problems raised and the recommendations made by the Commission. One is to place at least one representative of the Bureau in each State. While this might be desirable from some points of view, it does not seem feasible, since it would require more than double the present paid personnel. The alternative, which is proposed in this request, is to continue the Bureau's present general method of operation and augment its service in the following ways: (1) Establish 3 new field offices (each consisting of 1 administrative person and 1 stenographer) in regions where geography and workload present the most critical problem; (2) add 8 employees to the staff of existing field offices, all of which are small and understaffed; and (3) develop a better and more uniform reemployment-rights service at separation points and Reserve centers so that all ex-servicemen would be reached, regardless of their ultimate geographical locations.

The last has always been done to some extent, but as a result of discussions that have been underway with the Department of Defense, it appears possible to accomplish this objective in a much better way. This involves a brief but standard orientation at separation points, conducted by military personnel. It would place emphasis on the importance of making application during the prescribed time limits (which are short and irrevocable), and give the ex-serviceman an opportunity to request information and assistance or present questions which would enable him to exercise reemployment rights more intelligently if he wished to do so. The Bureau's role in this is to provide the orientation materials, install and service the procedure, and handle requests for information and assistance referred by the military services. Some time ago we inaugurated pilot projects at several separation points to test and evaluate this procedure; it seems to be a sound approach. It will, however, impose additional burdens on the Bureau's field staff in maintaining liaison with the military installations and servicing the procedure. A similar arrangement will be worked out for reservists with the cooperation of National Guard and Reserve units.

OTHER CONSIDERATIONS

The important role of the reemployment-rights program in lessening the cost of other benefits needs to be more fully recognized. The President's Commission on Veterans' Pensions, in discussing the survey made of the benefits used by veterans, stated:

"The use of benefits also tended to be lower, in any given age group, among those who returned to prewar jobs than among those who did not."

"It thus seems probable that a significant number of veterans who did not use Public Law 346 benefits did make use of the reemployment rights available to them."

This is especially significant in the light of the survey's finding that 37 percent of all veterans returned to their preservice employers.

There are now under consideration proposals that peacetime ex-servicemen be given unemployment-compensation coverage, and there are indications that legislation might be introduced to give other types of benefits, similar to those in the GI bill. If and when such measures are enacted, past experience indicates that the more effective the reemployment-rights program the greater the savings will be in other benefits more costly to the Federal Government.

Last year when we appeared before this committee we discussed the problems presented in terms of the Bureau's work by the decision of the Supreme Court in the case of *Diehl v. The Lehigh Valley Railroad Company*. Early in fiscal 1956, we set out to encourage making the thousands of seniority adjustments and other actions necessary to compliance with this decision through supplementary agreements between industries (mainly railroads) and the labor organizations involved. This course of action was taken with the hope that it would facilitate matters for the veterans and make it unnecessary for the Bureau to handle hundreds, and perhaps thousands, of cases on an individual basis. The matter is not a simple one; on some roads, 7 or 8 crafts are involved. We have

made considerable progress, and have set a target date of June 30, 1957, for the completion of this project. After that date, it may be necessary to revert to individual handling and perhaps some litigation. This effort, however, has required a very substantial amount of time on the part of our field representatives and has reduced our ability to handle other workload items. We still believe that this preventive approach should be employed wherever possible, even though the staff time required is not reflected in operating statistics as it is in the handling of individual problems and cases.

WORKLOAD

When we appeared before this committee last year, we expected the Bureau's backlog of problems and cases would be reduced to a manageable figure (some 1,400) by June 30, 1957. Present indications are, however, that it will increase rather than diminish. Our estimates last year were based on an intake at that time of about 3,000 cases and problems a month and a production rate of about 3,500 a month. It will be seen from the attached workload table that these intakes and production estimates were close to the actual figures for fiscal 1956 (3,248 and 3,678, respectively), but below the actual figures for the first half of fiscal 1957 (4,365 and 4,136). The lower intake rate in fiscal 1956 enabled us to reduce the backlog from 11,683 to 6,536 by June 30. However, by the end of the first half of fiscal 1957 the backlog had increased to 7,913. This increase has occurred despite the fact that more problems and cases were closed during the last 6 months than in any other 6-month period in the history of the Bureau.

It appears that the impact of several factors which influence workload will be greater this year than we anticipated last year, particularly in the buildup in the Ready Reserve and the loss of other veterans' benefits. The first of these factors was felt heavily in the problem load during the Ready Reserve training period last summer, and it is expected to be felt to a greater degree in the summer of 1957 when the mandatory features of the Reserve Forces Act of 1955 come into full play for the first time. The second factor began to show itself in the problem and case-load during November and December this year and will become an increasingly important factor.

It seems clear from an analysis of the factors which influence workload and experience during the first 6 months of this fiscal year that the Bureau's responsibilities will be broadened and the demand for its services increased in fiscal 1958 and subsequent years. While it is difficult at this time to project in specific figures the effect of the factors mentioned above on workload in fiscal 1958, it now appears that the backlog of problems and cases will further increase during the second half of this fiscal year to more than 10,000. The expected increase in the intake rate in fiscal 1958 would further increase the backlog to approximately 20,000 by June 30, 1958, if additional personnel is not employed. With the additional personnel requested, it is our belief that the rise in the backlog could be arrested in the latter half of fiscal 1958 and a reduction effected by the end of fiscal 1959.

Workload statistics and comparison, fiscal 1955, 1956, and 1st 6 months of fiscal 1956 and 1957

	Fiscal 1955		Fiscal 1956		First 6 months of 1956 (July 1, to Dec. 31, 1955)		First 6 months of 1957 (July 1, to Dec. 31, 1956)	
	Total	Month-ly aver- age	Total	Month-ly aver- age	Total	Month-ly aver- age	Total	Month-ly aver- age
1. Problems and cases carried over from previous periods.....	6, 179		11, 693		11, 693		6, 536	
2. Problems and cases received.....	40, 413	3, 368	23, 974	3, 248	16, 420	2, 737	26, 191	4, 365
3. Total requiring action (1 plus 2).....	46, 592		50, 667		28, 113		32, 717	
4. Problems and cases handled to completion.....	34, 899	2, 908	44, 131	3, 678	22, 191	3, 532	24, 814	4, 136
5. Problems and cases pending at end of periods.....	11, 693		6, 536		7, 662		7, 913	
6. Cases carried over from previous periods.....	2, 778		3, 882		3, 882		2, 606	
7. Problems transferred to case status.....	7, 671	639	5, 330	444	2, 741	457	3, 718	620
8. Total cases requiring action.....	10, 449		9, 212		6, 623		6, 324	
9. Total cases closed.....	6, 567	547	6, 605	550	3, 867	644	3, 235	539
10. Total cases pending at end of periods.....	3, 882		2, 607		2, 765		3, 089	

BUREAU OF VETERANS' REEMPLOYMENT RIGHTS

Persons entering the military service since January 31, 1955, and who are now coming out in increasing numbers, do not have the various benefits given those who entered prior to that time. The only major readjustment benefit now available to inductees and enlistees is the right to reinstatement with their preservice employers. This is given to them in the Universal Military Training and Service Act and in the Reserve Forces Act of 1955. The Bureau of Veterans' Reemployment Rights has the responsibility for administering these laws and for assisting not only ex-servicemen in the exercise of these rights, but also the employers and labor organizations who are involved. The laws apply to all private employers and the Federal Government. With other benefits, such as GI schooling and veterans' unemployment compensation, not available, indications are that a larger percentage of veterans will seek to return to their old jobs, thus placing a greater load on the Bureau. For the same reason—namely, absence of other benefits—they will want to get back to work promptly and where they encounter difficulty or there are questions as to their proper reemployment, they should be given the promptest possible attention and assistance.

The Reserve Forces Act of 1955 will also increasingly affect the work of the Bureau in two ways. First, the number of Ready Reservists and members of the National Guard taking training duty will go up steadily. In addition to the average annual turnover in the Armed Forces of about 700,000, over the next 2 years it is estimated that about 1,250,000 Reservists and National Guardsmen must perform training duty each year and many of them must report for weekly drills. All of these reservists and guardsmen have leave-of-absence rights in connection with this training duty. A second point is the fact that the act makes transfer to the Ready Reserve and the taking of training duty compulsory for an increasing number of reservists beginning in August 1958. We would all agree that a strong Reserve is an important part of our national defense. Certainly if we are going to urge, and in some instances compel, reservists to keep up in their training, the least we can do is to see that they do not lose their jobs by doing so.

The Bureau of Veterans' Reemployment Rights, which is responsible for this extensive program, is perhaps the smallest operating agency in the Government. The amount of this bill would permit it to have a total of only 66 people nationwide, including stenographers. Considering the scope of this program, the fact that other and more costly benefits have been curtailed, and that the work is certain to increase in 1958 and beyond, this does not seem an unreasonable amount. Furthermore, this item does not involve giving anybody any money. On the other hand, the program it supports encourages and assists ex-servicemen to work out their own problems by returning promptly to their jobs.

INCREASED WORKLOAD

Mr. SALYERS. The House allowed us the full amount of our estimate, and we would hope and respectfully request that this committee might see fit to do the same, sir.

The House bill would give us a total of 66 positions nationwide.

We have experienced during this fiscal year, the first 8 months of this fiscal year, a substantial increase in our workload over the previous fiscal year for the same period, and we anticipate it will continue to rise, particularly during 1958.

There are 2 or 3 basic reasons for this. One is the absence of other benefits for persons who entered military service after January 31, 1955. This tends and will increasingly tend, I think, to make the old job more attractive because it is about the only thing some of them have to do, whereas in the past they had other alternatives, such as schooling and unemployment compensation.

Senator HILL. That makes them much more disposed to try to go back to their former positions. Is that correct?

Mr. SALYERS. Yes, sir.

RESERVIST LEAVE-OF-ABSENCE RIGHTS

The second factor, with which I know you are familiar, is the Reserve Forces Act of 1955 which is resulting in a substantial increase in the Reserve. All of the reservists have leave-of-absence rights, which are in the basic statute.

Beginning in August of this year, transfer to the Reserve becomes compulsory, and, as you know, they have compulsory obligations for periods of training. So this will cut deeper than it ever has before, and particularly in the case of small employers we are beginning to encounter some problems.

That is all I have to say, sir. Do you have any questions?

Senator HILL. You have presented a more detailed statement for the record. Is that correct?

Mr. SALYERS. Yes, sir.

BUDGET ESTIMATE

Senator HILL. What was your budget estimate for this year?

Mr. SALYERS. \$542,000.

Senator HILL. And the House allowed you the full estimate?

Mr. SALYERS. Yes, sir.

Senator HILL. Thank you, sir. We are certainly very much obliged to you.

BUREAU OF APPRENTICESHIP AND TRAINING

SALARIES AND EXPENSES

STATEMENT OF W. C. CHRISTENSEN, DIRECTOR

APPROPRIATION ESTIMATE

"Salaries and expenses: For expenses necessary to enable the Secretary to conduct a program of encouraging apprentice and other occupational training in industry and trade, as authorized by the [Act] Acts of March 4, 1913 (5 U. S. C. 611), and August 16, 1937 (29 U. S. C. 50), [\$3,399,000] \$3,940,000."

JUSTIFICATION OF LANGUAGE CHANGES

The addition of the phrase "and other occupational (training) in industry and trade" is requested in connection with the extension of training activities in occupations not considered apprenticeable to enable the Bureau to help increase the skills of the Nation's work force. The authority for this training is in the basic act of the Department of Labor.

Amounts available for obligation

	1957	1958
Appropriation or estimate.....	\$3,399,000	\$3,893,300
Comparative transfer from "Salaries and expenses, Office of the Secretary of Labor" for working capital fund.....	8,900	-----
Total.....	3,407,900	3,893,300

Obligations by objects

Description	Adjusted 1957 base		Estimate 1958		House allowance	
	Position	Amount	Position	Amount	Position	Amount
1. Training, promotion, and service to industry.....	433	\$2,967,625	433	\$3,130,405	433	\$3,135,105
2. Training, research, and technical services.....	38	253,375	66	548,390	38	267,740
3. Executive direction and management.....	24	186,900	26	214,505	24	197,155
Total obligations.....	495	3,407,900	525	3,893,300	495	3,600,000

EFFECT OF HOUSE ACTION

Appropriation language. Proposed changes in appropriation language were denied. If the House action stands, it will virtually preclude carrying out the recommendation of the skills of the work-force program for encouraging better and broader training for all types of occupations.

Activity 1. Training promotion and service to industry.—Mandatory cost increases for Bureau of Apprenticeship and Training staff of \$150,790 for retirement contributions and \$9,950 for extra day's pay were allowed: \$1,050 was allowed for comparable costs for activities (on the reduced basis approved by the House) financed under the working capital fund. An additional \$4,700 approved will be used to reduce personal services lapses in the field offices.

Activity 2. Training research and technical services.—All program increases totaling \$280,650 were disapproved. These included \$12,855 for the Apprenticeship Service; \$33,540 for information activities (including informational, exhibit, and training materials for field staff under activity 1); \$28,555 for research to support the entire Bureau's program; and \$205,700 for the Training Service. The mandatory increases for existing Bureau staff of \$12,890 for retirement contributions and \$790 for extra day's pay were approved, as was \$685 for comparable costs for working capital fund activities.

Activity 3. Executive direction and management.—The proposed increase of \$17,350 to provide staff to the Director of the Bureau was denied. Increases of \$10,500 for retirement contributions and \$680 for extra day's pay for the existing Bureau staff were approved; \$65 was allowed for comparable costs under the working capital fund.

Summary of changes

1957 actual appropriation.....	\$3,399,000
Transfer to finance working capital fund.....	+8,900
Revised 1957 base.....	3,407,900
1958 appropriation request.....	3,893,300
Net change requested.....	+485,400

	Estimate, 1958		House allowance	
	Positions	Amount	Positions	Amount
For mandatory items				
Extra day of pay on 1957 base	None	\$11,420	None	\$11,420
Retirement contribution on 1947 base of 495 positions	None	174,180	None	174,180
Retirement and depreciation on working capital fund	None	1,800	None	1,800
Subtotal	None	187,400	None	187,400
For program items				
For field offices	None	None	None	4,700
For Apprenticeship Service	1	12,855	None	None
For information and publications	4	33,540	None	None
For research	3	28,555	None	None
For Training Service	20	205,700	None	None
For executive direction	2	17,350	None	None
Subtotal	30	298,000	None	4,700
Grand total	30	485,400	None	192,100

Obligations by objects

	Adjusted 1957 estimate	1958 estimate	House allow- ance
Total number of permanent positions	495	525	495
Average number of all employees	485	515	485
Number of employees at end of year	490	520	490
01 Personal services	\$2,877,100	\$3,070,600	\$2,893,220
02 Travel	342,400	353,550	342,400
03 Transportation of things	15,000	15,400	15,000
04 Communication services	63,000	66,510	63,000
05 Rents and utility services	2,000	2,000	2,000
06 Printing and reproduction	15,000	48,000	15,000
07 Other contractual services	14,700	64,110	14,700
Services performed by other agencies	47,200	49,000	49,000
08 Supplies and materials	17,000	18,050	17,000
09 Equipment	10,000	16,000	10,000
11 Grants, subsidies and contributions: Contribution to retirement fund		185,580	174,180
13 Refunds, awards, and indemnities	2,800	2,800	2,800
15 Taxes and assessments	1,700	1,700	1,700
Total obligations	3,407,900	3,893,300	3,600,000

Summary of new positions

Permanent positions	Positions	Amount
ACTIVITY 2		
Training service:		
Division of Manufacturing and Technician Training:		
GS-13, training officer.....	1	\$8,990
GS-12, training officer.....	1	7,570
GS-3, clerk-stenographer.....	1	3,175
Total permanent.....	3	19,735
Deduct lapse.....	0.1	435
Net permanent.....	2.9	19,300
Regular pay above 52-week base.....		75
All personal services.....	3	19,375
Division of Supervisory and Clerical Training:		
GS-13, training officer.....	1	8,990
GS-5, secretary.....	1	3,670
Total permanent.....	2	12,660
Deduct lapse.....	0.1	290
Net permanent.....	1.9	12,370
Regular pay above 52-week base.....		50
All personal services.....	2	12,420
Division of Training Aids:		
GS-15, division chief.....	1	11,610
GS-14, training officer.....	1	10,320
GS-13, training officer.....	1	8,990
GS-12, training materials specialist.....	1	7,570
Do.....	1	6,390
GS-11, training officer.....	1	6,390
GS-9, training materials assistant.....	1	5,440
GS-7, training assistant.....	2	9,050
GS-5, secretary.....	1	3,670
GS-4, secretary.....	2	6,830
GS-3, clerk-typist.....	3	9,525
Total permanent.....	15	85,785
Deduct lapse.....	0.2	1,885
Net permanent.....	14.8	83,900
Regular pay above 52-week base.....		325
All personal services.....	15	84,225
Total, Training Service.....	20	116,020
Apprenticeship Service: Division of State-Federal Relations:		
GS-15, Division chief.....	1	11,610
Deduct lapse.....		250
Net permanent.....	1	11,360
Regular pay above 52-week base.....		40
All personal services.....	1	11,400
Division of Information and Publications:		
GS-9, editorial assistant.....	1	5,440
GS-7, editorial assistant.....	1	4,425
GS-5, editorial clerk.....	1	3,670
GS-4, clerk-stenographer.....	1	3,415
Total permanent.....	4	17,050
Deduct lapse.....	0.1	365
Net permanent.....	3.9	16,685
Regular pay above 52-week base.....		65
All personal services.....	4	16,750
Division of Research:		
GS-14, Division chief.....	1	10,320
GS-12, research assistant.....	1	7,570
GS-9, research assistant.....	1	5,440
Total permanent.....	3	23,330
Deduct lapse.....	.1	515
Net permanent.....	2.9	22,815

Summary of new positions—Continued

Permanent positions	Positions	Amount
Division of Research—Continued		
Regular pay above 52-week base.....		\$85
All personal services.....	3	22,900
Total, activity 2.....	28	167,070
ACTIVITY 3		
Office of the Director:		
GS-15, program planning officer.....	1	11,610
GS-5, secretary.....	1	3,670
Total permanent.....	2	15,280
Deduct lapse.....	.1	330
Net permanent.....	1.9	14,950
Regular pay above 52-week base.....		60
Total, activity 3.....	2	15,010
Grand total.....	30	182,080

PREPARED STATEMENT

Senator HILL. Mr. Christensen, will you come around, please, sir.

I suppose you have already filed your statement for the record?

Mr. CHRISTENSEN. Yes, sir.

Senator HILL. That will be included in full in the record, and you may proceed to make any other statement you see fit, sir.

(The statement referred to follows:)

DIRECTOR'S STATEMENT FOR THE BUREAU OF APPRENTICESHIP AND TRAINING REQUEST FOR FISCAL YEAR 1958

INTRODUCTION

Mr. Chairman and members of the committee, during the past year there have been substantial accomplishments in the field of apprenticeship that we wish to report to you. All of us know that the promotion of apprenticeship and training is a continuing and long-range task. We are requesting your favorable consideration of an extension of the Bureau's activities to include a Training Service paralleling the Apprenticeship Service which will encourage the development of even more apprenticeship programs while calling attention to the need for training in occupations other than those referred to as apprenticeable. Last year, and again this year, Secretary Mitchell appeared before this committee to report on a planning program activity in the Department referred to as the skills of the work force program. This proposal is a beginning of perhaps the most important recommendation of the skills of the work force program: How the Department of Labor can encourage better and broader training for all types of occupations. For this purpose an increase of \$293,300 is requested. The funds for this new activity will supplement the apprenticeship-program appropriation and provide for 30 positions, but will represent only a fraction of the total Bureau appropriation request of \$3,893,300.

ACCOMPLISHMENTS

Last year the Congress approved a budget of \$3,399,000 for the Labor Department's Bureau of Apprenticeship. With these resources it was possible to make further progress with the activities carried out by the Bureau. Some of the highlights which we believe will be of interest to you are as follows:

During the past 12 months our field staff worked with 133,000 establishments, 9,000 local unions, 2,000 trade association chapters, and with 225,000 apprentices. Training activities by management and labor were increased and skill

development was strengthened and improved. Not only was there an increase of 17,000 registered apprentices, but evidence showed improved quality of programs and methods for both apprentices and journeymen. One of the most encouraging and significant developments of this participation has been a rather remarkable increase in the number of joint apprenticeship committees which have established financing arrangements for their own operations, and have provided full-time directors and staff. The number of these committees which are now financing their own operations has increased fourfold, from 228 to 1,140. The number of full-time coordinators has increased from 24 to 94. This development multiplies the efforts of the Bureau's field staff and all concerned with the promotion of apprenticeship and training activities. At the end of the reporting period, 819 joint apprenticeship committees and 13,340 establishments were participating in training programs beyond apprenticeship.

In the Bureau's national industry promotion program, two major activities have been carried on in this reporting period. Thirty-one national conventions have been attended by representatives where promotional efforts were carried on and five national apprenticeship contests created an enormous amount of interest in the national apprenticeship program. This activity utilizes the principle of multipliers and wholesale promotion techniques.

We have been aware for a number of years that because of our limited staff we have been unable to approach all national associations. During the past year, however, Bureau representatives have contacted more than 100 associations, and these contacts have produced specific training actions, including convention program speeches, exhibits, trade-journal articles, and training-needs analysis by 13 international unions or national trade associations.

Last year information was given you regarding the foundry industry project, which was expected to be a pilot type of program and which we believed would be useful in other industries. In this project a special committee from the foundry industry was invited to meet with representatives of the Bureau to examine training problems and needs and to develop a program which would meet those needs. Bureau facilities and staff were offered to assist the industry in carrying out a unified, effective, and practical program of training. The committee recommended that a survey be made of mechanized foundries. This has been completed.

As a result of the success of the first study, the committee requested the assistance of our Research Division in examining the training needs of the non-mechanized foundries. One of the most encouraging features of this activity was the promotional stimulus provided by the committee chairman and individual members in getting the full cooperation of the 140 foundries in the conduct of the project. These studies are expected to be completed in February, after which the special committee will examine the results of both surveys and formulate an action program of training.

A major auxiliary to fieldwork is the publication of pamphlets and other informational material. During the reporting period 2 pamphlets were prepared and distributed, 13 magazine articles appeared in various trade publications, 34 speeches were prepared for officials of the Bureau, 64 news releases on training were issued, 15 reprints of outstanding articles on training were published, and 1 new exhibit built for meetings and conventions.

PROGRAM PLANS FOR 1958

It cannot be too often repeated that the basic mission of the Bureau is to increase the quantity and improve the efficiency of the skilled-worker population. In order to achieve this objective we must step up our efforts in apprenticeship training; in the supplementary training of journeymen to meet technological changes in their trades; and in providing assistance and services, in training for other occupations, which are being requested of us by industry.

Now, since you are generally familiar with apprenticeship and journeymen training, I should like to discuss in some detail the reasons for the establishment of a Training Service within the Bureau of Apprenticeship and Training. Critical shortages in many occupations already exist. This condition is expected to grow worse. For example, by 1965 there will be 700,000 fewer men in the age group 25-34 than there are in the labor force today. This will occur in spite of our rapidly expanded total population.

Our most pressing job is to have the leaders of industry aware of the manpower situation, and to assist them in inaugurating programs for improving the quantity and quality of training for their employees. This applies to the ap-

prenticeable trades and to all other occupations. It is proper and important for the Federal Government, through the Bureau of Apprenticeship and Training, to provide leadership in the promotion of training throughout industry.

In this connection, there is one point I wish to emphasize. The responsibility for training industrial workers rests with industry. It is not the function of the Department of Labor or of any governmental unit to train industrial employees; rather it is our role constantly to call attention to the need for training; to provide information on types and kinds of effective training that are presently carried on in industry today, and to assist by every means that we can devise in promoting, establishing, improving and expanding training programs. Government is first of all concerned about having an adequate number of capable, skilled and well-trained workers to assure our national progress and national security.

This is not intended to suggest that there is not today a great deal of effective training going on in industry. Training on the job, however, is by no means universal throughout industry and in many instances the training could be improved through better methods.

One of the ways to speed the accomplishment of more and better on the job training is to make more readily available the know-how, the training courses, materials and aids already developed by industry or government, have not on a substantial scale become either generally known or available. Yet their availability would permit tens of thousands of plants who can't afford the expense of developing training courses to engage in training for the first time; it would conserve the time and effort of training directors in preparation of training materials so that more of their efforts could be put into actual training activities. Further, widespread exchange of existing training methods and techniques will encourage more and better research in training methods which must be encouraged if training is to keep up with the demands that will be made of it in the years ahead.

One source of assistance to industry is especially worth mentioning—the training programs developed and used by the Department of Defense for its 4 million civilian and military employees. Some of the finest training programs in the country have been developed, tested, and used there. These same programs have widespread applicability in industry since somewhere in the Department of Defense nearly every civilian occupation is encountered. If these materials were in the hands of industry, the added return on investment could scarcely be calculated.

The Secretary has already indicated the work that has been done in the Department in recent months with the Department of Defense to assemble and catalog just a sample of their materials. Training directors from many industries have seen the sample bibliography of 100 documents together with the proposal for establishing training materials reference centers. They approve and endorse the proposal and indicate their willingness to contribute their own materials to expand the collection. In addition, they have advanced many helpful suggestions on ways and means of initiating and developing these reference centers. We believe this will materially help to get more and better training underway in all parts of industry.

A major effort of the new Training Service in 1958 will be the assembly and cataloging of the materials—from management, labor, government, and schools—of developing systems to make known their availability and of establishing reference centers in several cities. These centers will be maintained locally, housed in such places as universities, public libraries, or other convenient spots determined by the users in a given community. The Department of Labor will not staff these centers. As they are established, they will provide a tremendously valuable additional tool to the field staff of the Bureau of Apprenticeship and Training in its work with industry on all types of training.

The Secretary mentioned the communitywide surveys made in Phoenix and Tucson, Ariz., last summer to determine manpower requirements and training needs. These studies, actually carried out through the Arizona State Employment Service, had the full support and cooperative participation of all parts of the community, leaders of management and labor, the schools and colleges, local State and Federal Government representatives, the chamber of commerce and other State and local associations. The Bureau of Apprenticeship and Training participated in the planning for these studies; our two Bureau of Apprenticeship representatives in Phoenix and Tucson were active in the operational phases. The results of the survey will be released within the next few weeks, but we think you will be especially interested in just a few

of the findings. You will recognize the magnitude of the training job that lies ahead for these communities.

The 1956 occupational profiles for the State and for Phoenix and Tucson were established, as well as projected 1961 occupational profiles. A comparison of the two profiles has shown clearly that while the expected level of population will provide a labor force of sufficient numbers to attain estimated employment levels, the occupational characteristics of this numerically adequate labor force will not correspond to the occupational characteristics of the demand of Arizona firms. The report concludes that present training activities must be increased drastically to alter the occupational characteristics of the labor supply in line with the occupations that will be in demand.

Certain items from the report point up the training problems faced in Arizona. Of the more than 500 firms—large and small—in the study, 29 percent reported organized inplant training programs. While this is a substantial number, it leaves a long way to go. That the Arizona leaders recognize this is condensed by one of their action recommendations, namely “the most obvious solution to this (manpower) problem on a long-run basis, is the development of adequate training facilities necessary to meet and designed to meet the occupational requirements of the State—more inplant training, apprenticeship and vocational school programs are needed.”

Of the 500 plus firms reporting, 228 indicated an active interest in apprenticeship programs, nearly 10 times the number that are already established and operating. There are many findings in this first study carried out in Arizona which will be of great assistance to our Bureau as we go forward with the program of promoting and assisting in the extension of training in apprenticeship and other occupations throughout the whole economy.

The promotion and service on apprenticeship and training must be accomplished in the field by the staff of representatives throughout the country. To increase the effectiveness of the field staff it is necessary to provide them with more and better tools. This is the purpose of the training service—to supplement the apprenticeship service.

Accordingly, during 1958 particular emphasis will be placed on the Division of Training Aids. Through cooperative efforts with labor, industry, other Government agencies, this Division will accumulate, identify, and catalog effective training courses, materials and training aids for all occupations. Training materials reference centers will be established throughout the country and their collections will be announced widely for use in training. This Division will provide promotional and technical assistance for both the Apprenticeship and Training Services of the Bureau including audiovisual aids. It will prepare aids for presentation by the Bureau field staff and develop materials and aids for use in Bureau staff training. These are the activities for which we are requesting funds for the training service.

The job ahead of us is so big that it will require the closest coordination of the efforts of labor, management, the schools, and State and Federal agencies. We believe that with the facilities and resources which we have requested of your committee, the Bureau of Apprenticeship and Training will be able to provide the leadership to make a long stride forward toward our objective.

SENATE APPROPRIATIONS SUBCOMMITTEE

DIRECTOR'S STATEMENT FOR THE BUREAU OF APPRENTICESHIP AND TRAINING REQUEST FOR FISCAL YEAR 1958

Mr. Chairman and members of the committee, with the objective of promoting the increase of apprenticeship and training programs among management and labor, the Bureau of Apprenticeship and Training requested an appropriation of \$3,893,000 for scal 1958. The House Appropriations Committee has authorized the sum of \$3,600,000, a reduction of \$293,300 from the request. In addition, it suspended consideration of additional funds for activities other than apprenticeship, pending clarification of the role of the Bureau in relation to the functions of vocational education.

We submit that there is a misunderstanding on the part of a small number of vocational educators as to our intentions and the way we propose to operate. In fact, representatives of this Bureau are working in closest cooperation with vocational educators both at the Federal level and in the States and local areas.

Our main business is the promotion of programs for the training of skilled

workers—machinists, electricians, tool and die makers, bricklayers, and the like. We have been doing this now for more than 20 years by bringing management and labor groups together, or working with them separately. We have been working closely with State apprenticeship councils in 31 States in this cooperative effort. These programs are devised by management and labor with our technical assistance and are operated by them. One of the essentials for all recognized apprenticeship programs is that there shall be related instruction, which is normally provided by vocational and trade schools. Training or teaching is not actually conducted by representatives of this Bureau. There is no intention to do this in the future.

More often than not our field representatives, on approaching a shop or plant, especially a small one, find that, while there is a recognition of the need for training all-round skilled workers, the more immediate need is for other types of training. We find, for example, that there is need for training supervisors. When this happens we advise how the plant can obtain assistance to operate a program for this purpose. Sometimes the operation is carried on by plant personnel. In most cases the recommendation is made that the supervisory training be done by vocational educators. It should be pointed out that vocational education is not always able to provide this service.

This kind of activity we have been carrying on for many years, and I think you will find that it is a service which industry needs and appreciates. Objection to it, insofar as we have been able to find, has occurred in only a small number of places, and the objection appears to be on the basis of what we "might" do, rather than what we have been doing, and what we have proposed to do.

Your attention is called to the more detailed statement which I submitted to the subcommittee of the House Appropriations Committee, a copy of which has also been presented to your committee.

Aware of the need for improving the skills of the work force if we are to stay in production competition with the Soviet Union, the Secretary has emphasized this topic wherever he appears. His statements follow the same pattern as those made by thoughtful manufacturers and by General Twining and General LeMay, who have testified before congressional committees on the critical problem of loss of skilled manpower in the Air Force.

We have many times been asked the question: "If there is so great a need for training to improve the skills of the Nation, why isn't more training carried on?" Our first answer is that there is a large segment of industry apparently not aware of the need, or who need stimulation to take steps to do something about it. Another answer is that the large companies can afford the training departments and the other facilities necessary to train the number and kind of workers they need. The smaller companies usually do not have these facilities, and of course they employ by far the greatest total number of workers. For such companies we promote the formulation—on a national, State, or local basis—of programs or guides which they may use to carry on training. Again I wish to emphasize that the actual training is done by the plant itself, or by the plant and local vocational educators in conjunction.

The words "and Training" were added to the title of the Bureau to indicate our activities in promoting journeymen training and training for industrial workers engaged in occupations other than the apprenticeable trades. We did not mean it to signify that we propose now to do any actual training, or to do anything greatly different than we have been doing, and which has been in line with directions of the Senate and House Appropriations Committees.

We have kept in close touch with the Office of Education concerning our program and especially regarding those features of the program that invite promotion of programs other than apprenticeship. It is my understanding that Acting Secretary Richardson of Health, Education, and Welfare, recently wrote letters to Senator Hill and Congressman Fogarty indicating that HEW and the Office of Education recognized the Bureau's activities in promoting various types of training programs.

Ordering the stopping of promotion of various types of training not only would be a serious handicap to industry, but would have the effect of slowing down our promotion of apprenticeship. There is serious need for retraining journeymen in the use of new materials, new techniques, and new methods in such trades as electrician, plumber, printer, and others. We have been unusually successful in promoting such programs, practically all of which are operated through the vocational schools.

It seems to me that no one should be discouraged from urging management and labor to do more and better training. So long as we confine our activities to promotion and do not engage in conducting training, I see no reason for any conflict or duplication of effort with vocational education. It is therefore respectfully requested that your committee authorize the funds and approve the functions described in the original budget request to the House Appropriations Committee.

LANGUAGE CHANGE

Mr. CHRISTENSEN. Mr. Chairman, our request for 1958 was \$3,389,300, and the House allowed, of this, \$3,600,000.

The principal question of the House committee seemed to be in the matter of language as to the function of this Bureau in the Department, and they requested that the words "and training" be deleted from the title or caption of this item until the question could be resolved as to whether there was any misunderstanding on any overlapping or duplication of vocational education. In line with this, they reduced the appropriation request by \$293,300, which was there primarily to establishing the training service in the Bureau.

We believe that there is a misunderstanding on the part of some vocational people. We do not believe this is as serious as some people have made it sound.

So far as the relations with the Office of Education are concerned, and the T. and I. group and the vocational group here in Washington, we have a very clear-cut understanding. And I understand you have received a letter from the Acting Secretary of the Department of Health, Education, and Welfare referring to this understanding.

Senator HILL. Yes; we have received that letter.

I will say also that when Secretary Mitchell was with us here on Monday morning we spent quite a bit of time going into this matter. He made it definitely clear; in fact, he reemphasized, so far as your Bureau and the Department of Labor are concerned, that there is no intention to go into the field of training or education.

Mr. CHRISTENSEN. That is correct.

Senator HILL. What you seek to do is to point up, so to speak, the labor shortages rather than in any way encroach on the function of vocational education, which would be to stimulate the challenge for more people to take the vocation and education courses. Is that right?

Mr. CHRISTENSEN. That is correct.

Senator HILL. Would you go right ahead now, sir, and make any other statement you care to make?

REQUEST FOR RESTORATION

Mr. CHRISTENSEN. I would like to go ahead and say I hope this committee will see fit to restore the wording "and training" in the caption of this item. We also hope you will restore what the House trimmed from the request for the establishment of the training service in the Bureau of Apprenticeship.

APPROPRIATION BILL TEXT

Senator HILL. You speak about restoring the words "and training." The language in the bill, as it passed the House, is—

BUREAU OF APPRENTICESHIP

Salaries and expenses: For expenses necessary to enable the Secretary to conduct a program of encouraging apprentice training, as authorized by the acts of March 4, 1913 (5 U. S. C. 611), and August 16, 1937 (29 U. S. C. 50), \$3,600,000.

What language would you like to have there? Is there some additional language you would like to have?

Mr. CHRISTENSEN. When the House committee reported to the committee of the whole they recommended the deletion of the words "and training" from the title above this item.

Senator HILL. In other words, the title read "Bureau of Apprenticeship and Training." Is that correct?

Mr. CHRISTENSEN. Yes.

Senator HILL. Then there was also this language to which Mr. Downey calls my attention: After the words "to conduct a program of encouraging apprentice" there appeared the words "and other occupational," and then the word "training," and then the words "in industry and trade." That is correct, is it not?

Mr. CHRISTENSEN. Yes, sir.

Senator HILL. What you would like is to have this language restored. Is that it?

Mr. CHRISTENSEN. The original language; yes sir.

Senator HILL. As set up by the Department, the Bureau of the Budget?

Mr. CHRISTENSEN. Yes, sir.

Senator HILL. Do you have anything further you would like to add? You may state it in any way you see fit.

COOPERATION WITH OFFICE OF EDUCATION

Mr. CHRISTENSEN. Just, sir, that we want to assure you that we are working with the people in the Office of Education, and we have done a good bit of work at the national level on this score. We intend to continue to carry out a program of liaison and coordination with the school people at all levels, and we wish to assure you that in those spots where there are misunderstandings we shall do everything possible to get them corrected.

As the Secretary pointed out on Monday, we want to again assure you that we are not going into the training business. Nor are we doing anything that would overlap or in any way interfere with vocational education. In fact, what we will do, if we do it well, will actually further strengthen the vocational program throughout the country.

Senator HILL. You are not in any way going into the work of training or vocational education, are you?

Mr. CHRISTENSEN. No, sir.

Senator HILL. You might briefly summarize your program now as regards the rest of the funds, the amount the House allowed you. Can you summarize that briefly?

Mr. CHRISTENSEN. Yes, sir.

Senator HILL. Of course, your full statement will appear in the record.

SUMMARY OF PROGRAM

Mr. CHRISTENSEN. During the past 12 months our field staff has worked with 133,000 establishments, 9,000 local unions, 2,000 trade associations and chapters, and with approximately 225,000 apprentices. One of the things in which much progress has been made is in the area of getting management and labor, through their joint apprenticeship committees, to invest more of their own money in carrying out their programs and in covering the costs of administration. There has been a substantial increase in the number of full-time coordinators that have been so employed. That is, jointly paid by management and labor.

Senator HILL. Do you say there has been a substantial increase in the number of these employees?

Mr. CHRISTENSEN. Yes, sir.

Senator HILL. Do you have any figures there that you could supply for the record to show that increase?

Mr. CHRISTENSEN. The number of committees which are now financing their own operations have increased fourfold from 228 to 1,140. The number of full-time coordinators has increased from 24 to 94. This has been accomplished during the past year or 18 months.

Senator HILL. Is there anything else you would like to add or suggest there?

Mr. CHRISTENSEN. I believe not, other than to just again reemphasize the fact that we hope your committee will see fit to restore the function, the language, and the appropriation originally requested by the Department.

Senator HILL. Now that Senator Thyne is here, I might remind the Senator that he will recall when Secretary Mitchell was here the other day that he reemphasized that there was no intent on the part of the Department of Labor to get into the field of vocational education, that all they were seeking to do was to encourage and stimulate training by pointing up labor shortages, and not to in any way go into this field of education or training.

Mr. Christensen has just been confirming that to us, Senator Thyne. Do you have any questions to ask?

Senator THY. No; I have none, Mr. Chairman.

Senator HILL. We are very much obliged to you, Mr. Christensen. Thank you very much.

Mr. CHRISTENSEN. Thank you, Mr. Chairman.

BUREAU OF EMPLOYMENT SECURITY

SALARIES AND EXPENSES

STATEMENTS OF ROBERT C. GOODWIN, DIRECTOR; E. L. KEENAN, DEPUTY DIRECTOR; AND ARTHUR W. MOTLEY, ASSISTANT DIRECTOR FOR EMPLOYMENT SERVICE

APPROPRIATION ESTIMATE

"Salaries and expenses: For expenses necessary for the general administration of the employment service and unemployment compensation programs, in-

cluding temporary employment of persons, without regard to the civil-service laws, for the farm placement migratory labor program; and not to exceed \$10,000 for services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a); **[\$5,558,000]** \$6,358,000, of which **[\$1,052,000]** \$1,125,000 shall be for carrying into effect the provisions of title IV (except section 602) of the Servicemen's Readjustment Act of 1944."

Amounts available for obligation

	1957 adjusted base	1958 esti- mate
Appropriation or estimate.....	\$5, 558, 000	\$6, 345, 500
Comparative transfer from "Salaries and expenses, Office of the Secretary of Labor"	+48, 700	-----
Older worker program financed by an allocation of funds from the Office of the Secretary of Labor.....	+87, 100	-----
Reduction in workload for unemployment compensation for veterans program.....	-10, 000	-----
Total available for obligation.....	5, 683, 800	6, 345, 500

Obligations by activities

Description	1957 adjusted base		1958 estimate		House allowance	
	Posi- tions	Amount	Posi- tions	Amount	Posi- tions	Amount
1. Veterans placement.....	139	1, 061, 700	140	1, 125, 000	140	1, 125, 000
2. Farm placement service.....	56	420, 400	57	449, 200	51	410, 300
3. Collection and interpretation of labor market information.....	97	642, 000	107	731, 300	84	593, 400
4. Assistance in maintaining public employment services.....	110	754, 400	118	855, 100	92	686, 300
5. Unemployment insurance service.....	109	768, 800	120	877, 100	99	751, 500
6. Field guidance, financing and auditing of State operations.....	189	1, 575, 400	209	1, 821, 000	166	1, 510, 200
7. Executive direction and management.....	16	149, 000	16	156, 600	15	151, 100
8. Central administrative services.....	63	312, 100	63	330, 200	63	330, 200
Total obligations.....	779	5, 683, 800	830	6, 345, 500	710	5, 558, 000

EFFECT OF HOUSE ACTION

Activity 1. Veterans Placement Service

Increases.—House action will provide 1 additional position and \$63,300.

The increase of \$6,500 will provide a headquarters position for interpretation and evaluation of reports prepared by veterans' employment representatives, recommendations for actions to be taken, and followup on recommendations.

The increase of \$56,800 will provide for the mandatory contribution to the civil-service retirement fund. Since there has been no increase over the 1957 allowance for the Bureau these increases must be offset by a corresponding decrease in the other services of the Bureau.

Activity 2. Farm Placement Service

Decreases.—House action will eliminate 6 positions and \$38,900.

Decrease from 1957 required.—Five positions will be eliminated from the 1957 staffing pattern.

The elimination of three headquarters positions will seriously curtail the domestic program through elimination of the development of additional technical aids and programs for the recruiting and utilization of domestic farm workers both year-round and local seasonal workers.

It will also seriously curtail the extension of farm placement services to smaller rural areas through elimination of our efforts to expand the use of volunteer farm placement representatives in additional areas.

It will seriously curtail the continued review of program materials and the operating procedures whereby the experiences of States who have been successful in operating farm placement programs are made available to other States for their use in improving their farm placement programs.

Decrease from 1957 required.—The elimination of two positions in our regional offices will handicap them in providing assistance to the States in the expansion of farm placement programs, evaluating State programs, and providing technical assistance to these States in the operation of the farm placement programs.

Increases not allowed.—The elimination of one position requested as an increase in 1958 will make it impossible to carry out the Bureau's responsibilities to the President's Committee on Migratory Labor relating to the improvement of housing, transportation, and working conditions of migrants.

Increases.—The \$19,900 required for the mandatory contribution to the civil-service retirement fund is provided through the reduction of five positions in the 1957 staffing pattern.

Activity 3. Collection and interpretation of labor market information

Decreases.—House action will eliminate 23 positions and \$137,840.

Decrease from 1957 required.—A decrease of 13 positions from the 1957 staffing pattern will seriously curtail continuing programs in 1958.

The analysis and presentation of detailed information on the personal and economic characteristics of claimants for unemployed insurance will be greatly reduced. This information is essential for government and business policy-making and for the development of programs to combat unemployment and to fully utilize the skills of the work force.

Labor market information services currently provided by the Bureau because of statutory responsibility under the Wagner-Peyser Act will be reduced. This labor market information is essential to the effective operation of the Federal-State employment security system and is used widely by employers, workers, and the public.

The House action will make it impossible to continue the older worker program which was financed in 1957 by an allocation from the Office of the Secretary.

All research and analysis activities designed to provide factual data on characteristics of older workers and the problem of their adjustment to local labor market conditions will be closed out. These include studies directly related to the effective operation of the program of expanded local office services to older workers and studies of special employment problems pertaining to workers age 65 and over. Technical services which were to be provided State agencies in planning and carrying out community or statewide studies of older worker problems will have to be dropped.

Increases not allowed.—The elimination of 10 positions requested as an increase for 1958 will mean that the Bureau will not be able to make studies of the skills of workers and the economic resources available in areas of persistent and substantial unemployment. These studies are needed as a base for Government and business programs to aid in the resolution of the problems of these areas.

Our ability to conduct special surveys at the request of Congressmen and Senators to analyze employment conditions in small areas to determine whether their classification in the labor surplus category is warranted will be severely restricted.

The House action will also make it impossible to make special investigations to establish the effects of changes in tariff schedules in local areas on unemployment.

The House action will make it impossible to conduct research surveys to determine the effects of employment of foreign workers on the economy of the United States with particular attention on domestic workers, both agricultural and nonagricultural.

Increases.—The \$29,260 required for the mandatory contribution to the civil service retirement fund is provided through the reduction of eight positions in the 1957 staffing pattern.

Activity 4. Assistance in maintaining public employment service

Decreases.—House action will eliminate 26 positions and \$168,800.

Decreases from 1957 required.—A decrease of 18 positions from the 1957 staffing pattern will require the complete elimination of the Bureau's minority groups program. This group provides leadership and technical guidance to State minority group representatives. All its efforts are devoted to the solution of the employment problems of minority segments of the population, which continue to be serious. Greater use of minority groups will provide for utilization of workers at their highest skills and help relieve the shortage of skilled workers.

The present staffing of our Occupational Analysis Branch has not permitted us to keep the occupational research program abreast of the rapidly changing industrial situation. Knowledge about job changes that are coming about with automation and the use of atomic energy are essential for the Employment Service staff who are responsible for employment counseling and placement work. The loss of staff members means the providing of this job information is almost a hopeless prospect. Also affected by this cut will be the important task of developing a new and improved occupational classification structure, designed to aid in the improvement of the quality of placements in which limited progress has been made up to this time.

The necessary reduction in the Industry Relations Branch will greatly reduce the very productive effort now being carried on in developing industrywide manpower programs through personal contact with officials of employer associations, multistate firms, and Federal procurement agencies. The present staff has been insufficient to cover this broad field adequately; the Bureau has had to concentrate on one industry at a time. The reduction will reduce proportionately the benefits that are produced in terms of a better placement service rendered both applicants and employers through better understanding of the needs of the large employers and defense contractors.

The elimination of the nine positions in the older worker program, which was financed in 1957 by an allocation of funds from the Office of the Secretary, will mean that the Bureau's extensive efforts to develop the older worker program during the previous 3 years cannot be translated into benefits in the field. The Bureau is just reaching the crucial point of providing State agencies the direct and personalized technical aid they will need in the vast job of training operating staff in 1,700 local offices in improved services to older workers. Equally as important as the initial training job, and more time-consuming, is the guidance needed by the States in evaluating the new program and the administrative followthrough to assure proper results. Elimination of the national office staff will remove both the technical guidance and the impetus that this program must continue to receive if it is to produce benefits to older workers commensurate with the well-established and steadily growing needs. The increasing proportion of our population in upper age groups that are clearly associated with difficult employment problems has implications which cannot be ignored.

Increases not allowed.—The elimination of eight positions requested as an increase in 1958 will mean that the Bureau will not be able to analyze the effects on industries and occupations caused by changes in the tariff schedules.

It will be impossible to meet the increased demands placed upon the labor clearance and immigration program. In the period from 1954 through 1956 clearance placements have increased 95 percent. The early months of 1957 show a further one-third increase over 1956. The trend of increase in placements is in professional fields and highly skilled occupations. Also there is an increase (due to the tightness of the labor market) in the number of employer requests for statements of nonavailability of workers in the United States, to be used with petitions to the Immigration and Naturalization Service to establish first-preference consideration for an immigrant whose skills are urgently needed in the United States.

The House action will make it impossible to provide additional staff required to give State agencies technical assistance in counseling, testing, and placement of youth, physically handicapped, and older workers. It will be impossible to assist State agencies which have communities of substantial surplus labor areas to adopt and institute recommended State office community employment programs.

Increase.—The \$36,000 required for the mandatory contribution to the civil-service retirement fund is provided through the reduction of 18 positions in the 1957 staffing pattern.

Activity 5. Unemployment insurance service

Decreases.—House action eliminates 21 positions and \$125,600.

Decrease from 1957 required.—A decrease of 10 positions from the 1957 staffing pattern will seriously curtail continuing programs in 1958. One-third of the services now being performed in the areas of tax accounting, claims processing, and fraud prevention would have to be dropped. Since this program has developed to the extent that the States are now collecting \$1.5 billion in taxes and paying \$1.4 billion in benefits annually, the Bureau had requested addi-

tional personnel in its 1958 budget to increase work with the States to improve performance in these functions.

In the area of benefit claims appeals the Bureau would also lose approximately one-third of its already insufficient staff. Following are example of past economies effected by this staff. In one State, only one-fourth of its decisions involving appeals by workers and employers of benefit claims were issued within a month and a half. After our technicians worked with the State, there was an improvement of over 300 percent. In another State, machine costs per year on one process alone were reduced from \$65,000 to \$5,000. In another State, the appeals process had become very costly. The governor stated publicly that our technicians reduced the cost of the appeals process over \$300,000.

These difficulties arose because our staff was inadequate to provide these States with services either when they requested them or when we first began to note signs of trouble.

A further reduction in UCV staff in the Bureau would primarily curtail the effectiveness of the control file. This control is the only means for detecting the veteran who files UCV claims in more than one State. This control can be no more effective than the promptness with which control cards can be matched and the respective States notified to withhold benefits before duplicate payments are made. Prompt discovery and prompt notification to State agencies is the essence of overpayment prevention. During January and February 1957, we detected each week approximately 150 duplicate filings, or potential overpayments, and notified the States involved on the day of discovery. The potential duplicate payments in 150 cases is \$101,400. To further cut personnel here would produce a backlog in the processing of control cards; any delay in notifying State agencies of potential duplication of payments means possible overpayments.

Increases not allowed.—The elimination of 11 positions requested as an increase in 1958 will mean that the Bureau will not be able to give the State agencies necessary additional assistance with procedures to strengthen State control over tax administration, with particular reference to improving collection methods, accounting systems, and internal controls.

It will be impossible to give the State agencies added assistance in improving claims administration and the prevention of fraud.

It will be impossible to increase studies and surveys for unemployment insurance program evaluation. Some of these studies include actuarial studies of State systems to evaluate the impact of 1957 legislation on benefit costs and revenue requirements, the adequacy of benefits, and the effects on the administration of the employment security program of the major supplemental unemployment benefit plans.

Increases.—The \$39,300 required for the mandatory contributions to civil-service retirement fund is provided through the reduction of 10 positions in the 1957 staffing pattern.

Activity 6. Field guidance, financing, and auditing of State operations

Decreases.—House action will eliminate 43 positions and \$314,600.

Decreases from 1957 required.—A decrease of 23 positions from the 1957 staffing pattern will be required to absorb the mandatory contribution to the civil-service retirement fund.

The necessary reduction of field auditors will eliminate all summary review of State agency fiscal controls, will make it impossible to audit more than 35 jurisdictions per year out of 52 with resultant increased backlog. Delay in making and processing audits makes the resolution of audit exceptions with the States more difficult.

In effect, this required reduction in the 1957 staff will make it more difficult for the Secretary of Labor to carry out his responsibility under the Social Security Act to determine the amounts necessary for proper and efficient administration of employment security in the States and to be assured that granted funds are used only for those purposes.

The elimination of positions from Administrative Standards will jeopardize the Federal funds appropriated for State employment security administration. The establishment of adequate controls and safeguards, as well as the review of the actual practices for all 53 different jurisdictions would have to be limited primarily to serious problems of misuse of funds. This would fall far short of the positive responsibility of the Secretary under the law to determine that the expenditures of granted funds is made for the purposes and in the amounts necessary for proper and efficient administration of the State law.

The elimination of positions in the State budget division will seriously impair our ability to determine objectively and equitably the amount considered necessary for the proper and efficient administration of the State employment security agencies. It would also mean curtailment of review and granting of funds appropriated for the UCV and UCFE programs, reviewing States' quarterly and annual financial reports, providing technical assistance to regional offices and State agencies with respect to financial matters, administering the fiscal aspects of the Reed Act and surveying agreements with States which operate other programs such as temporary disability insurance and State retirement system.

The impact of the House action upon the field activity of the Bureau would probably result in the closing of one of the regional offices. As now organized geographically, each of the BES regions contains what we believe to be a maximum number of States that can be dealt with efficiently, and served adequately with the present staff. To eliminate any one of the offices would require a redistribution of the responsibility for serving the State agencies involved among the remaining regional offices, with a consequent lessening of the amount and quality of service that would be provided to the States. Furthermore, the elimination of a regional office would create added cost for longer and more extended travel in the expanded regions, and we would be unable to carry out adequately our responsibilities for review and assistance to the States in their programs and operations. The new programs and responsibilities that have been added to the Bureau in the past few years all have added correspondingly to the workload of the regional offices, particularly the new programs of unemployment insurance for veterans and for Federal workers.

Increases not allowed.—The elimination of 20 positions requested as an increase for 1958 will make it impossible to provide additional staff in the regional offices for the Bureau's program of detailed evaluations of State programs and operations. This program has been highly effective and useful and the impact of the workload on the regional staffs is greater than anticipated both in the preparation of the evaluation reports, and in giving technical assistance to State agencies for corrective actions. Additional positions were requested so that responsibility for coordinating the work could be concentrated in one person in each regional office.

House action will make it impossible for the State audit staff to maintain State audits on a current basis and the creation of a backlog will continue.

House action will make it impossible for the Bureau to assist State agencies with management appraisal, the development of a more effective personnel administration program for the recruitment, development, and retention of competent staff, and the development of a more comprehensive training program.

House action will also make it impossible to provide the Department of Health, Education, and Welfare with additional funds so that adequate coverage can be given the Seattle regional office.

Increase.—The \$72,100 required for the mandatory contribution to the civil-service retirement fund is provided through the reduction of 23 positions in the 1957 staffing pattern.

Obligations by objects

Summary of personal services	1957 adjusted base	1958 estimate	House allowance
Total number of permanent positions.....	779	830	710
Full-time equivalent of all other positions.....	1	1	1
Average number of all employees.....	751	788	684
DIRECT OBLIGATIONS			
01 Personal services.....	\$4, 876, 500	\$5, 137, 400	\$4, 511, 700
02 Travel.....	405, 100	456, 300	375, 300
03 Transportation of things.....	12, 500	12, 500	12, 500
04 Communication services.....	87, 600	90, 000	84, 000
05 Rents and utility services.....	500	500	500
06 Printing and reproduction.....	118, 100	120, 900	117, 000
07 Other contractual services.....	93, 200	93, 440	91, 140
Services performed by other agencies.....	47, 800	57, 800	47, 800
08 Supplies and materials.....	30, 100	32, 400	26, 600
09 Equipment.....	9, 100	23, 800	9, 400
11 Grants, subsidies and contributions: Contributions to retirement fund.....		317, 160	278, 760
13 Refunds, awards, indemnities.....	2, 200	2, 200	2, 200
15 Taxes and assessments.....	1, 100	1, 100	1, 100
Total direct obligations.....	5, 683, 800	6, 345, 500	5, 558, 000

Summary of changes

1957 actual appropriation.....	\$5, 558, 000
Transfers:	
To finance Bureau's share of working capital fund.....	48, 700
From Office of the Secretary for older worker studies.....	87, 100
Nonrecurring items: Unemployment compensation for veterans.....	-10, 000
Revised 1957 base.....	5, 683, 800
1958 appropriation request.....	6, 345, 500
Net change requested.....	+661, 700

	Estimate 1958		House allowance	
	Positions	Amount	Positions	Amount
For mandatory items:				
Retirement contribution on 1957 base.....	None	\$304, 500	None	\$278, 760
Working capital fund.....	None	-760	None	-760
Subtotal.....	None	303, 740	None	278, 000
For program items:				
For evaluating reports by Veterans' Employment representatives and making recommendations for improvements in operations.....	1	6, 500	1	6, 500
For new labor market analysis particularly in areas of persistent and substantial unemployment.....	8	47, 375	None	None
To establish the effects on manpower and employment of changes in tariff schedules.....	6	31, 200	None	None
For cooperation with the President's Committee on Migratory Labor.....	1	6, 950	None	None
To lead the intensified State programs for giving placement services to older workers, physically handicapped, and youth.....	2	14, 200	None	None
For the increased workload in the labor clearance and immigration programs.....	2	20, 010	None	None
To strengthen State control of tax and claims administration.....	7	40, 015	None	None
State agency program evaluation.....	4	24, 465	None	None
To maintain State audits on a current basis and expand surveys of fiscal management and control in State agencies.....	6	55, 460	None	None
To develop more effective personnel administration and staff training programs in State agencies.....	3	25, 815	None	None
For regional office leadership of State evaluation programs to get more effective State unemployment insurance and employment service programs.....	11	85, 970	None	None

Summary of changes—Continued

	Estimate 1958		House allowance	
	Posi- tions	Amount	Posi- tions	Amount
1957 positions eliminated:				
Activity 2. Farm placement service.....			-5	-\$30,000
Activity 3. Collection and interpretation of labor market information.....			-13	-77,100
Activity 4. Assistance in maintaining public employment services.....			-18	-104,100
Activity 5. Unemployment insurance service.....			-10	-56,600
Activity 6. Field guidance, financing, and auditing of State operations.....			-24	-142,500
Subtotal.....	51	\$357,960	-69	-403,800
Grand total.....	51	661,700	-69	-125,800

Summary of new positions

Activity—project	Grade	Number	Gross cost
1. Veterans' Employment Service: Headquarters expansion veterans' employment specialist.....	GS-12.....	1	\$7,570
2. Farm Placement Service: Migratory labor, agricultural employment specialist.....	GS-12.....	1	7,570
3. Collection and interpretation of labor market information: Information on employment and unemployment:			
Labor market analyst.....	GS-12.....	1	7,570
Occupational labor market analyst.....	GS-12.....	1	7,570
Industrial classification analyst.....	GS-11.....	1	6,390
Clerk-stenographer.....	GS-4.....	1	3,415
Total.....		4	24,945
Employment impact of tariff changes:			
Labor market analyst.....	GS-12.....	1	7,570
Do.....	GS-9.....	1	5,440
Clerk-stenographer.....	GS-4.....	1	3,415
Total.....		3	16,425
Older worker program: ¹			
Chief of branch.....	GS-13.....	1	8,990
Labor market analyst.....	GS-12.....	1	7,570
Do.....	GS-11.....	1	6,390
Clerk-stenographer.....	GS-4.....	1	3,415
Statistical clerk.....	GS-4.....	1	3,415
Total.....		5	29,780
Farm employment and labor market information:			
Farm labor analyst.....	GS-12.....	1	7,570
Do.....	GS-11.....	1	6,390
Do.....	GS-7.....	1	4,525
Total.....		3	18,485
4. Assistance in maintaining public employment services:			
Older worker program: ¹			
Employment service specialist.....	GS-12.....	2	15,140
Do.....	GS-11.....	3	19,170
Do.....	GS-9.....	2	10,880
Clerk-stenographer.....	GS-4.....	2	6,830
		9	52,020
Employment impact of tariff changes:			
Occupational analyst.....	GS-12.....	1	7,570
Do.....	GS-11.....	1	6,390
Clerk-stenographer.....	GS-4.....	1	3,415
		3	17,375

¹ These positions were financed in fiscal year 1957 by an allocation of funds from the Office of the Secretary.

Summary of new positions—Continued

Activity—project	Grade	Number	Gross cost
4. Assistance in maintaining public employment service—Continued			
Communities of labor surplus: Employment service analyst.	GS-12-----	1	\$7,570
Counseling:			
Selective placement specialist-----	GS-12-----	1	7,570
Employment service specialist-----	GS-12-----	1	7,570
		2	15,140
Labor clearance and immigration:			
Chief of division-----	GS-14-----	1	10,320
Industrial placement specialist-----	GS-11-----	1	6,390
		2	16,710
5. Unemployment insurance service:			
Tax administration:			
Organization and methods examiner-----	GS-12-----	2	15,140
Clerk-stenographer-----	GS-4-----	1	3,415
		3	18,555
Claims administration and prevention of fraud:			
Organization and methods examiner-----	GS-12-----	1	7,570
Do-----	GS-11-----	1	6,390
Social insurance adviser-----	GS-11-----	1	6,390
Clerk-stenographer-----	GS-4-----	1	3,415
		4	23,765
Program evaluation:			
Social insurance research analyst-----	GS-12-----	3	22,710
Clerk-stenographer-----	GS-4-----	1	3,415
		4	26,125
6. Field guidance, financing, and auditing of State operations:			
Technical assistance, regional offices: Employment security representative.	GS-12-----	11	83,270
State audit, field:			
Auditor-----	GS-13-----	1	8,990
Do-----	GS-12-----	2	15,140
Clerk-stenographer-----	GS-5-----	1	3,670
Total-----		4	27,800
State management appraisal organization and methods examiner.	GS-12-----	2	15,140
Administrative standards:			
State personnel methods examiner-----	GS-13-----	1	8,990
Organization and methods examiner-----	GS-12-----	1	7,570
Total-----		2	16,560
Staff training: Training officer-----	GS-12-----	1	7,570
Total permanent-----		² 65	432,375
Deduct lapses-----		13.9	92,875
Total personal services-----		51.1	339,500

² Includes 14 positions in the older worker program which were financed in fiscal year 1957 by an allocation of funds from the Office of the Secretary.

PREPARED STATEMENT

Senator HILL. Mr. Goodwin, we will be glad to have you come around here, sir.

I understand you have filed a statement with us. That will appear in the record in full, and we will now be glad to have you proceed in your own way and make any summarization you may see fit to make.

Mr. GOODWIN. Yes, Mr. Chairman.

SALARIES AND EXPENSES

Mr. GOODWIN. Senator, we have five different appropriations.

Senator HILL. That is in your Bureau?

Mr. GOODWIN. Yes.

The first one is on salaries and expenses. I would like to put a statement on that into the record and then make a brief statement here to point up the most important items as we see it.

Senator HILL. Very well. The statement may appear in the record at this point, and you can just proceed, in your own way.

(The statement referred to follows:)

STATEMENT OF ROBERT C. GOODWIN, DIRECTOR, BUREAU OF EMPLOYMENT SECURITY
DEPARTMENT OF LABOR, ON EFFECT OF HOUSE ACTION ON 1958 REQUEST FOR
SALARIES AND EXPENSES, BUREAU OF EMPLOYMENT SECURITY

Mr. Chairman, our adjusted salaries and expenses request for fiscal year 1958 is \$6,345,500 and provides for a net increase of 48 positions over 1957. The Bureau has an urgent need for the full amount of this request and I should like to take a few minutes of the committee's time to explain the importance and urgency of this need. We definitely do not have an adequate staff to carry out the responsibilities which have been placed upon us.

Our basic problem in the Bureau and our need for more staff arises from the fact that our responsibilities have been expanding, particularly since 1949, and we have not had a corresponding increase in our salaries and expenses appropriation. This problem is illustrated in a set of charts that have been given to you. Part of the expansion has been due to a 30 percent growth in the employment security system (covered workers have increased from 32,500,000 in 1949 to 43 million in 1957; covered employers have increased from 1,460,000 to 2 million in the same period) and part of it has been due to specific acts of Congress which have added additional functions and responsibilities to the Bureau's basic job.

For instance, as shown in the charts there have been 13 separate new laws since 1949 which have added responsibilities to the Bureau. During this same period there has been an overall reduction in the Bureau's staffing of 7 percent. Some of these new functions have not been large and the inclination has been to request the Bureau to absorb the cost. However, other functions have resulted in a big workload increase and the sum total accumulation of additional work has gone way beyond the point where it can be absorbed.

Secretary Mitchell has recognized this fact and has been concerned with the inability of the Bureau to meet all of its responsibilities. He therefore asked the Bureau of the Budget for the largest single increase in the Department for this year. Likewise, the Bureau of the Budget approved the largest increase to the Bureau of Employment Security. In spite of this recognition by the Bureau of the Budget and the President, the House reduced the request by \$800,000 to \$5,558,000. This amount not only fails to provide for an increase, but it imposes on the Bureau the largest reduction in the Department of Labor.

In our request for additional funds, we have 14 positions and \$87,100 for the older worker program which was financed by an allocation from the Secretary's Office in 1957. These 14 positions are filled and this program is in operation.

In addition our request includes funds for 48 positions to work in such areas as bringing our audits up to date and improving management and fiscal functions, correcting known deficiencies in tax operations, improving services to the physically handicapped and young people entering the labor market, preventing improper benefit payments, determining the actuarial adequacy of tax schedules, and improving employment opportunities in communities of chronic labor surplus.

The House reduction to \$5,558,000 would give us the same dollar amount as our appropriation in 1957. However, this would actually be a cut of \$429,540 because we had to absorb retirement costs and other mandatory charges which we did not have in 1957. Only one other bureau in the Department of Labor

would be required to absorb its retirement costs by the House action. Further, the 1957 appropriation did not include the 14 positions for the older worker program which were provided for in 1957 by an appropriation to the Office of the Secretary. In order to maintain the same staff which we had in 1957 and to pay for the \$429,540 of items which must be paid but were not included in our 1957 budget, we would require a minimum of \$5,987,540. The \$5,558,000 allowed by the House will provide for 69 fewer positions than we had in 1957.

During the debate in the House there appeared to be some confusion with regard to the relationship of positions which we could sustain with \$5,558,000 in 1958 and the 731 salaries and expenses employees who were on the payroll on February 28, 1957. This confusion arises from the fact that appropriations never cover the full staffing pattern but only those positions that are expected to be filled on the average during the fiscal year. For fiscal year 1957 our staffing pattern provides for 768 positions but the appropriation enabled us to maintain an average number of employees of 737. On February 28 our payroll showed 731 or 6 less than this average.

Although we have not had an opportunity to figure out just which persons would be affected in a reduction of 69 people, I am quite certain that it would be necessary for us to lay off people who have been with the Bureau of Employment Security for as long as 15 years.

The reductions made by the House will require us to eliminate the intensive program we have been engaged in for 2 years to get more older workers placed in employment. This program is now in its operating stage and is beginning to pay off for the effort which has been put into it. Stopping it now will be wasteful in terms of efforts spent in the last 2 years. This reduction of 69 people in the Bureau's staff would also mean a drastic curtailment or complete abolition of many other going functions of the Bureau. Developmental work for assistance to hard to place groups, such as youth and the handicapped, would be greatly crippled in addition to our operations dealing with areas of substantial labor surplus. In addition, it will not be possible for us to carry out adequately our fiscal responsibilities which are vital in maintaining the integrity of the employment-security system.

The salaries and expenses budget of the Bureau of Employment Security and the State grants budget are to finance the administrative structure of the employment-security system which involves the collection of \$11½ billion in taxes each year and the payment of \$1,400 million in benefits a year, as well as the placement of people in more than 15 million jobs.

This is a tremendous responsibility and requires efficient operation from an adequate staff. Much more money can be lost from a loose administration of our unemployment-insurance benefits and from failure to get people jobs as quickly as possible than would be saved by the cuts proposed by the House.

REQUEST FOR ADDITIONAL POSITIONS

Mr. GOODWIN. We had asked for \$6,345,500, which would have given us an increase of 48 positions in 1958 over 1957. We felt we needed those very badly because we have been having functions added to the Bureau's work during the last 6 or 7 years, and during that same period there has been an actual decrease in the staff. Since 1949, for instance, we have had a 7-percent decrease in the size of the staff.

We have some charts which illustrate this very clearly, and these have been distributed, as I understand, to the members of the committee.

Senator HILL. We have them here.

Mr. GOODWIN. I would just like to indicate very briefly the story that those charts tell.

GROWTH IN NUMBER OF WORKERS COVERED

The first one shows the growth in the program. There has been a growth in the covered workers in the program from 32,500,000 in

1949 to 43 million in 1957. And from 1949 to 1957 there has been a growth in the number of covered employers from 1,460,000 to 2 million.

FUNDS MANAGED BY BUREAU

The second chart shows the increase in the amount of funds for which the Bureau is responsible. It shows that grants to States have gone up from \$144 million in 1949 to \$250 million in 1957, and that the Bureau's appropriation has dropped, on a percentage basis, from 3.9 percent of 2 appropriations in 1949 to 1.6 percent of 5 appropriations in 1957. The Bureau's staff, exclusive of the Veterans Employment Service, has dropped, over that period of time, from 673 to 629.

COMPARISON OF BUREAU AND STATE PERSONNEL FIGURES

The third chart gives the picture on State personnel as compared with the personnel of the Bureau. The number of State personnel has kept pace pretty well with the expansion of the program, increasing from 39,000 to 46,000, while, in the same period, the Bureau's personnel has dropped from 673 to 629.

ADDED RESPONSIBILITIES

The last chart is an effort to indicate some of the responsibilities that have been added in this 8-year period. There has been some law passed each year which has added some responsibilities to the Bureau. In some cases we got some appropriations to go along with them, but in all cases we were forced to absorb some of the increase. In many cases we got no appropriation for the additional work.

HOUSE REDUCTION

That, briefly, is the story behind our request for the additional money this year. Instead of getting the additional appropriation in the House, we were cut about \$800,000. That cut put us below what we had for this present fiscal year.

In the House it was mentioned a number of times that it was the same amount that we received in the current year. It was, in fact, the same amount of money, but that amount did not give us any allowance for the retirement costs, and it gave us no allowance for 14 positions for the older-worker programs that have been financed this year from the Secretary's budget and which were transferred to us. They did not show up in our base, so that we had a cut on both of those items below our actual going rate for the fiscal year.

Senator HILL. Just how much does that cut amount to?

Mr. GOODWIN. It amounts to 69 positions, and the money amount was \$429,540.

Senator HILL. In other words, if you were allowed to have exactly the same number of employees for the next fiscal year that you have in this present fiscal year, you would have to have the \$429,540 in addition to what you had in this present fiscal year. Is that right?

Mr. GOODWIN. That is right, sir. That would place us nearly on the same basis as we are this fiscal year. It would take an appropriation of \$5,987,540 to bring us up to that point, with no increase in staff at all.

EMPLOYEES AFFECTED BY REDUCTION

Senator HILL. How many employees do you say would be affected by this reduction of \$429,540?

Mr. GOODWIN. Sixty-nine.

Senator THYE. Do you mean you would have to lay off that many employees?

Mr. GOODWIN. We would be reduced 69 positions in our staffing pattern. Part of that group could be taken care of internally. It would be 69 fewer positions.

Senator PASTORE. By internally, do you mean by attrition?

Mr. GOODWIN. Yes.

Senator THYE. Is that 69 fewer positions within that division?

Mr. GOODWIN. That is right, sir.

Senator THYE. Some of that reduction would be accomplished through the natural turnover within your agency, would it not? And the rest of it would be through a termination of employment of those that had the least amount of seniority?

Mr. GOODWIN. That is right, sir.

EFFECT ON AGENCY SERVICES

Senator THYE. What effect would that have on your services?

Mr. GOODWIN. That would very seriously curtail services.

We estimate that if we had to lay off that many people, we would be laying off people that have been in the Bureau at least 15 years.

Senator THYE. What would be the type of service that would suffer?

OLDER WORKER PROGRAM

Mr. GOODWIN. The first to suffer would be the group that has been transferred to us from the Secretary's Office for which we did not get money. This was the 14 people that were working on the older worker program.

Senator THYE. So that the kind of workers that these 14 people are now trying to service are those people in the upper-age brackets where the employer might just simply say, "You are too old. We just do not want to take you."

Mr. GOODWIN. That is right, sir.

As you know, in the last 2 years, we have had an older worker program within the Department. We have carried a good part of it in the Bureau. We have been working on this problem and have made a number of studies. We have gotten the program generally into the operating phase.

Senator THYE. Did the Secretary get appropriations for that group of people last year, and is that request denied the Secretary this year so that there would be a saving in the bill on the Secretary's item, but it would be an increase to the item charged to your operation?

TRANSFER IN THE ESTIMATES

Mr. GOODWIN. That is right. It was in the Secretary's appropriation last year, and for 1958 the decision was made to transfer it to the Bureau. But it was not in our 1957 base. So, when the House looked at the figure of what we had in 1957, this did not show up.

Senator THYE. Is that the reason why they simply said, "We are going to give you the same amount as last year, and we expect you to live with it"?

Mr. GOODWIN. That is right.

Senator THYE. But does it reflect an economy in the item going to the Secretary's Office?

Mr. GOODWIN. That is right.

Senator THYE. Thank you, Mr. Chairman.

Senator HILL. There is that reduction in the item for the Secretary's Office, is there not?

Mr. GOODWIN. There was a reduction of this item for the Secretary's Office; yes.

Senator HILL. Senator Pastore, do you have any questions?

Senator PASTORE. Yes, Mr. Chairman.

Does it mean, Mr. Goodwin, that if that cut stands, that, of necessity, this activity of getting into our elder worker problem will have to be abandoned completely?

Mr. GOODWIN. No.

Senator PASTORE. You do not want the record to indicate that?

Mr. GOODWIN. No. It would not be abandoned completely.

Senator PASTORE. Would you have to absorb that activity within the cut?

Mr. GOODWIN. That is right.

But I would say we could not continue these 14 special people that are involved in this transfer because our cut would be too drastic.

We figure that we would not be able to continue any of those 14.

There has been work on the older worker program in other units of the Bureau. There has been some work with the State employment services. And I want to address myself to that problem when we get to the grants-to-the-States budget because we work together with the States in this program.

Senator HILL. Do they not pretty well tie in together?

Mr. GOODWIN. Yes. It is really all one program.

HOUSE CUT WOULD ENTAIL REDUCTION IN FORCE

Senator PASTORE. The point I mean to make, so that the record will stand clear on this, is that if the \$429,500 cut stands it will mean that 60 employees in one form or another will have to be let go. Is that correct?

Mr. GOODWIN. Yes.

Senator PASTORE. That would be either through the process of attrition or by actual layoff.

Then, within these 69, you are including the 14 people who are presently engaged in making this study for our elderly workers. Is that correct?

Mr. GOODWIN. Yes; that is right.

Senator PASTORE. The point I mean to make is this: What in the cut forces you to include all the 14 within the 69?

Mr. GOODWIN. The 69 is a drastic cut to be made. Even after cutting the 14 for older workers the rest of it will have to be absorbed in other parts of the Bureau which are already inadequately staffed.

TOTAL BUREAU PERSONNEL

Senator PASTORE. How large a personnel force does the Bureau have?

Senator THYE. And, percentage-wise, what kind of a cut would it be if you had to lay off these 69 people?

Mr. GOODWIN. The total, not including the Veterans' Employment Service, is 629 people.

Senator PASTORE. This money that we are talking about is the money that is paid by the employers of the country to sustain the administration of this program. Am I right in that? This is not the taxpayers' money as such that you have been talking about, is it?

FUNDS DERIVED FROM EARMARKED TAXES

Mr. GOODWIN. These funds are from an earmarked tax. They go into a special fund. The general fund of the Treasury is not affected one way or another by this appropriation. That is true of the amount made available to the Bureau; it is true of the amount made available to the States by the grants to the States.

EXCERPTS FROM ACT

Senator HILL. I think we should include at this point appropriate excerpts from the Employment Security Financing Act of 1954, referred to as the Reed Act, so that the committee and the Senate may have it for ready reference in consideration of this bill.

(The material referred to follows:)

TITLE IX—MISCELLANEOUS PROVISIONS RELATING TO EMPLOYMENT SECURITY

APPROPRIATIONS

SEC. 901. (a) (1) There are hereby appropriated to the Unemployment Trust Fund, out of any moneys in the Treasury not otherwise appropriated, for the fiscal year ending June 30, 1954, and for each fiscal year thereafter, an amount equal to the amount by which—

(A) 100 percentum of the tax (including interest, penalties, and additions to the tax) received during the fiscal year under the Federal Unemployment Tax Act and covered into the Treasury; exceeds

(B) the sum of (i) the employment security administrative expenditures for such year, (ii) the refunds of such tax (including interest on such refunds) made during such fiscal year, and (iii) the amounts appropriated by section 1202 (b) for such fiscal year.

(2) The amount appropriated by paragraph (1) for any fiscal year shall be transferred from the general fund in the Treasury to the Unemployment Trust Fund at the close of such fiscal year. Each such transfer shall be based on estimates made by the Secretary of the Treasury as of the close of such fiscal year, but proper adjustment shall be made in the amount transferred at the close of the succeeding fiscal year to the extent that such estimates prove to be erroneous. The Secretary of the Treasury shall make his estimate of those employment security administrative expenditures for any fiscal year which are described in subsection (b) (1) only after consultation with the Secretary of Labor.

(b) For the purposes of subsection (a), the term "employment security administrative expenditures" means, in the case of any fiscal year, the sum of—

(1) the aggregate of the amounts expended during the fiscal year for the purpose of assisting the States in (A) the administration of their unemployment compensation laws (including administration pursuant to agreements under title IV of the Veterans' Readjustment Assistance Act of 1952),

(B) the establishment and maintenance of systems of public employment

offices in accordance with the Act of June 6, 1933, as amended (29 U. S. C., sec. 49-49n), and (C) carrying into effect section 602 of the Servicemen's Readjustment Act of 1944, as amended; and

(2) the amount estimated by the Secretary of Labor as equal to the necessary expenses incurred during the fiscal year for the performance by the Department of Labor of its functions (except its functions with respect to Puerto Rico and the Virgin Islands) under (i) this title and titles III and XII of this Act, (ii) the Federal Unemployment Tax Act, (iii) the provisions of the Act of June 6, 1933, as amended, (iv) title IV (except section 602) of the Servicemen's Readjustment Act of 1944, as amended, and (v) title IV of the Veterans' Readjustment Act of 1952; and

(3) the amount estimated by the Secretary of the Treasury as equal to the necessary expenses incurred during the fiscal year for the performance by the Department of the Treasury of its functions under this title and titles III and XII of this Act and under the Federal Unemployment Tax Act.

AMOUNTS CREDITED TO FEDERAL UNEMPLOYMENT ACCOUNT

SEC. 902. Whenever any amount is transferred to the Unemployment Trust Fund under section 901 (a), there shall be credited (as of the beginning of the succeeding fiscal year) to the Federal unemployment account so much of such amount as equals whichever of the following is the lesser:

(1) The total amount so transferred; or

(2) The amount by which \$200,000,000 exceeds the adjusted balance in the Federal unemployment account at the close of the fiscal year for which the transfer is made.

For the purposes of the preceding sentence, the term "adjusted balance" means the amount by which the balance in the Federal unemployment account exceeds the sum of the outstanding advances under section 1202 (c) to the Federal unemployment account.

AMOUNTS CREDITED TO STATES' ACCOUNTS

SEC. 903. (a) So much of any amount transferred to the Unemployment Trust Fund at the close of any fiscal year under section 901 (a) as is not credited to the Federal unemployment account under section 902 shall be credited (as of the beginning of the succeeding fiscal year) to the accounts of the States in the Unemployment Trust Fund. Each State's share of the funds to be credited under this subsection as of any July 1 shall be determined by the Secretary of Labor and certified by him to the Secretary of the Treasury on or before that date on the basis of reports furnished by the States to the Secretary of Labor by June 1 and shall bear the same ratio to the total amount to be so credited as the amount of wages subject to contributions under such State unemployment compensation law during the preceding calendar year which have been reported to the State by May 1 bears to the total of wages subject to contributions under all State compensation laws during such calendar year which have been reported to the States by such May 1.

(b) If the Secretary of Labor finds that on July 1 of any fiscal year—

(1) a State is not eligible for certification under section 303, or

(2) the law of a State is not approvable under section 3304 of the Federal Unemployment Tax Act,

then the amount available for crediting to such State's account shall, in lieu of being so credited, be credited to the Federal unemployment account as of the beginning of such July 1. If, during the fiscal year beginning on such July 1, the Secretary of Labor finds and certifies to the Secretary of the Treasury that such State is eligible for certification under section 303, that the law of such State is approvable under such section 3304, or both, the Secretary of the Treasury shall transfer such amount from the Federal unemployment account to the account of such State. If the Secretary of Labor does not so find and certify to the Secretary of the Treasury before the close of such fiscal year then the amount which was available for credit to such State's account as of July 1 of such fiscal year shall (as of the close of such fiscal year) become unrestricted as to use as part of the Federal unemployment account.

(c) (1) Amounts credited to the account of a State pursuant to subsection (a) shall, except as provided in paragraph (2), be used only in the payment of cash benefits to individuals with respect to their unemployment, exclusive of expenses of administration.

(2) A State may, pursuant to a specific appropriation made by the legislative body of the State, use money withdrawn from its account in the payment of expenses incurred by it for the administration of its unemployment compensation law and public employment offices if and only if—

(A) the purposes and amounts were specified in the law making the appropriation,

(B) the appropriation law did not authorize the expenditure of such money after the close of the two-year period which began on the date of enactment of the appropriation law,

(C) the money is withdrawn and the expenses are incurred after such date of enactment, and

(D) the appropriation law limits the total amount which may be so used during a fiscal year to an amount which does not exceed the amount by which (i) the aggregate of the amounts credited to the account of such State pursuant to subsection (a) during such fiscal year and the four preceding fiscal years exceeds (ii) the aggregate of the amounts used by the State pursuant to this paragraph and charged against the amounts credited to the account of such State during any of such five fiscal years.

For the purposes of subparagraph (D), amounts used by a State during any fiscal year shall be charged against equivalent amounts which were first credited and which have not previously been so charged; except that no amount used during any fiscal year may be charged against any amount credited during a fiscal year earlier than the fourth preceding fiscal year.

Senator PASTORE. What is the function of your 629 employees as to promoting administrative perfection so that only the money that has to be spent for this program will be spent? What is really the function of these 629 people working in your Bureau?

ALLOCATION OF FUNDS TO STATES

Mr. GOODWIN. It gets into a great many functions. One of the most important and basic functions has to do with the financing of the program. Congress makes available the full amount available to the States, and we have to allocate that to the States on the basis of their needs. And we have to follow up with certain auditing controls and financial controls of one kind or another.

Senator PASTORE. Do you supervise in the local areas?

RESEARCH ON EMPLOYMENT SERVICE

Mr. GOODWIN. We have a great many functions by way of giving assistance to States on technical problems. I think an example of that is some of the technical work on the Employment Service. We conduct research; we work with the States on development of the best Employment Service techniques.

ACTUARIAL WORK ON UNEMPLOYMENT INSURANCE

Another example is in actuarial work on the unemployment insurance fund. We help the States determine what the tax needs are in order to have an actuarially sound fund. It would cost too much money if each State had its own service of that kind. So we maintain a centralized service that the States can use in meeting that kind of problem.

COMPLEX PROGRAM

As you know, Senator, this program is exceedingly complex. We have a great many specialties within the program. We have unemployment compensation for Federal workers, we have unemploy-

ment compensation for veterans, we have the general unemployment compensation program in the States.

In the employment field we operate a Mexican importation program. We have been doing the employment and placement work in connection with the refugee program.

So we have, within the basic programs of unemployment insurance and employment service, a great many specialties, and we require some personnel in connection with those specialties.

PROGRESS ON ELDERLY WORKER STUDY

Senator PASTORE. What progress has been made with reference to this study of elderly workers? Everyone is concerned with that. I know that every State is. All of us are. Does there seem to be any hope there, or is this just another study, a survey and a report, and that is the end of it? Are we ever going to do anything for the elderly people that are finding it difficult to find employment?

Mr. GOODWIN. Yes.

I feel that a great deal of progress has already been made. During the last 2 years a number of studies have been made, some by the Bureau of Labor Statistics, 1 by the Women's Bureau, and 2 or 3 by the Bureau of Employment Security, on different phases of the problem.

I have here a copy of one made by our Bureau. This was a study made in seven cities in different parts of the country, in co-operation with the State Employment Services. Out of this we drew a number of conclusions as to what kind of program the local employment office ought to have in dealing with this problem.

PRACTICAL APPLICATION OF STUDY FINDINGS

We have taken these studies and made a practical application of them to the job done by the local employment office. We have tied it right in with the manual of instructions that the local office uses, and have a practical application of the findings of these studies in the local office work.

We are also following up on these studies in developing certain promotional material that deals with the same findings in the study. But it is a popular presentation of material for use with employers and with other groups interested in the older-worker program.

This is what I meant when I said a minute ago that we have reached the point of application of much of the research that has been done. It is a critical period in terms of getting better results from the program.

Senator PASTORE. Would I be presuming too much if I asked you what seems to be the answer to the problem?

I am not trying to be facetious now. To me the reasons why very young people and very old people do not get jobs is that we just happen to be living in an era where there are just not that many jobs, and people who are doing the hiring will take a younger person in preference to an older person. We did not have the problem during the war period, but we seem to have it now.

FINDING JOBS FOR OLDER PEOPLE

I think the problem is very basic, and I hope we do not get lost in a lot of scientific investigations when, to me, the problem is just as simple as the nose on your face. It is a question of finding jobs for these people.

If we can find jobs for them, they will work and are willing to work. We do not have to get into neuroses and psychoses and a lot of other high-sounding terms that lead to a lot of voluminous reports and no results.

Mr. GOODWIN. We would agree with that.

One of the things we found out in these studies is that there are a lot of misunderstandings about the older workers. One of the things we are trying to do is to dispel some of those misunderstandings.

A lot of people believe that they are less efficient. Studies would indicate that they are not.

A lot of people believe that the absentee rate is greater among older workers. We find that just the opposite is true.

The studies deal with a factual situation of that kind that can be used to break down the ideas that are pretty firmly implanted in the minds of a lot of people. That is what we hope that the employment services of the country will be able to do.

In using this material we can break down a lot of the ideas that have been pretty firmly implanted.

Mr. Keenan, did you have something you wanted to add on that?

REASON FOR TRANSFER OF EMPLOYEES

Mr. KEENAN. I would like to make the point that the transition to the operating phase from the study phase is the basic reason for the transfer of these positions from the Secretary's office to the Bureau.

As Mr. Goodwin has said, during the past few years a number of studies have been made such as the one just mentioned. What we have done in the last few months is to go through the transitional phase to put those studies into operation.

For example, we have been having a series of meetings with the State employment security agencies around the country. We got money from the Congress this past year for the States, and we asked the States to set up a position of supervisor of older-worker placement at the State level to give some functional supervision to the program.

Senator THYE. What are the net results of your efforts? What have you accomplished?

Mr. KEENAN. We have just held the third of our training meetings now. In about 50 of the larger cities in the country, they have an older-worker supervisor.

STATISTICS ON JOB PLACEMENTS

Senator THYE. I am more concerned about the statistics as to job placements, persons placed in jobs.

You have gone through the study phase, and now the question is about transferring to your Division. Can you tell us how many jobs have been secured for the older workers?

Mr. KEENAN. I think, sir, it is a little early to get the statistics on that because we have just had the third meeting around the country in teaching and training local office people on the conclusions of the studies. The States have gotten their staffs on the job in the last 3 months. The training meetings are being held so that the local office counselors will have the results of these studies.

One of the results of the studies shows that it takes longer to place an older worker. You have more work with the employer; you have more work counseling the individual because he often has to shift occupations.

The actual placement of the older worker is going on all the time, but the application of these principles to the specially trained counselors is just underway at the moment. We are right in the process of having the training meetings around the country.

LENGTH OF TIME PROGRAM IN EFFECT

Senator THYE. Referring to the 14 positions that were assigned to the Secretary, have those people actually been at work for 2 years?

Mr. KEENAN. No. A year.

Two years ago this was a lesser number, as I recall it. This past year there were 14.

Senator THYE. All I can do is to read from your own reports.

Mr. KEENAN. The program has been underway for 2 years.

Senator THYE. That is—

the intensive program we have been engaged in for 2 years to get more older workers placed in jobs. This program is now in the operating stage and it is beginning to pay off for the efforts which have been put into it.

The question I asked was what is the payoff. How many of them have been placed?

It would be much easier for me to defend you in the markup of the bill and as we go into the full committee if I could say this is what you have done in that period of 2 years with this money, and this is what we can hope for in the future. That is the reason for the question. It is not put to try to give you the acid test. I am thinking about the day when we will all be sitting around here in full committee and trying to justify what you are asking for.

DURATION OF STUDY PHASE

Mr. KEENAN. I think, as Mr. Goodwin said, the first 2 years was the study phase. These reports have been made, such as the one he mentioned.

We are now training the people on the firing line, the operators in the local offices, in the conclusions of these studies so that they can apply these techniques to the placement of the older workers.

We would expect the same thing to happen in this program that has happened in the placement of the physically handicapped, that, after you make your studies and train your local people, then the placement of the physically handicapped, particularly the severely handicapped, goes up.

The program for the handicapped has been in existence for about 6 years. For the last 3 years we can show a significant increase in the number of placements of handicapped workers.

This program is 2 years old. It is just getting into the operating phase.

We would think next year we would be able to give to the committee some specific placement figures on older workers, but until we get the counselors trained, until we get the thing in operation, we do not have the kind of record that we have on the 7-year-old or 6-year-old handicapped program.

Mr. MOTLEY. Mr. Keenan, might I say something there?

Mr. KEENAN. Yes, Mr. Motley.

RESULTS IN MINNEAPOLIS

Mr. MOTLEY. In the 7-city survey, 1 of which was in Minneapolis, we found that by applying the techniques that we have developed, of job promotion with the employers and job solicitation, counseling, and testing, we were able to place four times as many older workers in employment than we were able to place through normal employment-service operations.

The amount of time that was necessary in those 7 offices, including Minneapolis, ran about 20 to 30 percent higher in order to place 4 times as many of the older workers in employment.

We have figures so far only on the results that were obtained in those seven cities. The nationwide report on placement of older workers has not been in effect long enough to give you statistics on the balance of the country.

TYPE OF JOBS SECURED

Senator THYE. Have you any information as to the type of jobs that you secured for them?

Mr. MOTLEY. Yes.

Senator THYE. Your statement is going to be very helpful as we proceed in trying to support you in the full committee or on the floor.

Mr. MOTLEY. The area in which we found they were very helpful was in the clerical field, for example, where there is an unduly low age restriction placed on the employment of women in stenographic and general clerical work. By discussion with the employers, we were able to get those restrictions, if not eliminated, at least lifted by 10 or 15 years. Instead of using the 35- or 45-year maximum, employers were convinced that to add 10 or 15 years would not decrease the quality of the production, and would give them experienced workers.

Senator THYE. Mr. Chairman, I may have trespassed on Senator Pastore's time here.

Senator PASTORE. No. It has all been very helpful.

EMPLOYMENT OF YOUTH PROGRAM

Senator THYE. Another question that comes to my mind is in connection with your statement, page 4, concerning the employment of youth and the handicapped.

The question of the employment of young people came before us when we had the Bureau of Labor Standards here. They specifically referred to the 16-year-old and 17-year-old youths, those that left

school before they completed high school. Now that has come before us in connection with the Bureau of Labor Standards, and then you make mention of it here again.

Do you coordinate your activity, or is there a duplication between these two agencies?

Mr. MOTLEY. There is no duplication, Senator, between the Bureau of Labor Standards and ourselves. The Bureau of Labor Standards works with the city officials and school officials on matters of work certifications and on matters that have to do with child-labor laws. We work with the employers on the using of youth in employment.

So, activities are very closely coordinated between the Bureau of Labor Standards and ourselves in this field. There is no overlapping and there is no duplication.

Senator THYE. Is there room for the two of you to work in the same field? Is there not some possibility of overlapping? Could that function not be confined to one agency or the other?

Mr. MOTLEY. I think it would be difficult for our local officers to handle the matter of certifications for work permits and the matter of hazardous employment and things of that sort, which are in a field which require special training. Our local-office people are trained in occupational work, and the types of work which people can do.

Also, the amount of staff that is requested by the Bureau of Labor Standards in this field is extremely limited, and can only be used for educational purposes and not for actual placing of people in employment. That work has to be done by our local offices in every State, and they can do that very well.

SALARIES DERIVED FROM EMPLOYMENT-TAX FUND

Senator HILL. Mr. Goodwin, are these 629 employees all paid out of the fund derived from the employment tax?

Mr. GOODWIN. Yes.

Senator HILL. None of it is out of the Treasury?

Mr. GOODWIN. That is right.

Senator THYE. Is it all out of the employment-tax funds?

Mr. GOODWIN. That is right.

Senator HILL. Is there anything else you would like to add there?

Mr. GOODWIN. I think, as far as the salaries and expenses are concerned, that is about it. We have submitted the statement for the record on that. Now we can go to the grants to States.

GRANTS TO STATES

APPROPRIATION ESTIMATE

"Grants to States for unemployment compensation and employment service administration: For grants in accordance with the provisions of the Act of June 6, 1933, as amended (29 U. S. C. 49-49n), for carrying into effect section 602 of the Servicemen's Readjustment Act of 1944, for grants to the States as authorized in title III of the Social Security Act, as amended (42 U. S. C. 501-503), including, upon the request of any State, the purchase of equipment, and the payment of rental for space made available to such State in lieu of grants for such purpose, for necessary expenses including purchasing and installing of air-conditioning equipment in connection with the operation of employment office facilities and services in the District of Columbia, and for expenses not otherwise provided for, necessary for carrying out title IV of the Veterans' Readjustment Assistance Act of 1952 (66 Stat. 684 and title XV of the Social Security Act, as amended

(68 Stat. 1130), [\$250,000,000] \$270,000,000, of which \$12,000,000 shall be available only to the extent [that the Secretary finds] necessary to meet increased costs of administration resulting from changes in a State law or increases in the numbers of claims filed and claims paid or increased salary costs resulting from changes in State salary compensation plans embracing employees of the State generally over those upon which the State's basic grant (or the allocation for the District of Columbia) was based, which increased costs of administration cannot be provided for by normal budgetary adjustments: *Provided*, That notwithstanding any provision to the contrary in section 302 (a) of the Social Security Act, as amended, the Secretary of Labor shall from time to time certify to the Secretary of the Treasury for payment to each State found to be in compliance with the requirements of the Act of June 6, 1933, and, except in the case of Puerto Rico, *Guam*, and the Virgin Islands, with the provisions of section 303 of the Social Security Act, as amended, such amounts as he determines to be necessary for the proper and efficient administration of its unemployment compensation law and of its public employment offices: *Provided further*, That such amounts as may be agreed upon by the Department of Labor and the Post Office Department shall be used for the payment, in such manner as said parties may jointly determine, of postage for the transmission of official mail matter in connection with the administration of unemployment compensation systems and employment services by States receiving grants herefrom.

"In carrying out the provisions of said Act of June 6, 1933, the provisions of section 303 (a) (1) of the Social Security Act, as amended, relating to the establishment and maintenance of personnel standards on the merit basis, shall apply."

"None of the funds appropriated by this title to the Bureau of Employment Security for grants-in-aid of State agencies to cover, in whole or in part, the cost of operation of said agencies including the salaries and expenses of officers and employees of said agencies, shall be withheld from the said agencies of any States which have established by legislative enactment and have in operation a merit system and classification and compensation plan covering the selection, tenure in office, and compensation of their employees, because of any disapproval of their personnel or the manner of their selection by the agencies of the said States, or the rates of pay of said officers or employees.

"Grants to States, next succeeding fiscal year: For making, after May 31 of the current fiscal year, payments to States under title III of the Social Security Act, as amended, and under the Act of June 6, 1933, as amended, for the first quarter of the next succeeding fiscal year, such sums as may be necessary, the obligations incurred and the expenditures made thereunder for payments under such title and under such Act of June 6, 1933, to be charged to the appropriation therefor for that fiscal year."

Amounts available for obligation

Appropriation or estimate:

1957 adjusted base-----	\$250, 000, 000
1958 estimate-----	270, 000, 000

Obligations by activities

Description	1957 adjusted base	1958 estimate	1958 House allowance
1. Unemployment compensation-----	\$125, 883, 000	\$134, 057, 000	\$131, 219, 000
2. Employment service-----	81, 181, 000	91, 173, 000	87, 370, 000
3. State administration-----	26, 544, 000	28, 802, 000	27, 487, 000
4. Veterans' unemployment compensation-----	2, 760, 000	2, 099, 000	2, 051, 000
5. Unemployment compensation for Federal employees-----	1, 632, 000	1, 869, 000	1, 687, 000
6. Contingency fund-----	12, 000, 000	12, 000, 000	0
Total obligations-----	250, 000, 000	270, 000, 000	249, 814, 000

EFFECT OF HOUSE ACTION

The effect of the \$20,186,000 reduction by the House is described below by activity:

Activity 1. Unemployment insurance

Decreases.—Unemployment insurance activities were reduced by \$2,838,000. The functions which will be adversely affected by this reduction are (1) claims

taking, (2) the handling of disputed claims, (3) overpayment and fraud, and (4) tax collections.

The claims and benefit payment functions were reduced by \$1,685,200. These funds are needed by the States for the following purposes:

(1) To insure that benefit payments are made only to persons who are properly entitled to them by making improvements in the procedure for taking a claim. The improvements are aimed primarily at getting quick identification of claims which need close scrutiny, and at improving the content and frequency of claims interviews.

(2) To provide more adequate coverage to workers who have substantial records of employment in several States but very limited benefit rights in any one State. Obtaining wage records from several States increases the cost of the interstate claims function slightly.

(3) To improve determinations in disputed claims cases. Omissions affecting the determinations occur in a significant number of cases. These omissions include failure to follow up on significant leads developed in the interview, failure to make a record of the facts on which the decisions were based, and failure to give claimants a statement of the reasons for the decisions.

(4) To enable several States to strengthen their internal controls against erroneous payments and to investigate claims of fraud.

(5) To permit a slight increase (\$28,600) in the services to applicants and claimants function because the cost of the function fluctuates with the cost of the other claims functions.

The tax collection functions were reduced by \$909,500. This amount is needed by the States for processing tax returns and making coverage determinations. The cost of the functions has increased as a result of recent extensions of coverage to smaller employers which has made the tax-enforcement problems more difficult. There have been significant increases in the rate of tax delinquency and erroneous reporting in 22 of the 28 States where extensions of coverage have recently taken place. Collection of delinquent taxes from smaller employers requires more effort and it is also harder to find those small employers who fail to submit reports required for a coverage determination.

As a result of the House action this activity's share of the funds for nonpersonal services was reduced by \$243,300.

Increases.—The \$4,059,100 required for higher State salary rates was allowed by the House.

The \$1,577,000 required for tax workload increases was also allowed.

Activity 2. Employment service

Decreases.—Employment service activities were reduced by \$3,803,000. The functions which will be adversely affected by this reduction are (1) nonagricultural placements, (2) employer contacts, (3) clerical services required by increased workloads, (4) labor market information, (5) services to applicants and claimants, and (6) farm placement.

The nonagricultural placement function was reduced by \$1,506,500. This sum is required because of a change in the composition of the placement workload. Placements in the professional, technical, managerial, clerical, and sales categories have been increasing proportionately while those in the unskilled, domestic day work, and casual categories have been decreasing proportionately. This is due to changes that are taking place in the economy, and to the creation of an increasing number of skilled jobs in new industries, such as electronics, atomic energy, guided missiles, and automatic computing devices. Greater emphasis has been placed by the States on expanding the placement service for workers in the skilled categories in order to meet the growing demand for such workers and to provide a more effective work test for unemployment insurance claimants. Because more work is involved, the cost of placements in the skilled categories is greater than placements in the unskilled categories. The House recognized the need for higher placement workloads but provided only a part of the funds needed; it failed to provide funds for the additional work involved in the skilled category placements. The employer contacts function was reduced by \$481,400. One of the main purposes of this sum is to find increased job opportunities for the physically handicapped and older worker job applicants. The House provided funds for increasing other employment services to these workers but failed to provide the funds needed for finding additional job opportunities for them. A reduction of \$958,700 was made in the amount for clerical services. The House provided \$2,527,300 for

additional professional positions to handle the higher employment service workload but did not allow the corresponding funds for clerical services which are needed for the complete placement job.

The labor market information function was reduced by \$249,000. The House action will not permit continuation of the review of the definition of standard metropolitan areas. These areas serve as the basis for presenting and analyzing much economic data of importance to nearly all Government agencies and to private economic groups. In many areas there has been substantial population and economic growth since 1950 which makes it necessary to review the current definitions. This work is also of importance in preparation for the 1958 economic censuses and the 1960 census of population and housing. The House did not allow funds for the development of local job opportunities programs which are designed to provide information that will be helpful in placement, employment counseling, and job development services, as well as providing important information for use in vocational guidance. These data will also be useful in decisions relating to training needs within communities. About half the States have conducted basic pilot projects leading to the development of such a program. The increased funds requested for 1958 are to permit these States to continue their work in this area and for the remaining States to begin such programs.

The services to applicants and claimants function was reduced by \$66,900. The cost of this function fluctuates with the cost of the other employment service functions. The House provided funds for higher employment service workloads and increased services to older workers and other groups; therefore additional funds will also be required in this function.

The farm placement function was reduced by \$369,300. Of this sum, \$157,700 is for expansion and improvement of the annual worker plan in 20 States where it is new. The purpose of the annual worker plan is to provide maximum continuity of employment to migrant farm workers, and to provide farm employers a dependable supply of seasonal labor; it has been highly successful in those States where it has been in operation. An additional \$49,800 is to obtain data necessary for the certification and employment of contract workers from Puerto Rico, the British West Indies, and Canada: \$49,800 is for extension of the prevailing wage information program required under Public Law 78 in areas employing Mexican national workers; \$49,800 is for a study of the effects on the domestic economy of the increasing employment of foreign farm labor; \$49,800 is for a study, to be conducted with the President's Committee on Migratory Labor, of domestic migrant workers' income and employment opportunities as they relate to their economic and social problems; and \$12,400 is for a study, also to be conducted with the President's Committee on Migratory Labor, of the present and future housing needs of domestic migrant farmworkers.

As a result of the House action this activity's share of the funds for nonpersonal services was reduced by \$171,200.

Increases.—The \$2,705,400 required for higher State salary rates was allowed by the House.

The House also allowed \$2,527,300 for higher employment service workloads and increased services to older workers, the physically handicapped, and youth; \$120,300 for studies of the economic resources and worker skills in areas of chronic unemployment; \$60,000 to establish an employment service in Guam; and \$776,000 for nonpersonal services.

Activity 3. State administration

Decreases.—The House reduced this activity by \$1,315,000. These funds are needed for the improvement of the management and supervision of local offices, labor market research activities, and housekeeping services. With expansion and growth of the program have come increased problems of management and supervision. Fiscal operations and controls need to be reviewed, management planning needs to be improved, and it is necessary to determine the need for modernizing equipment. The States also need to improve their personnel management programs to meet the problem of high staff turnover, the difficulty of recruiting new staff in a tight labor market, and to improve staff training programs designed to make workers more efficient. In the labor market research area the States need the additional funds for the following: To evaluate the actuarial soundness of the financial structure of unemployment insurance systems (in 8 States); to evaluate the adequacy of unemployment insurance benefits and tax schedules (in 8 States); to study the characteristics of unemployment

insurance claimants (sample to be enlarged in some States to make State unemployment insurance systems more effective); to evaluate proposals for extending coverage under State unemployment insurance laws to agricultural workers; to convert State records to conform with the new standard industrial classification code being adopted by all Government agencies; and to extend the current employment statistics and labor turnover programs which are carried out jointly by the Bureau of Employment Security, the Bureau of Labor Statistics, and State agencies. The employment statistics program would be extended to 47 additional metropolitan areas, and the labor turnover program to 8 additional States.

As a result of the House action this activity's share of the funds for nonpersonal services was reduced by \$53,400.

Increases.—The House allowed the \$872,800 required for higher State salary rates, and \$70,300 for nonpersonal services, mainly for contributions to State retirement funds.

Activity 4. Veterans' unemployment compensation

Decreases.—The House reduction in the amount for benefit payments would further reduce the administrative cost of the program by \$43,500.

As a result of the House action, this activity's share of the funds for nonpersonal services was reduced by \$4,500.

Increase.—The \$62,000 required for higher State salary rates has been allowed by the House.

Activity 5. Unemployment compensation for Federal employees

Decreases.—The House reduction in the amount for benefit payments would reduce the State administrative cost of the program by \$178,400.

As a result of the House action, this activity's share of the funds for nonpersonal services was reduced by \$3,600.

Increases.—The House allowed the \$45,700 required for higher State salary rates, and a \$900 increase for nonpersonal services.

Activity 6. Contingency fund

The contingency fund was reduced by \$12 million, and the language authorizing it was completely eliminated. It has been the practice since fiscal year 1950 to meet out of the contingency fund mandatory increases in the cost of administration when such increases could not be met out of the base appropriation. The fund was available specifically for one or more of the following: (1) Changes in State unemployment-insurance laws; (2) the filing and payment of more unemployment-insurance claims than was provided for in the budget; and (3) changes in compensation plans for State employees generally, which cause salary costs to exceed the amount provided in the budget. Cost increases caused by any one of the above factors have to be met. The contingency fund makes it possible to meet such costs, and at the same time limits the use of the fund to the purposes listed above. Use of the fund has been necessary in most years since fiscal year 1950. Had the fund not been available, a supplemental appropriation would have been required instead in each of these years. The supplemental-appropriation procedure is administratively much more costly.

The contingency fund has a second major purpose: It enables the States to meet costs for unexpected increases in unemployment-insurance claims and other costs without impairing the Employment Service. Prior to 1950, when there was no contingency fund, unexpected increases in the unemployment-insurance claims load resulted in serious harm to Employment Service activities. Employment Service staff were shifted to handle the emergency unemployment load, and their Employment Service functions were allowed to suffer at a time when they were most essential. The States were afraid to employ the additional staff needed for the unexpected claims load because they had no assurance that the required additional funds would be appropriated. The contingency fund has corrected this problem because the States can draw on it for required funds when their claims load exceeds the volume provided for in the budget.

Obligations by objects

Object classification	Adjusted 1957 base	Estimate, 1958	House allowance, 1958
Total number of permanent positions.....	128	128	128
Average number of all employees.....	126	126	126
01 Personal services.....	631, 400	633, 800	633, 800
02 Travel.....	1, 000	1, 000	1, 000
03 Transportation of things.....			
04 Communication services.....	17, 000	17, 000	17, 000
05 Rents and utility services.....	110, 000	110, 000	110, 000
06 Printing and reproduction.....	3, 000	3, 000	3, 000
07 Other contractual services.....	16, 000	16, 000	16, 000
08 Supplies and materials.....	7, 000	7, 000	7, 000
09 Equipment.....	2, 000	2, 000	2, 000
11 Grants, subsidies, and contributions.....	249, 212, 400	269, 169, 000	248, 983, 600
Contributions to the retirement fund.....		41, 000	41, 000
15 Taxes and assessments.....	200	200	200
Total obligations.....	250, 000, 000	270, 000, 000	249, 814, 000

Summary of changes

1957 actual appropriation..... \$250, 000, 000
 1958 appropriation request..... 270, 000, 000

Net change requested..... +20, 000, 000

	Estimate, 1958	House allowance
For mandatory items:		
Extra day of pay on 1957 base.....	\$2, 400	\$2, 400
Retirement contribution on 1957 base of 128 positions.....	41, 000	41, 000
Subtotal.....	43, 400	43, 400
For program items:		
For increase in State salary rates from average of \$3,983 in 1957 to \$4,150 in 1958.....	7, 745, 000	7, 745, 000
For tax-collection workload increases related to 100,000 more employers and 900,000 more workers.....	1, 577, 000	1, 577, 000
For more intensive efforts to collect taxes.....	909, 500	None
For claims and benefit payment cost increases to insure that benefits are paid only to persons entitled to them.....	1, 685, 200	None
For higher Employment Service workloads and related costs.....	2, 527, 300	2, 527, 300
For greater efforts to develop job opportunities for and to place older workers, the physically handicapped, youth, and the more skilled workers needed in industry.....	3, 013, 500	None
For chronic unemployment area studies of economic resources and worker skills.....	120, 300	120, 300
To expand in 20 States program for providing maximum continuity of employment to migrant farmworkers, and for other related projects.....	369, 300	None
For increases in management and supervision of local offices, labor-market research activities, and housekeeping services.....	1, 510, 600	None
For personal-service decreases in the veterans' unemployment-compensation program.....	-657, 500	-701, 000
For increases in the Federal employee unemployment-compensation program.....	186, 800	8, 400
For non-personal-service costs almost entirely for mandatory contributions to State retirement funds.....	909, 600	433, 600
For establishing an employment service in Guam.....	60, 000	60, 000
For the contingency fund.....	None	-12, 000, 000
Subtotal.....	19, 956, 600	-229, 400
Grand total.....	20, 000, 000	-186, 000

STATEMENT OF ROBERT C. GOODWIN, DIRECTOR, BUREAU OF EMPLOYMENT SECURITY,
DEPARTMENT OF LABOR, ON THE EFFECT OF HOUSE ACTION ON 1958 REQUEST FOR
GRANTS TO STATES FOR UNEMPLOYMENT COMPENSATION AND EMPLOYMENT SERVICE
ADMINISTRATION, BUREAU OF EMPLOYMENT SECURITY

Mr. Chairman, for grants to States for administration of their employment service and unemployement insurance programs we are requesting \$270 million, which is \$20 million more than was appropriated for 1957.

The increase is needed because costs over which we have no control have gone up—pay increases given State employees in 1957 by State law have boosted the average salary; the cost of the goods and services which State agencies must buy are higher; and tax collection workloads are higher because a greater number of employers have been brought under the State laws. The increase is needed to that we may more nearly meet our obligations to groups whose employment problems are now of national concern: older workers; the physically handicapped; and youth. The increase is needed to reduce the possibility of loss through improper benefit payments and tax evasion.

Our \$270 million request is made up of a \$258 million basic request and a \$12 million contingency request. The House eliminated the contingency request and authorizing language and reduced our basic request by \$8,186,000.

The House thus approved an appropriation of \$249,814,000, an \$11,814,000 increase over the basic appropriation for 1957. The \$11,814,000 would be used as follows:

A. \$7,745,000: for increases in State salaries which will occur in 1957 and which must be financed in 1958. State salaries are fixed by State laws and must be paid.

B. \$3,477,700: for larger unemployment insurance tax workloads required by changes in State unemployment insurance laws and counseling, testing, and placing more older workers, physically handicapped and youth in jobs.

C. \$591,300: primarily for contributions to State retirement systems and for establishing an employment service in Guam.

Actually, the \$11,814,000 increase in the basic appropriation will largely disappear unless the contingency appropriation is restored, for costs which in prior years have been paid out of the contingency would have to be absorbed in the basic budget.

The committee will remember that, mainly because future unemployment volumes and corresponding State workloads are hard to predict—the Congress, since 1950, has wisely provided for a contingency appropriation—to be used, if needed, for certain specified contingencies to supplement the basic appropriation, for grants to the States. The contingency device has worked well. It has largely prevented the budgetary uncertainties and operating delays previously experienced by the States, and the supplemental appropriation requests previously experienced by the Congress each year.

In all recent years, the contingency appropriation has been available to meet certain types of increases in State operating costs, not otherwise covered or absorbable from the "basic" appropriation. Specifically, unforeseen cost increases due to: (a) higher workloads; or (b) changes in State salary plans; or (c) changes in the State's unemployment compensation statute. These costs cannot for the most part be anticipated early enough to be included in an appropriation request in advance of the fiscal year.

The House eliminated the contingency request and language on a point of order. The basis of the point of order was that the contingency language imposes additional duties upon the Secretary of Labor and therefore is legislation upon an appropriation bill not authorized by law. We believe that the Secretary is not obligated by the contingency language to make any findings other than those required of him by the basic legislation, section 302 (a) of the Social Security Act and section 5 of the Wagner-Peyser Act. Both require the Secretary to determine the amount of funds necessary for proper and efficient administration of the State employment security laws. The contingency language does not expand his authority in making these determinations.

To make this language less susceptible to a point of order, it might be revised to delete the words "that the Secretary finds" * * * which was apparently the basis for the ruling. Any determinations made by the Secretary under the revised language would be under his general authority in the Social Security and Wagner-Peyser Acts.

The House action puts the States back where they were before 1950 when the contingency principle was enacted. Unforeseen costs then had to be financed through supplemental appropriations which usually passed late in the year.

As an example, in 1952 the Congress passed a supplemental appropriation on June 30, the last day of the fiscal year. Without early passage of a supplemental appropriation by the Congress the States could not be assured that they would get more funds. Most States were either forbidden by State law from deficit spending or would not create obligations in anticipation that Congress would appropriate supplemental funds. In these circumstances the only practical alternative was to take undesirable operating shortcuts to reduce staff. When shortcuts are made in unemployment insurance operations it is inevitable that benefits will be delayed or even paid to individuals not entitled to receive them. In almost every instance where the State has been required to absorb unforeseen expenses, substantial numbers of employment service staff have been laid off. Since such layoffs usually occurred when unemployment insurance claims were increasing, employment service operations were seriously impaired at a time when employment service staff was most needed to help workers get jobs. In addition, the arbitrary reduction and expansion of staff resulting from uncertain financing is inefficient and expensive. Recruiting and training new staff are costly.

So far in this current year the States are entitled to use approximately \$7 million of the contingency funds for salary increases and changes in State laws. Is it reasonable to assume that similar unforeseen needs will arise in 1958. In fact, since the budget was submitted to the Congress we have been advised that two of the largest States are expected to pass statewide salary increases which will add to costs by about \$3 million a year. Without contingency funds the States will have to reduce services to the public and take short cuts which in the long run are more expensive.

In my opinion the establishment of the contingency device has been the single most constructive development in the history of employment security administrative financing. To eliminate it now would do great damage without providing a single offsetting advantage. I, therefore, strongly urge the restoration of the contingency appropriation and language.

I would like to turn now for a few minutes to the \$8,186,000 reduction in the basic appropriation. This reduction included funds for functions which must be performed if the increased workloads which were approved by the House are to be accomplished: funds to improve the quality of service to the difficult-to-place groups, such as the older workers and the physically handicapped; funds for improving the quality of State agency financial operations; and funds for improving overall management.

Cut out by the House was \$2,597,900, intended for use to improve the claims-taking and tax collecting operations in the States. These funds are needed to reduce the possibility of improper payments and to insure that taxes are paid.

The States collected about \$1½ billion in taxes and paid out almost \$1.4 billion in benefits last year. We would be negligent if we did not continuously seek to improve our management of financial transactions of this magnitude. The amount we requested is a small price to pay for the additional insurance we would get. For example, tax delinquency has become a serious problem in many States since coverage was extended from 8 to 4 or more. The problem should not be allowed to deteriorate further.

Cut out by the House was \$3,042,100 needed to intensify our efforts to get employment for groups who have difficult problems in securing work. The amount approved by the House provides for more placement workloads for these groups. However, the amount approved will not provide for the more intensive job placement and job development services needed by older workers and other groups which require specialized placement service and for placing the more highly specialized workers now needed by industry. We believe that \$3,042,100 spent for these purposes will be economical in terms of shortening the long period of unemployment which is especially characteristic of the older worker and the physically handicapped.

Cut out by the House was \$369,300, needed in the farm placement program to expand the annual worker plan in 20 States where it is in the early stages of development; to expand the State's share of the program for developing wage information in areas where Mexican nationals and offshore workers are used; for a study of income, employment opportunities and housing conditions of domestic migratory workers and a study of the effect of importing foreign workers on the domestic economy. This amount is a small price to pay for expanding and regularizing employment for our own workers and for assuring that the importation of supplemental foreign workers will not adversely affect them.

Cut out by the House was \$1,510,600 needed for improving the direction and management of the State agencies, technical services to the local offices and labor-market research. Management and technical services are directed toward securing a more effective and economical operation of unemployment insurance and employment-service programs. Improvements in these functions show their results not only in the cost of State administration as reflected in the amount of the grants to States appropriation but in the amounts collected and paid out in the unemployment trust fund. The funds requested for labor-market research are to enable the States, in cooperation with the Bureau, to undertake such projects as:

1. Agricultural coverage.
2. Solvency studies of State unemployment trust funds.
3. Adequacy of State benefit schedules and payments.
4. Characteristics of unemployment insurance claimants.
5. Development of job opportunities data.
6. Preparing for the 1958 economic censuses and the 1960 census of population and housing by reviewing all standard metropolitan area definitions.

During the House debate on this request, it was argued that any deficiency in the grants to States appropriation by the Congress could be met by appropriation of State legislatures from Reed Act money returned to the States. This is not a practical solution for many reasons and obviously was not intended by the Congress when it passed the Reed Act. When the Congress passed the Reed Act it retained full and complete responsibility for providing through appropriation all the funds needed for the proper and efficient administration of State employment-security programs. It clearly recognized that to try to divide such a responsibility would lead to chaos.

We believe that our request is needed for the proper and efficient administration of the State programs. We, therefore, urge the committee to restore the contingency appropriation and language and the \$8,186,000 basic.

ADDITIONAL STATEMENT

Mr. Chairman, for grants to States for administration of their employment service and unemployment insurance programs we are requesting \$270 million, which is \$20 million more than was appropriated for 1957. Major items of increase are for higher salaries for State agency employees which are required by State law, for providing better placement and counseling services for such groups as the physically handicapped and older workers, for improvement of claims taking and tax-collection operations to minimize error and for a larger tax collection workload in New York which has extended the coverage of its unemployment-insurance law to smaller firms and their employees.

Budget assumptions

As the members of the committee know, both the nature and level of economic activity have important effects upon the volume and kinds of workloads which must be performed by State employment security agencies. Changes in employment and unemployment, the turnover rate, labor-force growth, or in the number and kinds of layoffs affect the work of the local employment security offices.

In preparing this budget we have assumed that the economy will continue to expand at a moderate rate in fiscal year 1958. This expansion, we believe, will be supported by further increases in consumer demand, continuing large-scale outlays for new plant and equipment, and increased State and local expenditures for schools, roads, and other facilities. The higher levels of economic activity will be accompanied by a further increase in total employment sufficient to absorb the normal growth of the civilian work force. Unemployment is expected to remain relatively stable, except for normal seasonal movements, at a rate not likely to exceed 4 percent of the civilian work force.

The increase in total employment in 1958 is expected to be widespread with most industries and geographic areas showing gains. Little change is expected in the volume of short-term layoffs which result from normal business adjustments in production due to competition, new market developments, or to the introduction of new styles and models. Under the favorable economic conditions anticipated, employment opportunities will be widespread. Additional labor shortages are likely to develop in some areas and in some occupations. A few communities may face problems of rising temporary unemployment as market demands shift. There may be a few areas experiencing the continuation of the chronic unemployment of the last few years.

Since we anticipate that economic conditions in fiscal year 1958 will approximate those of fiscal year 1957, our unemployment insurance workloads are based on an estimate of a weekly average of insured unemployment of 1,225,000, the same as is expected in fiscal year 1957. Consequently, the claims and benefit workloads contained in the fiscal year 1958 budget requests are the same as those expected in fiscal year 1957. However, workloads related to the tax collection functions are expected to increase because more employers and workers will be subject to State unemployment insurance laws in 1958 as coverage is extended to smaller establishments.

To enable State agencies to meet the increased workload in tax collection activities and to strengthen their performance of those responsibilities, we are requesting \$2,424,200. Following the amendments of the Federal Unemployment Tax Act in 1954, 24 States broadened the coverage of their unemployment insurance laws to include employers of from 4 to 7 workers as of January 1, 1956, and 4 additional States amended their laws to include employers of fewer than 4 workers. This resulted in an increase of 25 percent in the number of employers covered by the unemployment insurance system in the country as a whole and an increase of 50 percent in the 28 States affected. Although much of this workload increase is being experienced initially, during fiscal 1957 in New York the impact of the law change extending coverage to employers of less than four workers will not be felt until fiscal year 1958. This will result in the addition of an estimated 75,000 new employers to the unemployment insurance system.

Part of the process of extending coverage is securing the understanding and cooperation of the new employers. The States have experienced some problems in employer tax delinquency with these smaller firms. The latest report shows that 22 of the 28 States which extended coverage have experienced increases in the rate of delinquency and in 19 of them the rate has more than doubled in comparison with the record of the preceding year. This record is not alarming under the circumstances, but it cannot be allowed to continue. The States must take prompt and decisive action to collect delinquent taxes and conduct a greater number of field audits.

Apart from the costs of extending coverage, there is a need for improved performance in the tax-collection functions as a whole. We have been working with the States on the strengthening of procedures for the maintenance of more adequate internal accounting and control of tax proceeds. A systematic program of auditing employers' books on their premises is the only means of determining whether employers are reporting payrolls correctly as a basis for tax-payment and the determination of claimant's benefit rights. Although such audits are fairly costly, they pay off in terms of discovery of unpaid taxes.

Claims determination functions

An increase of \$1,685,200 is requested to improve the quality of claims taking and benefit payment work to assure the proper payment of benefits. The increase will provide for more intensive interviewing of claimants to determine whether benefits are properly payable. In addition, we have been working with the States in the introduction of a systematic procedure for identifying claimants who should be given the closest scrutiny and designating the content and frequency of the claim interviews, so that the greatest benefit can be obtained from the time spent on these interviews. We are requesting an increase of 29 man-years for overpayment and fraud-detection activities so that the detection programs in some States can be broadened to provide a more diversified attack on the problem.

There is need for improvement in the method of handling disputed claims. Deficiencies in present methods include such omissions as failure to make a record of the facts on which the decision was based and failure to give claimants a statement of the reasons for the decision. To enable States to give this function the full attention that it needs and correct present inadequacies we have requested about 8 percent more time for this function.

Workers who migrate from State to State do not lose their protection under this program but may claim benefits through interstate arrangements which are operative in all States. These arrangements have recently been expanded and perfected in 41 States to provide benefits based on the combinations of a worker's employment in several States. Thus, a worker with limited eligibility for benefits in any one State can receive his full benefit rights on the consolidation of his earnings in other States. It is estimated 30 more man-years will be required by the States adequately to process these interstate claims.

Job placements

In 1956 funds were made available to the States to begin rebuilding their employment services. The States did a commendable job in utilizing the additional employees which they were able to hire. However, funds available for 1957 did not permit further improvements to be made. The request for 1958 proposes some additional improvement in the services rendered to applicants and employers through the various State agencies.

In 1957 the States expect to place 6,232,000 workers in nonagricultural jobs and in 1958 it is estimated that 6,450,000 such jobs will be filled. The increase in the number of placements is expected to be largely composed of older and physically handicapped workers. To give better service in the hard-to-fill job categories and to increase the number of placements, we are requesting \$3,235,400.

Counseling and testing

To meet the demands for counseling and testing services for youth, the physically handicapped, and older workers, we are requesting an increase of \$1,948,200. The counseling service helps young people to understand their abilities and potentials and to make a better choice of vocation. It is estimated that graduating students in over 6,000 high schools throughout the country were given counseling and testing service during the 1955-56 school year. The number in need of such service will increase as our youth population grows during the next several years. More counseling interviews will be needed to guide these young people into the technical and professional fields where such acute shortages exist, into the skilled trades, service, sales, and into other jobs that are consistent with their abilities. This service will also be directed toward the school dropouts from whom stems at least part of our problem of juvenile delinquency.

In counseling school dropouts the advantages of further education are stressed in addition to giving information about jobs in the labor market. More counseling service is needed, too, for youth in rural areas and small towns where knowledge of job opportunities is limited. In 1958 we expect to counsel 240,000 young people under 21 years of age, 15,000 more than in 1957.

Physically handicapped

Counseling also helps in the adjustment of handicapped persons who must find new occupational outlets for their capacities and abilities after recovering from illness or accident. Our local offices are dealing with increasing numbers of applicants with such conditions as cardiac illness, epilepsy, arthritis, or with some disability resulting from accident. About one-half of all such applicants require and are given counseling. This service, together with placement assistance, becomes more and more important as the expanding vocational rehabilitation program under the stimulus of Public Law 565 enables greater numbers of severely handicapped individuals to enter the labor market and look to local employment offices for guidance and placement in jobs that will utilize their skills and physical capacities. We estimate that 30,000 more handicapped people or a total of 245,000 will be given counseling services in 1958.

Older workers

As you know, the Department of Labor for a number of years has engaged in a program to help older workers find employment. Studies have shown that workers 45 years of age and over have increased difficulties in finding jobs if they become unemployed. The Bureau and the States inaugurated an expanded and improved service for such workers last July. Specialists have been designated to give special attention to the employment problem of this group in each State office and in the local employment offices in about 70 of the major cities. Many of these workers have become rusty in the technique of job seeking and in relating their acquired skills and knowledges to the requirements of jobs in today's labor market. A large proportion need guidance and counseling as well as job development and placement services if they are to find employment. As indicated in our statement on the "Salaries and expenses" budget request, we are developing an aggressive program to help counter the unfavorable attitudes about the abilities and characteristics of older workers that are so often reflected in employment policies. In 1958, about 120,000 more older workers, or a total of 305,000, will be given counseling services.

Farm placement

The farm placement service in each of the State employment services operates many types of local recruitment programs which are needed to supply agricultural employers with the regular and seasonal workers needed. These pro-

grams are very important in today's labor market which is experiencing such high levels of industrial employment. The supply of agricultural workers is diminishing without a corresponding decrease in manpower requirements for agricultural production. The State employment services will continue to improve and expand recruitment programs to assure migrant farm workers employment for as much of the year as possible. The annual worker plan provides this continuity of employment and we must continue to increase our activities in this program until its full potential is reached. The increase of \$369,300 requested for the farm placement program will provide for expansion of the annual worker plan in 20 States where it is in the early stages of development; expanding the State's share of the program for developing wage information in areas where Mexican nationals and offshore workers are used; for a study of income, employment opportunities, and housing conditions of domestic migratory workers and a study of the effect of importing foreign workers on the domestic economy.

Administrative research, technical, and housekeeping services

An increase of \$1,261,600 is requested for the State administration activity which, in addition to overall administration, includes technical services for the local offices, labor market research, and housekeeping services. State agencies will need an additional 72 man-years for improving management and field supervision of local offices. Management and supervision problems have increased with the continuous expansion and growth in complexity of the employment security program. Work in these areas will include the review of fiscal operations and controls, improvement in management planning, and a study of equipment modernization.

A special problem exists in the field of personnel management and staff training for which the States will need 77 additional man-years. The retention of competent employees and the recruitment of new staff in a tight labor market require more effective personnel management programs in the States. The States need to examine their policies and methods regarding recruiting, selection, promotion, salary administration, fringe benefits and other employee incentives needed to hire and keep good people. They will also intensify programs to develop and train employees for promotion. This problem is becoming acute because of high staff turnover and also because replacement must be developed for the keymen of the manager group many of whom are approaching retirement age.

Some States, in cooperation with the Bureau, have undertaken a wide variety of special studies to develop data for program planning and direction. Other States need to conduct similar studies. The extension of research activities to more States will require an additional 113 man-years. The types of studies to be initiated or extended include: The feasibility of covering some agricultural employment under State unemployment insurance laws, the solvency of State unemployment insurance trust funds, the adequacy of benefits paid claimants (to be extended to eight additional States), the characteristics of unemployment insurance claimants (sample to be enlarged in some States for State use), and the current employment statistics and labor turnover programs which are carried out jointly by the Bureau of Employment Security, the Bureau of Labor Statistics, and State agencies. The current employment statistics program, which now covers 93 metropolitan areas in 41 States, will be extended to 47 additional metropolitan areas in these States. The labor turnover statistics program will be extended to the remaining eight States not now covered by the program. Part of the additional man-years requested are needed to expand and complete the work of converting records and data to the new standard industrial classification code adopted by all Government agencies.

Federal insurance programs

Both the decrease of \$657,500 in the cost of administering the unemployment compensation for veterans program and the increase of \$186,800 for administering the unemployment compensation for Federal employees program are due to changes in the amount of benefits to be paid.

State salary rates

The States have continued to increase the salaries paid to their employees. Since salaries paid to employment security agency employees are comparable with those paid to other State employees, they, too, have increased. The increase of \$167 above the rate used in the 1957 allocation to the States will require an additional \$7,745,000 in 1958. The rate used in preparing the appropriation request was \$4,150. In November 1956 the rate had already reached \$4,112, which

is \$151 more than the June 1956 rate. The average State salary rate of \$4,150 will be a beginning rate and the contingency fund will be used to pay for general increase made by the States during 1958.

Nonlabor costs

The increase of \$953,000 for nonlabor costs is primarily for larger employer contributions to State retirement funds and is required because such contributions are related to the total personal services costs which are estimated to be greater in 1958 than they will be in 1957.

Guam employment service

Public Law 896 passed by the last Congress, extended the Wagner-Peyser Act to Guam. We have requested \$60,000 with which to establish an employment service in Guam as soon as the local legislature takes action.

INCREASED COSTS

Mr. GOODWIN. On the grants-to-States appropriation, Mr. Chairman, we had asked for \$270 million, which is \$20 million more than was appropriated for 1957. The increase we requested is needed because costs, over which we have no control, have gone up. There have been increases in the States' salaries. Those increases are made for all State salaries, and when they occur in the employment security program there is no alternative but to finance them.

Senator HILL. What would that increase amount to? Just the increase, due to the fact that the States have increased the salaries where you have to match the funds?

Mr. GOODWIN. The increase on that for this year was \$7,745,000. So it is a sizable part of the total amount of increase.

The States have also had an increase in workload, particularly in the tax collection workloads, and that accounts for part of the increase.

Senator HILL. How much would that be?

Mr. GOODWIN. About \$3.5 million, roughly.

There has been an increase in the amount for the retirement system in the States, of about \$591,000.

Senator HILL. Is that due to the increase in salaries, too, on the part of the States?

Mr. GOODWIN. Salaries and the number of employees.

DELETION OF CONTINGENCY FUND ON POINT OF ORDER

Mr. GOODWIN. The House cut the basic amount by about \$8 million, and then on the floor of the House, as you know from Secretary Mitchell's testimony, they took out the contingency language on a point of order. They took out not only the authority for it but also the \$12 million which was in the bill for contingency purposes.

This is a very serious thing, in my opinion. We have struggled with the problems of the financing of the State employment-security agencies for a good many years, and, in my opinion, the most important single thing that has taken place to improve the Federal financing of these State programs has been the contingency fund.

You may remember that before we got it we used to be up here on supplemental appropriations and deficiency appropriations. That led to a rather chaotic situation because a good many States could not spend the money until it was actually in the State treasury. Others were fearful of going into a deficit-spending program until they knew whether the Congress was going to act or not because they had no alternative source of income if Congress did not act.

So the usual result was that they made cuts in their program which were undesirable, and, for the most part, cut the employment service in order to run the unemployment insurance program since the unemployment insurance program is based upon specific requirements of law while the employment service is more a service program.

So at a time when we needed to put stress on the employment service in order to place people, we found that over the years they were cutting the employment service in order to make the unemployment insurance payments.

Senator HILL. How long have you had this contingency fund?

Mr. GOODWIN. It was put in in fiscal 1950.

ABSENCE OF AUTHORIZATION IN BASIC ACT

Senator HILL. Was that point of order made on the basis that there is no authorization in the act for such a contingency fund?

Mr. GOODWIN. It was made on the basis of a contention that it required additional responsibility on the part of the Secretary of Labor. The language had the phrase in it.

Senator HILL. The gist of it, under the rules of the House, is, I am quite sure, that it imposed duties on the Secretary that are not prescribed in the legislative act.

Mr. GOODWIN. Yes.

Senator HILL. In other words, it was an amendment to the legislative act under the appropriation bill.

Mr. GOODWIN. Yes. That is the basis on which the point of order was taken.

We do not think that the ruling needed to be that way because we do not think that this gives the Secretary any additional responsibilities that are not imposed by the basic authority. The basic authority of the Wagner-Peyser Act and the Social Security Act give the Secretary wide discretion on the allocation of money to the States.

The most you can say about this is that it is a limitation.

We are suggesting, Mr. Chairman, that any question about a point of order could be removed by deleting four words from the language.

Senator HILL. Which four words?

Mr. GOODWIN. It says "shall be available only to the extent." And then we suggest the deletion of the next four words, which are "that the Secretary finds."

That will not, in our opinion, impose any responsibility on the Secretary that he does not now have in basic legislation.

We think it is most important that this be restored and that the money be restored.

I would like to suggest that you might want to put into the record this language that we are suggesting.

Senator HILL. The clerk informs me that customarily there is printed at the beginning of each account taken up the appropriation estimate. I have directed him to include in that the changes which you have just suggested for our consideration.

TOTAL IN FUND

Senator PASTORE. How large is the sum in the contingency fund? Is it \$12 million?

Mr. GOODWIN. Yes.

The House took out the language on one motion, and then took out the money on the second motion.

Senator HILL. The money would not be worth very much without the language, would it?

It was not an additional \$12 million.

As the bill came from the House, there was an appropriation of \$262 million "of which \$12 million shall be available," and then comes your language.

So without the language your \$12 million would not be worth anything to you.

Mr. GOODWIN. That is right.

There is one thing about this that I would like to take a minute to explain.

COSTS PAYABLE OUT OF CONTINGENCY FUND

If this stands, what we would have for the basic appropriation would be the same number of people we had in February of this fiscal year. Actually, however, it would result in a cut in the States, and the reason why it would is because some of these costs, which are payable out of the contingency fund, are bound to occur.

One of them is for the increases in salaries. There are increases that take place after the Congress has acted, and we cannot anticipate them. That is the way that the Congress has met this need in the last 6 or 7 years, through the contingency fund.

We already have two States where it is quite certain that there will be salary increases going into effect after July 1. They are large States and there is going to be a big drain on their regular appropriation unless they can take them out of the contingency.

NEW YORK SALARY INCREASE BILL

Mr. KEENAN. I might say, Mr. Goodwin, that the New York salary increase bill just passed, which I understand is effective April 1, this year. The statewide increase, as I understand, for all State employees in New York will cost the employment security agency in New York approximately \$2 million a year.

Senator PASTORE. Let us make that clear on the record.

What do we do there? Do we match State funds or what?

Mr. GOODWIN. We put up the full amount of the administrative costs for this program in the States. The salaries paid for the employment security personnel are the same as salaries that are paid for the same type of work in the other State departments.

In other words, we have a policy of comparability. We say that the salaries in this program must be comparable to the salaries paid in other departments within that State.

EFFECT OF RAISE IN CLASSIFICATION OF STATE EMPLOYEES

Senator PASTORE. So that when a State automatically raises its classification of State employees, that automatically, for comparable positions, raises your classification, too, which increases your costs automatically?

Mr. GOODWIN. That is right, sir.

Mr. KEENAN. At the time that cost occurs during the year it comes out of the contingency fund because it cannot be planned in advance.

Senator PASTORE. What happens if the money is not there?

Mr. GOODWIN. What they usually do, I would say, first—and it differs somewhat from State to State—what they usually do is make the salary increase payments and take it out of something else, which means that it comes out of the program.

I do not say that critically because usually these laws are passed in such a way that they have no alternative.

Senator PASTORE. Let me get this straight now.

Let us assume that the State of Rhode Island raised the classification of its employees. Would that mean that, perforce, the classification would be raised of these employees that work for the unemployment compensation board? And that they would have to give the rates, and lay off people? Or that they would have to remain at the same classification that they had before the State raise if they did not have the money? What actually happens?

Mr. GOODWIN. It depends on the way the State law was written, sir. But in most cases they would have to pay it and lay off the people.

Senator PASTORE. Can they use other funds they have at their disposal to pay these costs?

Mr. Keenan is nodding yes.)

Mr. GOODWIN. They can, but they have no legal obligations to do so, and it is very rarely done.

Senator PASTORE. Is there any legal impediment not to do it?

Mr. GOODWIN. The only legal impediment is that the Federal law gives the responsibility to the Congress, and it is difficult to get action from States under those circumstances.

The only money that I knew of that has ever been appropriated from State funds has been from the interest and penalty fund up to now. The interest and penalty money has, in a few instances, been used to bail them out of a very tight situation.

Mr. KEENAN. That is until they submit a supplemental budget.

Senator PASTORE. Let us assume roughly one-third of 1 percent as a fraction of that that goes for administration, or three-tenths of 1 percent.

Mr. GOODWIN. The three-tenths of 1 percent comes to the Federal Government.

Senator PASTORE. Then you reallocate some of it back for administration? You use it for administration?

Mr. GOODWIN. Yes.

Senator PASTORE. Can they use any part of the 2.7 to pay off the increase? That is what I would like to know.

Mr. GOODWIN. That is forbidden by the Federal law.

Mr. KEENAN. They use that money only for payment of benefits.

Senator PASTORE. But the State could take money out of its own treasury to bring about this level.

Senator HILL. Is there any precedent for that?

Senator PASTORE. They would be foolish to do it.

Senator HILL. With all respect to you, sir, I wonder if that was the reason why you asked your question.

Senator PASTORE. I am trying to get the record straight.

NECESSITY FOR SUPPLEMENTAL BUDGET REQUEST

Mr. KEENAN. I think what the States used to do in that situation was to then submit a supplemental budget to us, and then we have to go through the process of going through the Bureau of the Budget and coming up to you gentlemen. And that goes back to the statement that Mr. Goodwin made.

Back before 1950 we were always coming up here in the spring with these supplemental budgets because that was the only recourse the States had.

STATE EMPLOYEES

Senator THYE. However, the State employees are Federal-State employees; are they not?

Mr. GOODWIN. They are State employees.

Senator THYE. Do you mean they are not recognized as jointly Federal and State?

Mr. KEENAN. No.

Senator THYE. They are strictly State employees? Exclusively?

Mr. KEENAN. Exclusively.

Senator THYE. Do they come under State retirement?

Mr. KEENAN. The State merit system, and State civil service; that is correct.

ADMINISTRATIVE EXPENSE OF PROGRAM

Senator THYE. The only point I want to emphasize here is the three-tenths of 1-percent figure which is for the administrative expense in connection with this program. Does that determine the salaries they draw? Are those funds the basis on which they draw their salaries?

Mr. KEENAN. Yes.

They are the funds that you, the Senate, appropriate to us, and then we give that to the States in the form of State grants.

Senator THYE. Thank you, sir.

JOINT ENTERPRISE PROGRAMS WITH STATES

Senator HILL. May we get your thinking there.

We have the situation here that very many of our programs are joint enterprises on the part of the Federal Government and the States where the Federal Government puts up so much money, and the States, in turn, put up so much. You have these programs of matching funds, such as the old-age assistance; programs of that kind. Here you have a situation where all your funds are raised by taxes; is that right?

Mr. GOODWIN. That is right.

Senator HILL. And the Federal Government is really the trustee for the funds that come in. Then the Federal Government, in turn, sends back these funds to the States, but the funds are administered by the States with State personnel. Is that about what it is?

Mr. GOODWIN. That is right.

TOTAL EMPLOYEES IN EACH STATE

Senator HILL. In this connection, gentlemen, I have here a table which shows the number of employees in each State, and the amount paid them. That might be of interest, and we can put that into the record.

Without objection, we will place that chart into the record at this point, along with a tabulation of the average State employment security annual salaries for the fiscal years 1949 through 1958.

(The material referred to follows:)

DEPARTMENT OF LABOR, BUREAU OF EMPLOYMENT SECURITY

Average of State employment security annual salaries, fiscal years 1949-58

Year:	<i>Average annual salary</i>
1949-----	\$2,765
1950-----	2,834
1951-----	3,073
1952-----	3,390
1953-----	3,563
1954-----	3,718
1955-----	3,751
1956-----	3,913
1957 rate used in allocation to the States-----	¹ 3,983
1958 estimate-----	4,150

¹ The average annual salary rate in December 1956 was \$4,109; the average for the first half of fiscal year 1957 was \$4,069.

*Average annual salary rates and personnel equivalents reported by States July-December 1956*¹

	July 1956			December 1956		
	Personnel equivalent	Average annual salary	Computed amount	Personnel equivalent	Average annual salary	Computed amount
United States.....	48,144	\$4,001.18	\$192,632,617	46,105	\$4,109.47	\$189,467,740
Alabama.....	746	3,678.00	2,742,685	699	3,865.44	2,703,489
Alaska.....	115	5,409.60	622,645	136	5,195.28	706,558
Arizona.....	411	4,454.16	1,830,637	417	4,710.24	1,964,422
Arkansas.....	469	3,747.36	1,757,887	466	3,829.20	1,784,407
California.....	4,175	4,917.12	20,528,976	4,190	4,863.72	20,378,987
Colorado.....	392	4,132.32	1,619,869	398	4,116.96	1,638,550
Connecticut.....	790	3,759.86	2,970,339	724	3,916.38	2,835,462
Delaware.....	102	4,144.08	420,624	109	4,063.20	444,920
District of Columbia.....	310	4,723.16	1,464,469	304	4,741.32	1,441,362
Florida.....	914	3,998.13	3,654,291	866	4,115.84	3,564,317
Georgia.....	733	3,687.36	2,702,466	714	3,744.72	2,675,228
Hawaii.....	153	3,832.20	586,327	159	3,969.48	629,956
Idaho.....	250	4,216.68	1,055,013	259	4,207.36	1,090,968
Illinois.....	2,214	3,748.05	8,298,249	2,093	3,799.44	7,952,228
Indiana.....	930	3,843.60	3,574,548	861	3,911.76	3,368,025
Iowa.....	486	3,484.08	1,633,263	508	3,453.36	1,754,307
Kansas.....	414	3,739.92	1,548,327	419	3,786.72	1,586,636
Kentucky.....	639	3,753.36	2,398,022	638	3,730.20	2,378,749
Louisiana.....	555	4,193.76	2,327,537	548	4,287.20	2,321,986
Maine.....	268	3,521.96	943,885	260	3,606.72	938,469
Maryland.....	837	3,498.30	2,926,328	824	4,037.80	3,329,166
Massachusetts.....	1,913	3,826.00	7,319,138	1,873	4,149.00	7,771,077
Michigan.....	2,500	4,393.82	10,984,550	2,115	4,627.44	9,787,036
Minnesota.....	696	3,760.32	2,617,183	716	3,725.76	2,667,644
Mississippi.....	445	4,054.32	1,804,172	453	4,064.64	1,841,282
Missouri.....	980	3,606.24	3,534,115	973	3,609.84	3,512,874
Montana.....	213	4,144.20	884,372	228	4,026.72	917,689
Nebraska.....	257	3,481.32	896,092	264	3,434.04	905,213
Nevada.....	141	4,422.24	624,420	161	4,349.52	701,143
New Hampshire.....	225	3,340.48	751,608	221	3,384.16	747,899
New Jersey.....	2,156	3,891.94	8,391,023	2,020	3,991.00	8,061,820
New Mexico.....	255	4,474.56	1,141,013	251	4,480.32	1,124,560
New York.....	6,447	4,289.74	27,655,954	5,977	4,362.54	26,074,902
North Carolina.....	896	3,804.72	3,407,888	885	3,807.72	3,371,355
North Dakota.....	155	3,777.60	586,669	171	3,903.60	667,402
Ohio.....	2,226	3,746.40	8,339,486	2,028	3,846.00	7,799,688
Oklahoma.....	543	4,128.48	2,239,700	543	4,181.52	2,299,729
Oregon.....	589	3,802.68	2,240,919	608	4,013.47	2,441,795
Pennsylvania.....	4,192	3,648.92	15,296,440	3,921	3,916.43	15,356,322
Puerto Rico.....	256	2,977.44	762,225	257	3,002.64	771,678
Rhode Island.....	542	3,352.15	1,818,222	457	3,504.28	1,600,054
South Carolina.....	548	4,017.78	2,203,351	529	4,089.28	2,162,826
South Dakota.....	128	3,623.28	463,780	139	3,671.88	510,391
Tennessee.....	855	3,278.88	2,803,442	829	3,496.68	2,898,748
Texas.....	2,051	3,993.36	8,191,180	1,868	4,094.40	7,649,158
Utah.....	298	4,622.02	1,377,362	308	4,997.46	1,537,718
Vermont.....	148	3,716.18	549,995	141	3,794.70	535,053
Virginia.....	472	3,670.32	1,732,391	466	3,704.88	1,726,474
Virgin Islands.....	8	3,442.66	27,541	11	3,380.00	37,180
Washington.....	869	4,072.68	3,539,159	901	4,268.52	3,845,937
West Virginia.....	416	3,376.08	1,404,449	410	3,418.32	1,401,511
Wisconsin.....	692	4,096.80	2,833,757	658	4,154.16	2,733,437
Wyoming.....	129	4,238.40	544,634	130	4,240.80	550,456

¹ State figures shown for personnel equivalent and average annual salary rate are reported on form ES-115. The average annual salary rate for all States is obtained in the Bureau by multiplying the personnel equivalent by the average annual salary rate as shown in the column entitled "Computed Amount" and dividing the total computed amount for all States by the total personnel equivalent.

REQUEST FOR RESTORATION

Mr. GOODWIN. Mr. Chairman, I would like to add one thing on this, if I may. That is to make a plea for restoration of the amount that was cut from the basic appropriation. They cut about \$8 million on the basic appropriation in the House plus what was cut on the contingency fund.

Involved in that are some improvements that we felt were drastically needed in the older-worker program and for some of these hard-to-place groups.

As Mr. Motley indicated a while ago, if we are going to do a successful job in those hard-to-place groups we have to put more time into it. In this \$8-million increase that we asked for this year we have the money that we hope to be able to put into the older-worker program and the handicapped program and the youth program, those three hard-to-place groups.

Senator PASTORE. Could I clear up a point here, Mr. Chairman.

Senator HILL. Surely. Go right ahead, Senator.

SITUATION IN NEW YORK

Senator PASTORE. Take again the situation that you have in New York. Let us assume that New York, as it already has done, has raised the classification of its employees, and they may not choose to lay off people. In other words, they would either have to raise the force and lay off, or they would have to come back to you and ask for more money.

Without the contingency fund would you have any authority to give them more money?

Mr. GOODWIN. We would not have any more money probably because we would have allocated it all at the beginning of the year.

Senator PASTORE. Based upon the needs of the previous year?

Mr. GOODWIN. Yes; plus what we could foresee in the new year.

Senator PASTORE. You met with a new situation because this was something brand new that you did not know about at the time you sent in your estimate. Is that it? And you were relying on your contingency fund to meet this anticipated contingency?

Mr. GOODWIN. Yes.

Senator PASTORE. Without the contingency fund you could not possibly meet that situation?

Mr. GOODWIN. No; we could not.

Senator PASTORE. Then you would have to come back with the supplemental request?

Mr. GOODWIN. That is right.

Senator HILL. And I might point out that oftentimes there is much delay with supplemental appropriations.

Mr. GOODWIN. That is right.

Senator HILL. It is a supplemental or deficiency appropriation.

Mr. KEENAN. And during that period of delay, while the supplemental is going through, the State finds itself in the middle. They have to meet the salary increase, and yet they have to keep up their other work. They do not know whether they are going to get the supplemental, and, hence, do not know whether or not to keep the people on the payroll and then go ahead and pay them. It is a gamble.

Senator PASTORE. Let us assume they did pay it out of their own funds and then sent the bill for that to you, as was suggested before. If the Congress did not pass this appropriation bill they would be stuck with the bill for it, would they not?

Mr. GOODWIN. Yes; and they would have a hard time getting it through the State legislature, too.

EFFECTIVENESS OF CONTINGENCY FUND

Senator PASTORE. In other words, this contingency fund business has become a habit of the administration since 1950, has it not?

Mr. GOODWIN. That is right; and it has done more than any other single thing to regularize this program and remove some of the inefficient things that happened before.

Senator HILL. You mean it has done more to keep it stable in its operation?

Mr. GOODWIN. That is right. This business of having to suddenly drop a lot of people and then rehire them when you get the money on July 1 is an extremely wasteful thing.

Senator PASTORE. If you did not have the contingency fund you would have to come in and ask for a larger sum in your regular program in anticipation of contingencies. Is that correct?

Mr. GOODWIN. Yes; that is exactly right. We could handle it that way, but it would mean more money.

Senator HILL. I believe Mr. Dodson has something to say on this.

DEFICIT SPENDING NOT PERMITTED

Mr. DODSON. Mr. Chairman, I just want to add that there are several States where the State treasurers will not permit deficit spending. The laws of the State will not permit deficit spending in some States. So if this contingency fund is not available, there is no way in which these increased salaries could be paid without layoffs or curtailment in necessary work.

CONTINGENCY FUND SURPLUS

Senator PASTORE. How much of a surplus did you end up with in this administration fund in 1957, or do you expect to end up with in this whole administration business where you would not have the money appropriated to you? Did you spend it all?

Mr. KEENAN. It is impossible to tell, because we have not reached the end of the fiscal year.

Senator PASTORE. Let us take 1956.

Mr. KEENAN. In 1956 we had quite a bit of money left. As I recall the figure, we returned \$18.7 million from the contingency fund.

Mr. DODSON. The 1956 appropriation was \$250 million, of which \$20 million was available only as a contingency fund, leaving \$230 million as a base appropriation. All of the base appropriation was used, but \$18.7 million of the contingent fund was unused.

Mr. KEENAN. That is correct. We don't believe there will be any funds left from the base appropriation.

The contingency fund this year is \$12 million, and our best estimate as of this time is that we will use approximately \$7 million of it. It depends on how many more salary increases and law changes are passed by the State legislatures that are still in session.

OBLIGATIONS CHARGEABLE TO CONTINGENCY FUND

Mr. GOODWIN. I think you gentlemen will understand that there are three things for which the contingency can be used, and those are, first, if salaries are increased through a legislative act; secondly, if there is an increase in the benefit workload not anticipated in our presentation to the Congress; and thirdly, if there has been new legislation that we did not anticipate. If any of those three things happen, we can use contingency money for it; if they do not happen, we cannot use that money.

Senator THYE. Have you budgeted all the contingency funds that you have been allocated in other years?

Mr. GOODWIN. No. Last year, for instance, as Mr. Keenan indicated, only a small part of it was used. Economic conditions were as good or better than we anticipated when we were before the Congress, so that some of these additional costs that came along, like increase in salaries, the States were able to absorb out of the regular appropriation. So we ended up by using only about \$1.3 million of the contingency fund.

Mr. KEENAN. The unemployment insurance workloads were a little less than we anticipated. So they did not have to dip into the contingency fund to pay for a sudden increase in unemployment insurance workload, which is the other main purpose of the contingency fund.

ADMINISTRATIVE FINANCING

Senator HILL. Before we proceed further, gentlemen, I have here a table which is a summary of the financial transactions under this employment security program, particularly the administrative financing of the act. It might be a good idea to put this into the record at this point since it gives a pretty good picture of this financing.

Mr. GOODWIN. This table has to do with the Reed Act money. Is that right?

Senator HILL. That is correct.

(The material referred to follows:)

Summary of financial transactions under the Employment Security Administrative Financing Act of 1954

	Actual, fiscal year 1954	Actual, fiscal year 1955	Actual, fiscal year 1956	Estimate, fiscal year 1957	Estimate, fiscal year 1958
1. Federal unemployment tax collections:					
(a) Gross collections (covered into Treasury)	\$275,279,278	\$287,025,881.21	\$324,023,606.58	\$313,500,000	\$323,500,000
(b) Less refunds for overpayment	2,329,282	2,246,752.00	2,293,787.00	2,500,000	2,500,000
(c) Net collections	272,949,996	284,779,129.21	321,727,819.58	311,000,000	321,000,000
2. Employment security administrative expenditures:					
(a) Department of Labor:					
(i) Grants to States	202,091,440	191,293,247.00	223,438,000.00	238,358,000	257,000,000
(ii) Federal	4,944,775	5,000,984.00	5,416,000.00	5,528,000	6,382,000
Labor Department total	207,036,215	196,294,231.00	238,854,000.00	243,886,000	263,382,000
(b) Treasury Department:					
(i) Treasurer, United States	200	200.00	150.00		
(ii) Bureau of Accounts	12,192	15,925.25	19,176.44		
(iii) Internal Revenue Service	1,613,382	1,691,576.00	1,823,099.00		
(iv) Bureau of Public Debt	500	500.00	500.00		
Treasury Department total	1,626,274	1,708,201.25	1,842,925.44	12,000,000	13,000,000
Total employment security administrative expenditures	208,662,489	198,002,432.25	240,696,925.44	245,886,000	266,382,000
3. Excess of collections over expenditures	64,287,507	86,776,696.96	81,030,894.14	65,114,000	54,618,000
4. Distribution of excess (in unemployment insurance trust fund):					
(a) Amount credited to Federal account	64,287,507	86,776,696.96	47,644,825.85	None	None
(b) Amount credited to State accounts	None	None	33,386,068.29	65,114,000	54,618,000
5. Federal account in unemployment insurance trust fund:					
(a) Balance at beginning of year		64,287,507.00	148,840,086.75	200,000,000	205,870,000
(b) Excess credited (line 4 (a) above)		86,776,696.96	47,644,825.85	None	None
(c) Interest earned		775,882.79	3,515,087.40	5,500,000	6,000,000
(d) Advances to States repaid				2,630,000	(2)
(e) Advances made to States		3,000,000.00		2,630,000	211,870,000
(f) Balance at end of year	64,287,507	148,840,086.75	200,000,000.00	205,870,000	211,870,000
6. Advances outstanding at end of year		3,000,000.00	3,000,000.00	2,630,000	2,630,000

1 Estimate Treasury Department expenditures.

2 Assuming no advance in fiscal year 1958.

TABLE 3.—Amounts credited to States' accounts in the unemployment trust fund on July 1, 1956, under the Employment Security Administrative Financing Act of 1954

State	Amount	Percent of total ¹	State	Amount	Percent of total ¹
United States.....	\$33,386,068.29	100.00	Missouri.....	769,168.11	2.30
Alabama.....	364,026.48	1.09	Montana.....	99,923.61	.30
Alaska.....	43,357.81	.13	Nebraska.....	162,324.05	.49
Arizona.....	151,077.02	.45	Nevada.....	75,709.52	.23
Arkansas.....	176,404.66	.53	New Hampshire.....	118,176.33	.35
California.....	3,207,443.47	9.61	New Jersey.....	1,380,855.29	4.14
Colorado.....	230,170.55	.69	New Mexico.....	109,598.80	.33
Connecticut.....	657,912.25	1.97	New York.....	4,245,365.83	12.72
Delaware.....	119,597.62	.36	North Carolina.....	595,981.50	1.79
District of Columbia.....	186,148.45	.56	North Dakota.....	43,754.03	.13
Florida.....	491,141.16	1.47	Ohio.....	2,341,373.14	7.01
Georgia.....	504,080.10	1.51	Oklahoma.....	291,322.29	.87
Hawaii.....	81,950.00	.25	Oregon.....	321,686.65	.96
Idaho.....	87,660.17	.26	Pennsylvania.....	2,676,186.39	8.02
Illinois.....	2,387,166.98	7.15	Rhode Island.....	193,821.46	.58
Indiana.....	974,514.45	2.92	South Carolina.....	255,959.30	.86
Iowa.....	332,260.83	1.00	South Dakota.....	47,648.23	.14
Kansas.....	289,151.30	.87	Tennessee.....	466,573.14	1.40
Kentucky.....	369,860.95	1.11	Texas.....	1,293,707.30	3.88
Louisiana.....	428,287.60	1.28	Utah.....	132,398.62	.40
Maine.....	152,710.36	.46	Vermont.....	54,616.62	.16
Maryland.....	555,379.63	1.66	Virginia.....	477,625.19	1.43
Massachusetts.....	1,257,308.65	3.77	Washington.....	545,366.06	1.63
Michigan.....	1,847,619.95	5.53	West Virginia.....	500,345.01	.90
Minnesota.....	533,138.23	1.60	Wisconsin.....	722,840.53	2.17
Mississippi.....	153,907.46	.46	Wyoming.....	51,323.10	.15

¹ These percentages have been rounded to 2 decimal places. In the actual determination of the amounts credited to States' accounts, the percentages, expressed as decimals, were computed to 12 digits. Consequently, the percentages shown in this column will not produce the exact dollar amount credited and the sum of the percentages will not add exactly to the total.

UNEMPLOYMENT COMPENSATION FOR VETERANS

APPROPRIATION ESTIMATE

"Unemployment compensation for veterans: For payments to unemployed veterans as authorized by title IV of the Veterans' Readjustment Assistance Act of 1952. [\$70,000,000]. \$42,000,000.

"Unemployment compensation for veterans, next succeeding fiscal year: For making, after May 31 of the current fiscal year, payments to States, as authorized by title IV of the Veterans' Readjustment Assistance Act of 1952, such sums as may be necessary to pay benefits for the first quarter of the next succeeding fiscal year, and the obligations and expenditures thereunder shall be charged to the appropriation therefor for that fiscal year."

Obligations by activities

Unemployment compensation:

1957 adjusted base.....	\$70,000,000
1958 estimate.....	42,000,000
1958 House allowance.....	36,800,000

Obligations by objects

11. Grants, subsidies, and contributions:

1957 adjusted base.....	\$70,000,000
1958 estimate.....	42,000,000
1958 House allowance.....	36,800,000

EFFECT OF HOUSE ACTION

The House reduced the appropriation request by \$5.2 million, from \$42 to \$36.8 million. A \$1.2 million reduction was made in the funds required for benefit payments and the \$4 million contingency fund was completely eliminated.

Number of benefit payments

The amount approved by the House will permit an average of about 30,800 weekly benefit payments as compared with an average of 31,700 per week in the estimate. In the first 8 months of 1957 there was an average of 45,300 weekly benefit payments and in 1956 an average of about 61,300.

Contingency fund

The purpose of the \$4 million contingency fund is to save the administrative cost of processing a request for a supplemental appropriation. As the House report states, "the basic legislation guarantees payments to all eligible veterans, and if the amount in the appropriation is not sufficient, additional funds will have to be made available in a supplemental appropriation." If such a supplemental appropriation becomes necessary as a result of the elimination of the contingency fund, the effect of the House action will be to increase administrative costs without any saving in the cost of benefits.

Summary of changes

1957 actual appropriation.....	\$70,000,000
1958 appropriation request.....	42,000,000
Net change requested.....	—28,000,000

	Estimate, 1958	House allowance
For program items: For about 15,300 fewer benefit payments per week to Korean veterans because a smaller number of the ex-servicemen separated from the Armed Forces are eligible under the program.....	—\$28,000,000	—\$29,200,000

TOTAL REQUEST

Senator HILL. All right, Mr. Goodwin, you may proceed.

Mr. GOODWIN. The next one, Mr. Chairman, is the request for payment of unemployment compensation to Korean veterans.

In this program we are requesting \$42 million, which is \$28 million less than what was appropriated in 1957.

The amount of benefits in this program has been declining since 1955 because there has been some reduction in separations from the Armed Forces; also because the President's proclamation of January 1, 1955, terminated the benefit rights of individuals who entered the Armed Forces after January 31, 1955; and also because only a small percentage of veterans being discharged are filing claims due to the high level of economic activity.

HOUSE REDUCTION

The House reduced the request from \$42 million to \$36,800,000 based on the trend of payments in the last few months.

While, as I have noted, the general trend in relation to the previous year is downward, in recent months there has been some reversal of this trend. As the House committee pointed out, these payments are required by law, and if too much is appropriated the funds revert to the Treasury.

All things considered, we think the full amount should be appropriated to make sure that the payments are made when due, and to avoid the possibility of a supplemental request.

That is all I have to say on that unless you have some questions. Mr. Chairman.

RECORD OF BENEFIT PAYMENTS

Senator HILL. I have before me a table supplied the subcommittee showing the record of benefit payments for fiscal year 1956, and for the first 8 months of the current fiscal year. Through February 1957, the total benefits paid in the fiscal year amounted to \$36,195,021, for an average of \$4,524,377 a month, which projected for 12 months indicates total benefits of \$54,292,524.

(The table referred to follows:)

Veterans' unemployment compensation—Estimated national totals of initial claims, weeks covered by continued claims, and amount of compensation by months comparison, fiscal years 1956 and 1957 (corrected to Mar. 21, 1957)

	Total initial claims ¹		Weeks covered by continued claims ¹		Amount of compensation ²		
	1956	1957	1956	1957	1956	Cumulative percent of fiscal year 1956 expenditures	1957
July.....	43,938	38,626	305,992	235,555	\$6,707,744	9.6	\$4,907,203
August.....	47,984	36,965	340,145	251,265	7,676,696	20.5	5,639,223
September.....	30,493	23,445	267,827	194,981	6,499,077	29.8	4,420,783
Total 1st quarter.....	122,415	99,036	913,964	681,751	20,883,517		14,967,209
October.....	27,215	24,890	186,753	150,504	4,185,368		3,230,534
November.....	36,491	29,904	198,685	152,667	4,082,691	35.8	3,137,844
December.....	43,395	32,643	244,304	187,037	5,164,507	41.6	3,800,758
Total 2d quarter.....	107,101	87,437	629,742	490,208	13,432,566	49.0	10,169,136
Total 1st 6 months.....	229,516	186,473	1,543,706	1,171,959	34,316,083		25,136,345
January.....	51,685	45,627	317,377	275,643	6,697,857	58.5	5,545,564
February.....	40,596	32,532	332,589	269,021	6,984,310	68.5	5,513,112
March.....	34,151		321,800		7,270,812	78.8	
Total 3d quarter.....	126,432		971,766		20,952,979		
April.....	28,324		265,547		5,678,666		
May.....	27,992		216,802		4,697,941	86.9	
June.....	37,580		202,838		4,450,440	93.7	
Total 4th quarter.....	93,896		685,187		14,827,047	100.0	
Total 2d 6 months.....	220,328		1,656,953		35,780,026		
Total 12 months.....	449,844		3,200,659		70,096,109	100.0	

¹ Taken from Employment Service 209 Report.

² Data to compute UCV only and UCV supplemental payments are no longer reported by the States.

POSSIBILITY OF SUPPLEMENTAL REQUEST

Senator HILL. Are there any questions?

Senator THYE. Yes, Mr. Chairman.

What would happen if you did not get the \$42 million?

Mr. GOODWIN. There is a chance that the smaller appropriation would meet the need. If it did not meet the need we would have to come back for a supplemental because we have no control over the amount of the payments.

The payments are made according to law. If the veterans meet the requirements of eligibility, they have to be paid.

Senator THYE. If you received the full amount would there be a budgeting quarterly within that year to use up the full amount of the \$42 million?

Mr. GOODWIN. We have to apportion it, but it would be actually transmitted to the States on the basis of the need that developed in the States.

Senator THYE. But would there be a tendency or a possibility of setting up an administrative function that would absorb all of the funds?

That is the immediate question.

Mr. GOODWIN. This is all benefit money, Senator.

Senator HILL. These are not administrative costs at all, as I understand it.

Mr. GOODWIN. These are not administrative costs. These are benefit moneys for veterans. The Government pays the total cost of the benefit for this veterans' program. That is what I meant a minute ago when I mentioned the eligibility.

BASIS OF HOUSE REDUCTION

Senator THYE. How does the House justify a reduction from the \$42 million to the \$36,800,000?

Mr. GOODWIN. They took a look at the recent experience, and felt that our estimate was more than we required.

Senator THYE. That is what I was trying to get at, you see. If the \$42 million was made available and you received it, would there be a budgeting for the year's operation in accordance with that amount of money so that at the end of the year it would be exhausted? Or, if you got the amount that the House allowed, would there be some possibility of an economy because you have set up your quarterly budgeting on lesser amounts?

Mr. GOODWIN. No. The ultimate costs for fiscal 1958 will not be changed at all by the amount that is appropriated at this time.

Senator PASTORE. I suppose that, of all the cuts in this budget, you are least disturbed over this one.

Mr. GOODWIN. Yes.

Senator PASTORE. If the veteran is there you pay him, and if the money is not there you come back to Congress and they have to give it to you. You are not worried about this one.

Senator HILL. The veteran has a statutory right to this money. He knows he is going to get this money, of course, as the Senator from Rhode Island suggests.

Mr. GOODWIN. Senator, that is exactly right.

Senator PASTORE. I might remark here that this is one place to make the budget cut look good.

PREPARED STATEMENT

Mr. GOODWIN. Before we proceed to the next one, Mr. Chairman, I have here a prepared statement covering generally the request for the unemployment-compensation-for-veterans program.

Senator HILL. Very well. That will appear in the record in full. (The statement referred to follows:)

STATEMENT OF ROBERT C. GOODWIN, DIRECTOR, BUREAU OF EMPLOYMENT SECURITY, ON THE 1958 REQUEST FOR UNEMPLOYMENT COMPENSATION FOR VETERANS, BUREAU OF EMPLOYMENT SECURITY

Mr. Chairman, the request for the unemployment compensation for veterans program is for \$42 million and is \$28 million less than the \$70 million appropriated for 1957. The volume of benefits being paid by the States in this program has been dropping since 1955 when almost \$107 million was paid out. This reduction in the volume of payments has been due to two major reasons. First, the employment experience of these Korean veterans has been good as the high level of economic activity reached new peaks. Secondly, there has been some drop in the number of the more recently discharged veterans from whom come the greater number of claims. As a consequence, it is now estimated that not more than \$60 million of the \$70 million appropriated for 1957 will be needed, short of a substantial change in the economy.

For 1958, we are expecting a reduction in the amount which will be needed for benefit payments. Our experience to date with this program indicates that, of the claims in the file at any one time, 72 percent were filed by veterans who had been discharged within the past 12 months, 14 percent by those discharged during the 12 to 24 months preceding the filing of the claim, 7 percent by those discharged during 24 to 36 months preceding the filing of the claim, and 7 percent by those who had been discharged for a longer period. Therefore, in estimating the volume of benefit payments, consideration must be given to the number of veterans discharged in the 3-year period affecting claims filed in the budget year. It is estimated that there will be about 25 percent fewer discharged in the 3-year period applicable to 1958 than that applicable to 1956.

Equally important to the estimating of the volume of benefits to be paid out in 1958 is the effect of the President's proclamation making those discharged without service before February 1, 1955, ineligible to receive benefits. For both of these reasons it is estimated that 45 percent fewer veterans will file claims in 1958 than did in 1956 which is the last complete fiscal year for which we have experience.

If 45 percent fewer veterans file claims in 1958 than did in 1956 when State expenditures were \$70,096,109 we would need about \$38 million. However, this would provide for paying a weekly average of about 31,700 out of more than 5 million Korean veterans so that only a small shift from our 1956 experience would require benefits in excess of \$38 million. We have therefore, requested a contingency amount of \$4 million so that if our experience varies slightly from our estimates, a supplemental appropriation will not be required.

UNEMPLOYMENT COMPENSATION FOR FEDERAL EMPLOYEES

APPROPRIATION ESTIMATE

"Unemployment compensation for Federal employees: For payments to unemployed Federal employees, either directly or through payments to States, as authorized by title XV of the Social Security Act, as amended, [\$25,000,000] \$32,000,000, to remain available until expended.

"Unemployment compensation for Federal employees, next succeeding fiscal year: For making, after May 31 of the current fiscal year, payments to States, as authorized by title XV of the Social Security Act, as amended, such amounts as may be required for payment to unemployed Federal employees for the first quarter of the next succeeding fiscal year, and the obligations and expenditures thereunder shall be charged to the appropriation therefor for that fiscal year."

Amounts available for obligations

	1957 adjusted base	1958 estimate
Appropriation or estimate.....	\$25,000,000	\$32,000,000
Unobligated balance brought forward.....	3,217,552	0
Total.....	28,217,552	32,000,000

Obligations by activities

Unemployment compensation payments:

1957 adjusted base.....	\$28,217,552
1958 estimate.....	32,000,000
1958 House allowance.....	25,000,000

Obligations by objects

11. Grants, subsidies, and contributions:

1957 adjusted base.....	\$28,217,552
1958 estimate.....	32,000,000
1958 House allowance.....	25,000,000

EFFECT OF HOUSE ACTION

The House reduced the appropriation request by \$7 million, from \$32 to \$25 million. A \$4 million reduction was made in the funds required for benefit payments, and the \$3 million contingency fund was completely eliminated.

Number of benefit payments

The amount approved by the House will permit an average of about 16,800 weekly benefit payments. This compares with an average of approximately 17,500 weekly benefit payments made in the first 8 months of 1957 and about 22,200 made in 1956. There is no reason to assume that the volume of benefit payments in 1958 will fall below the 1957 level. If, in making the 1958 appropriations, Congress provides for fewer Federal jobs than in 1957 it is likely that the claims load in this program will increase. The rate of insured unemployment in this program has been running at less than 1 percent and is only one-fourth of the rate of unemployment in the civilian labor force generally. Only a slight change in this rate could cause a significant increase in the volume of benefit payments.

Average weekly benefit amount

The House made no change in this estimate. The increase of \$800,000 for this purpose is based on increases in benefit amounts brought about by changes in State unemployment insurance laws. This increase is more than offset by the reduction which the House made in the amount for the average number of weekly benefit payments.

Contingency fund

The purpose of the \$3 million contingency fund is to save the administrative cost of processing a request for a supplemental appropriation. The basic legislation guarantees payments to all eligible unemployed Federal workers, and if the amount in the appropriation is not sufficient, additional funds will have to be made available in a supplemental appropriation. If such a supplemental appropriation becomes necessary as a result of the elimination of the contingency fund, the effect of the House action will be to increase administrative costs without any saving in the cost of benefits.

Appropriation language

The House eliminated language which was in the appropriation acts for the last 2 years and permits funds to "remain available until expended." The ability to use funds left over from the previous year eliminates the need to reappropriate such funds, and may save the administrative cost of processing a supplemental appropriation. Such a saving was made possible in 1957. Funds left over from 1956 will be used for benefit payments in 1957. If they were not available it would have been necessary to process a request for a supplemental appropriation.

Summary of changes

1957 actual appropriation.....	\$25,000,000
1956 unobligated balance available in 1957.....	3,217,552
Funds available in 1957.....	28,217,552
1958 appropriation request.....	32,000,000
Net change requested.....	+3,782,448

	Estimate, 1958	House allow- ance
For program items:		
For higher average weekly benefit payments resulting from changes in State unemployment compensation laws.....	\$782,448	None
For a contingency fund for unforeseen increases in benefit payments.....	3,000,000	None
Total.....	3,782,448	None
Reduction from funds available in 1957.....	None	-\$3,217,552
Grand total.....	3,782,448	-3,217,552

PREPARED STATEMENT

Mr. GOODWIN. Next we have the item of unemployment compensation for Federal employees, Mr. Chairman.

And we have prepared a statement on this also.

Senator HILL. You can present your prepared statement for inclusion in the record, and then proceed in your own way.

(The statement referred to follows:)

STATEMENT OF ROBERT C. GOODWIN, DIRECTOR, BUREAU OF EMPLOYMENT SECURITY,
DEPARTMENT OF LABOR ON 1958 REQUEST FOR UNEMPLOYMENT COMPENSATION
FOR FEDERAL EMPLOYEES, BUREAU OF EMPLOYMENT SECURITY

Mr. Chairman, the request for the unemployment compensation for Federal employees program for 1958 is \$32 million and is about \$3,800,000 more than estimated State expenditures in 1957.

In 1956 State expenditures were about \$30,300,000. Expenditures in the July-November period were below those of the same period of fiscal year 1956. Therefore, we now believe that the \$25 million appropriated for 1957 and the \$3,217,552 carried over from 1956 will be adequate for 1957.

We expect that the number of benefit payments in 1958 will be about the same as in 1957, however, the average benefit payment is expected to be slightly higher as the States increase maximum benefit rates. The average payment supplementing a State unemployment insurance payment is expected to be \$9.50 as compared with our 1956 experience of \$8.79. Similarly, the average payment for unemployment where the individual has no State wage credits is expected to rise from \$27.44 to \$30. The increase due to higher State benefit maximums is estimated at \$800,000.

As in the unemployment compensation for veterans program we have requested a contingency fund. In addition, to our basic estimate of \$29 million the request includes \$3 million so that we will not have to submit a supplemental appropriation if our estimates are off slightly.

The volume of claims in this program has been very small. The rate of insured unemployment has been running at less than 1 percent and is only one-fourth of the rate of unemployment in the civilian labor force generally.

STATEMENT OF ROBERT C. GOODWIN, DIRECTOR, BUREAU OF EMPLOYMENT SECURITY,
DEPARTMENT OF LABOR, ON 1958 REQUEST FOR UNEMPLOYMENT COMPENSATION
FOR FEDERAL EMPLOYEES

For unemployment compensation for Federal employees in 1958 we are requesting \$32 million, which is an increase of \$3.8 million above estimated State

expenditures in 1957. In 1957 we had available \$3.2 million carried over from the 1956 appropriation, in addition to the \$25 million appropriated for 1957.

We do not expect any change in the number of benefit payments between 1957 and 1958. The increase of \$3.8 million is due to (1) the estimated increase in the average State benefit payment and (2) to the establishment of a contingency amount to avoid a supplemental appropriation if our estimates are a little too low. The cost of the increase in the average State benefit payment is estimated at \$800,000 and the contingency amount included in the request is \$3 million.

The House reduced the request from \$32 million to \$25 million, "based on the trend of payments during the last few months, which have been slightly lower than the comparable period last year." In the first 8 months of 1957 payments have been about 14 percent less than in the same period of 1956 and if the trend continues, the States would pay out about \$26,100,000. However, the estimate for 1958 is based on paying benefits only to about 19,500 people per week out of the 2,400,000 Federal employees. Therefore, only a slight change in the percentage of unemployed Federal workers filing claims could cause a significant increase in the amount of benefits paid.

If in making the 1958 appropriations Congress provides for less jobs than in 1957, it is likely that the unemployment compensation for Federal employees' claims load will increase. Therefore, we believe that the full \$32 million should be appropriated.

INCREASE IN BUDGET REQUEST

Mr. GOODWIN. I might say at the outset that this program is exactly the same as the one we have just talked about, in terms of its being for benefits and in terms of our having no control over the ultimate amount of money that would be needed for this program.

For this program we are requesting \$31 million, which is an increase of \$3,800,000 above the estimated expenditures for 1957. In 1957 we had available \$3,200,000 carried over from the 1956 appropriation in addition to the \$25 million appropriated for 1957.

We do not expect any change in the number of benefit payments between 1957 and 1958.

The increase of \$3.8 million is due to, first, the estimated increase in the average State benefit payment, and, secondly, to the establishment of a contingency amount to avoid a supplemental appropriation if our estimates are a little too low.

The cost of the increase in the average State benefit payment is estimated at \$800,000, and the contingency amount included in the request is \$3 million.

TREND OF PAYMENTS

The House reduced the request from \$32 million to \$25 million, based on the trend of payments during the last few months which have been slightly lower than the comparable period last year.

Senator HILL. I have been handed a table furnished the subcommittee at its request showing the record of monthly payments in fiscal year 1956, and for fiscal year 1957 through February. For the first 8 months of the current fiscal year the benefits paid amounted to \$16,210,907, an average of \$2,026,363 per month, which projected for 12 months indicates the annual cost to be \$24,316,356 for fiscal year 1957.

(The table referred to follows:)

UNEMPLOYMENT COMPENSATION FOR FEDERAL EMPLOYEES

Estimated national totals, initial claims, weeks covered by continued claims and amount of compensation by months comparison fiscal years 1956 and 1957 (corrected to Mar. 21, 1957)

	Total initial claims		Weeks covered by continued claims		Amount of compensation ¹		
	1956	1957	1956	1957	1956	Cumulative percentage of fiscal year 1956 expended	1957
July.....	12,096	13,111	99,418	81,584	\$2,208,998	7.3	\$1,947,628
August.....	10,378	9,271	100,699	82,924	2,463,919	15.4	2,127,822
September.....	8,621	7,378	83,856	66,738	2,078,588	22.3	1,727,564
Total 1st quarter...	31,095	29,760	283,973	231,246	6,751,505		5,803,014
October.....	10,940	10,032	77,654	71,333	1,819,133	28.3	1,756,070
November.....	12,291	11,019	87,186	74,459	1,998,868	34.9	1,793,058
December.....	12,890	10,630	98,918	78,235	2,330,369	42.6	1,852,994
Total 2d quarter...	36,121	31,681	263,758	224,027	6,148,370		5,402,122
Total 1st 6 months...	67,216	61,441	547,731	455,273	12,899,875		11,205,136
January.....	19,861	17,890	123,797	109,111	2,832,763	52.0	2,557,624
February.....	13,256	11,698	132,346	105,599	3,085,603	62.1	2,448,147
March.....	10,357		132,784		3,546,321	73.9	
Total 3d quarter...	43,474		388,927		9,464,687		
April.....	11,297		114,997		2,914,217	83.5	
May.....	9,573		101,367		2,718,595	92.5	
June.....	8,854		80,622		2,282,718	100.0	
Total 4th quarter...	29,724		296,966		7,915,530		
Total 2d 6 months...	73,198		685,913		17,380,217		
Total 12 months...	140,414		1,233,644		30,280,092	100.0	

¹ Total State expenditures, (net figures) taken from ES-191 report.

EFFECT OF TREND ON PAYMENTS

Senator HILL. In other words, if that trend continues this year, you will not need as much money for next fiscal year as you had this fiscal year; is that correct?

Mr. GOODWIN. If the trend continues in the next year, that is right, sir, yes.

In the first 8 months of 1957, payments have been about 14 percent less than in the same period of 1956, and if it continues, the States will pay out about \$26,100,000.

However, the estimate for 1958 is based on paying benefits only to about 19,500 people per week out of the 2,400,000 Federal employees. Therefore, only a slight change in the percentage of unemployed Federal workers filing claims could cause a significant increase in the amount of benefits.

The only thing that worries us about this one, gentlemen, is that if there is a sharp increase in the number of Federal workers unemployed as a result of widespread budget cuts, we may not have enough money to get through until January, when we could come in on a supplemental.

Senator PASTORE. This is the paradox of the case.

Senator HILL. This is the end of the string.

Mr. KEENAN. If the 69 people that we would have to lay off all the drew full benefits allowed them this amount would have to be increased by \$54,000 just to take care of our 69 people.

Mr. GOODWIN. That is all we had on that one.

MEXICAN FARM LABOR PROGRAM

APPROPRIATION ESTIMATE

"Salaries and expenses, Mexican farm labor program: For expenses, not otherwise provided for, necessary to carry out the functions of the Department of Labor under the Act of July 12, 1951 [(Public Law 78)] (65 Stat. 119), as amended, including temporary employment of persons without regard to the civil service laws, [\$2,125,000] \$2,683,000."

Amounts available for obligation

	1957 adjusted base	1958 estimate
Appropriation or estimate.....	\$2, 125, 000	\$2, 677, 000
Comparative transfer to Office of Secretary.....	— 15, 800	-----
Comparative transfer to Office of Solicitor.....	— 27, 500	-----
Comparative transfer from Office of Secretary.....	+15, 700	-----
Total available for obligation.....	2, 097, 400	2, 677, 000

Obligations by activities

Description	1957 adjusted base		1958 estimate		House allowance	
	Positions	Amount	Positions	Amount	Positions	Amount
1. Determining Mexican labor requirements.....	8	\$48, 600	9	\$58, 900	8	\$51, 400
2. Supplying Mexican labor requirements.....	201	1, 237, 400	226	1, 526, 400	201	1, 314, 700
3. Determining compliance with contract provisions.....	59	388, 400	87	631, 500	59	426, 200
4. Farm labor analysis.....	4	23, 800	4	25, 200	4	25, 200
5. Management and administrative services.....	38	215, 900	41	242, 200	38	226, 800
6. Field direction.....	22	183, 300	22	192, 800	22	191, 900
Total obligations.....	332	2, 097, 400	389	2, 677, 000	332	2, 236, 200

EFFECT OF HOUSE ACTION

Activity 1. Determining Mexican labor requirements

Decreases.—House action will eliminate the 1 additional position requested and \$7,500.

The elimination of 1 position and \$7,500 will make it impossible to review the 25 more area ceiling requests and the 50 more farm labor supply and demand reports that will be required as the result of the 62,000 more Mexican nationals that will be needed to protect the American farmer from crop losses; the Bureau will not be able to give State agencies requested technical assistance in the preparation of labor supply-demand reports; we will not be able to develop improved techniques for validating shortages of domestic workers; the amendments to Public Law 78 (August 9, 1955) requiring the interviewing of farm employers and workers regarding future domestic labor supply and demand increased the Bureau's workload without an increase in personnel; the Bureau will not be able to revise the agricultural reporting area directory used for setting Mexican worker ceilings; and we will not be able to carry out the study of past and future factors influencing the number of Mexican nationals needed in an area.

Increases.—The increase of \$2,800 will provide for the mandatory cost of contributions to the civil-service retirement fund.

Activity 2. Supplying Mexican labor requirements

Decreases.—House action will eliminate 25 additional full-time positions, 7.9 man-years of temporary employment and \$211,700 requested for 1958.

The 25 foreign labor service representative positions and \$188,000 in the regional offices were requested to carry out our responsibilities under the international agreement with Mexico and the work contract. The Bureau will only be able to make 6,800 of the minimum of 10,000 housing and facilities inspections that should be made each year. More than 23,000 units will not be inspected at all. Some of the housing and facilities furnished Mexican workers does not meet minimum decent standards; for example, of 3,237 units checked during the first 3 months of calendar year 1957, 50 housing units had only dirt floors, 36 had no beds, 1,703 lacked sufficient toilets, and 97 were altogether unfit for human habitation at the time of inspection. Prompt action is absolutely necessary to protect the health and safety of both the workers and the community where the workers are employed.

We will not be able to make the contacts with employers and workers that should be made to explain and interpret the terms of the international agreement, the work contract, and the law, to reduce and eliminate causes for complaint.

The elimination of 8.4 man-years of temporary employment and \$22,600 will seriously curtail the Bureau's ability to contract the additional 62,000 Mexican farm workers through the reception centers and the migratory stations in Mexico and may cause costly delays in getting workers for growers.

Increases.—House action will provide 3.9 man-years of temporary employment and \$77,300.

The \$16,000 will provide for a reduction in lapse from 10.9 percent to about 4.2 percent on 1957 regional office positions.

\$13,800 will provide 3.9 of the 12.3 man-years of temporary employment at the reception centers and migratory stations needed to contract 62,000 additional Mexican agricultural workers.

\$47,700 will provide for the mandatory cost of contributions to the civil-service retirement fund.

Activity 3. Determining compliance with contract provisions

Decreases.—House action will eliminate the 28 additional positions requested and \$205,300.

The elimination of 24 regional office positions and \$181,850 will make it impossible to accomplish contract extensions, terminations, and recontracting at the site of employment; it will also make it impossible to schedule investigations while work is being performed. The best time and most economical way to handle grievances and complaints is at the site of employment while all parties are present and all records are available. That is, while contracts are being extended or terminated, or while workers are being recontracted to other employers. The cost of settling complaints is greatly increased and much prolonged when the complainant has to be dealt with after his return to Mexico or when working at some other location.

The Mexican Government has been persistent in requesting that complaints be investigated on a current basis. Delay in investigation of complaints has been a cause of irritation between the two Governments in the past.

The elimination of 4 positions in the headquarters and \$23,450 will sharply curtail our ability to assist State agencies in making wage determinations to cover areas dominated by Mexican nationals. Sixty-two thousand more Mexican nationals will be contracted and used in 20 additional crop-wage areas in 1958. It will make it impossible to analyze wage trends in 20 more crop-wage areas as a guide in making wage determinations; we will be unable to analyze the additional 100 wage reports from the 20 new crop-wage areas; we will be unable to prepare technical materials and conduct training sessions on wage survey procedures; and we will be unable to prepare the supplement to the crop-wage area directory. This reduction will severely limit the ability of the Secretary in making prevailing wage determinations and in discharging his obligation to prevent an adverse effect on domestic wage standards.

Increases.—\$19,200 will provide for a reduction in lapse from 10.9 percent to about 4.2 percent on 1957 regional office positions.

\$18,800 will provide for the mandatory cost of contributions to the civil-service retirement fund.

Activity 4. Farm-labor analysis

Increases.—The increase of \$1,400 will provide for the mandatory cost of contributions to the civil-service retirement fund.

Activity 5. Management and administrative services

Decreases.—House action will eliminate 3 positions and \$15,400.

The elimination of 3 positions and \$15,400 will make it impossible to prepare and disseminate forms, program materials, information leaflets for operation and regulation of the program and will eliminate the maintenance of necessary records of employers, workers, and foreign labor service representatives' activities. These positions are essential to keep abreast of the increased workloads in the reception centers, migratory stations, and regional offices and to maintain accounts on the 500 more individual employers and 20 more associations who will be contracting workers in 1958.

Increases.—The \$11,000 will provide for the mandatory cost of contributions to the civil-service retirement fund on 1957 positions.

Activity 6. Field direction

Increases.—The increase of \$8,600 will provide for the mandatory cost of contributions to the civil-service retirement fund.

Obligations by objects

	1957 adjusted base	1958 estimate	House allowance
SUMMARY OF PERSONAL SERVICES			
Total number of permanent positions.....	332	389	332
Full-time equivalent of all other positions.....	89	102	92
Average number of all employees.....	394	465	398
DIRECT OBLIGATIONS			
01 Personal services.....	\$1, 740, 800	\$2, 104, 900	\$1, 789, 800
02 Travel.....	209, 300	298, 600	209, 300
03 Transportation of things.....	7, 000	8, 500	7, 000
04 Communication services.....	57, 500	65, 600	57, 500
05 Rents and utility services.....	10, 600	13, 800	10, 600
06 Printing and reproduction.....	6, 800	8, 000	6, 800
07 Other contractual services.....	42, 100	41, 300	41, 300
08 Supplies and materials.....	10, 600	11, 600	10, 600
09 Equipment.....	8, 100	9, 200	8, 100
13 Grants, subsidies, and contributions: Contributions to retirement fund.....		110, 300	90, 300
15 Taxes and assessments.....	4, 600	5, 200	4, 900
Total direct obligations.....	2, 097, 400	2, 677, 000	2, 236, 200

Summary of changes

1957 actual appropriation.....	\$2, 125, 000
Transfers:	
To Office of the Secretary.....	—15, 800
To Office of the Solicitor.....	—27, 500
From Office of the Secretary for share of working capital fund....	+15, 700
Revised 1957 base.....	2, 097, 400
1958 appropriation request.....	2, 677, 000
Net change requested.....	+579, 600

Summary of changes—Continued

	Estimate, 1958		House allowance	
	Positions	Amount	Positions	Amount
For mandatory items:				
Retirement contribution on 1957 base of 332 positions.....	None	\$90,300	None	\$90,300
Increased cost of working capital fund.....	None	4,700	None	4,700
Subtotal.....	None	95,000	None	95,000
For program items:				
For determining need for 62,000 more workers and need for workers in 20 more areas.....	1	7,500	None	None
For contracting 62,000 more Mexican nationals.....	None	34,900	None	13,800
For a more intensive program of housing inspections, making wage determinations, investigating and settling complaints, and terminating and extending contracts at the site of employment.....	53	424,300	None	30,000
For management improvement.....	3	16,100	None	None
For improving field supervision.....	None	1,800	None	None
Subtotal.....	57	484,600	None	43,800
Grand total.....	57	579,600	None	133,800

Summary of new positions

Activity—Organizational unit	Grade	Number	Gross cost
1. Determining Mexican labor requirements: Office of Program Review and Analysis, farm labor analyst.....	GS-11.....	1	\$6,390
2. Supplying Mexican labor requirements, regional offices:			
Foreign labor service representative.....	GS-9.....	24	130,560
Clerk-stenographer.....	GS-4.....	1	3,415
		25	133,975
3. Determining compliance with contract provisions:			
Office of Program Review and Analysis:			
Farm labor analyst.....	GS-11.....	1	6,390
Clerk-stenographer.....	GS-4.....	1	3,415
Farm Placement Service:			
Administrative officer.....	GS-11.....	1	6,390
Clerk-stenographer.....	GS-4.....	1	3,415
Regional offices: Foreign labor service representative.....	GS-9.....	24	130,560
		28	150,170
5. Management and administrative services, Farm Placement Service:			
Agricultural employment specialist.....	GS-12.....	1	7,570
Clerk-typist.....	GS-4.....	2	6,830
		3	14,400
Total permanent.....		57	304,935
Deduct lapses.....		4.7	+15,393
Total net permanent.....		57.7	320,328
Positions other than permanent:			
Regional offices.....		1.0	2,400
Reception centers.....		9.4	28,900
Migratory stations.....		2.9	4,900
Total other than permanent.....		13.3	36,200
Extra daypay.....			7,072
Overtime pay.....			500
01 Personal services.....		71.0	364,100

PREPARED STATEMENT

Senator HILL. I believe your next item is the Mexican farm labor program, Mr. Goodwin.

Mr. GOODWIN. Yes; the last item we have is on the Mexican farm program. We have a statement on that also, which I am submitting for the record.

Senator HILL. Very well. That will appear in the record in full at this point, and you may proceed as you wish.

(The statement referred to follows:)

STATEMENT OF ROBERT C. GOODWIN, DIRECTOR, BUREAU OF EMPLOYMENT SECURITY,
DEPARTMENT OF LABOR, ON EFFECT OF HOUSE ACTION ON THE 1958 REQUEST FOR
MEXICAN FARM LABOR PROGRAM, BUREAU OF EMPLOYMENT SECURITY

For the administration of the Mexican program we are making an amended request of \$2,677,000. This is an increase of \$579,600. Of that amount, \$471,300 is requested for contracting 62,000 more workers than were provided for in our 1957 appropriation, and for better compliance with the terms of the international agreement, \$110,300 is for our contribution to the civil-service retirement fund and \$4,700 is for the working capital fund. The amended request reflects a decrease of \$6,700 for nonrecurring items of other contractual services.

The House approved \$2,236,200 of the \$2,677,000 requested. The increase of \$138,800 will provide for mandatory retirement and working capital fund contributions and \$13,800 for a small increase in temporary employment at the reception and migratory centers to contract 62,000 more workers. The reduction of \$440,800 eliminated all of the 49 new Foreign Labor Service representative positions, 8 headquarters positions, and \$21,100 additional needed for the 8.4 more man-years of temporary employment at the reception and migratory centers.

There were approximately 32,000 employers who contract through 368 different associations, and 12,500 individual employers, who used Mexican contract workers last year. These workers were used in 27 States. To make on-the-job assurances of compliance with the international agreement and assure protection of our own workers as required by the law, we had an average in 1957 of 1 Foreign Labor Service representative to 566 employers and 5,625 workers. With the 1958 request the ratio would be reduced so that 1 representative would serve 348 employers and 3,828 workers.

While many groups of employers have pledged their cooperation in observing the terms of the basic law and agreement, these same employers have stated they cannot take over the responsibilities of the Department of Labor in compliance.

Recent field trips I have made sharply emphasize our inability to fulfill our responsibilities in a satisfactory manner with our present staff. I refer particularly to our responsibilities with respect to housing of Mexican workers and assuring that they receive wages which do not undercut the wages of domestic workers.

With reference to our responsibility to assure Mexican workers suitable housing accommodations, we felt it necessary to make a major effort in this area of responsibility beginning early in January. A partial summary of inspection reports for the period January 1 to March 8 is of interest.

In the 3,237 housing units inspected 97 were found totally unfit for human habitation. Of the remaining 3,140 units, we found 30 without water fit to drink, 50 with dirt floors, 120 without provision for heating water for bathing or laundry, 386 where major building repairs were necessary, 36 units where no beds of any kind were being provided, 516 units without heat in the sleeping quarters, and a total deficiency of 1,703 toilet units.

I do not wish to leave the conclusion that all housing being provided under this program is bad. On the contrary, the above figures indicate that most of the units inspected were satisfactory, but there are enough cases where deficiencies were found to require continued emphasis on the housing inspection program. Later in the year when more braceros are in this country for planting and harvesting work our Foreign Labor Service representatives will be adjusting complaints, explaining to employees and workers their responsibilities under the program recontracting and terminating workers employment, and carrying out other duties in connection with the program. It is absolutely necessary that we

have additional Foreign Labor Service representatives as we are requesting in this budget if we are to fulfill our responsibilities under the law and the international agreement.

STATEMENT OF ROBERT C. GOODWIN, DIRECTOR, BUREAU OF EMPLOYMENT SECURITY,
DEPARTMENT OF LABOR, ON 1958 REQUEST FOR THE MEXICAN FARM LABOR
PROGRAM, BUREAU OF EMPLOYMENT SECURITY

Mr. Chairman, for the Mexican farm labor program we are requesting \$2,677,000, which is an increase of \$579,600 over the adjusted 1957 appropriation. Of the increase, \$110,300 is for contributions to the Civil Service Retirement Fund, and \$4,700 is for a larger payment to the departmental working capital fund. Program increases in the amount of \$471,300 have been partially offset by a decrease of \$6,700 for nonrecurring items of other contractual services.

This program is carried out under Public Law 78, which is implemented by an agreement with the Government of Mexico. We have just completed negotiations with the Mexican Government which resulted in the agreement being extended to June 30, 1959.

The number of Mexican workers contracted has been rising since 1955 for a number of reasons. High industrial employment has attracted farm workers to industrial jobs. Also, the almost complete elimination of employment of illegal foreign workers, coupled with the fact that production has maintained a constant level, has created a demand for legal workers to replace the wetbacks formerly employed. While there have been reductions in acreages of some crops which require large numbers of workers, they have been offset by technological changes resulting in higher production in the remaining acreage.

Our sources of supply of domestic workers are continuing to decrease as the result of the longstanding trend of migration from rural to urban areas. We do not expect this to change. There are still areas of underemployment where our domestic recruitment efforts have been stepped up through intensified recruitment drives and a considerable expansion of our activities in connection with the annual worker plan, and our special arrangements for the exchange of workers between States. The annual worker plan provides greater continuity of employment for migrant and seasonal farm workers through prescheduling these workers to a succession of farm jobs for periods in which they are available. The fact remains, however, that domestic workers have not been available in sufficient numbers to meet the demand for intermittent seasonal employment.

From July through December, in fiscal year 1957, we were required to contract more than 325,000 workers, and we now estimate that our farmers will require about 450,000 Mexican workers in 1957 and 490,000 in 1958.

As you gentlemen know, in the operation of this program our first step is to determine the actual labor needs for a particular agricultural area. We use every means available to recruit domestic workers. Even after the employment of foreign workers, all available domestic workers are still given an opportunity to work. After determining that labor needs exceed the supply, we certify that a labor shortage exists in the area and that a specific number of foreign workers can be brought in for limited periods of time to supplement the domestic labor force in these areas. Even when foreign workers are employed, they are replaced when domestic workers become available.

After the needs are determined, individual requests for workers from authorized employers are directed to 5 reception centers on the border where these requests are consolidated and transmitted to 4 migratory stations in Mexico. The workers are recruited by the Mexican Government and instructed to report to the migratory stations where they are examined for physical condition, qualification for farming work, and admissibility under immigration laws. We operate the reception centers and migratory stations under this program with some assistance from the Immigration and Public Health Services.

We arrange transportation for the selected workers from migratory stations to reception centers where they are contracted to individual employers and associations. From the time the workers are accepted at the migratory station until contracted to an employer at the reception center, and after their return to the reception center by the employer upon completion of their contract, the Mexican workers are furnished transportation, housing, subsistence, and medical care. These costs are charged to the farm labor supply revolving fund.

The farm labor supply revolving fund is maintained by fees paid by farmers for contracting and recontracting workers. The fee for contracting a worker is based on the costs of services furnished the workers. Originally the fee was \$15 for contracting and \$7.50 for recontracting but at the present time it is \$7 for contracting and \$4 for recontracting. However, the salaries and expenses of our regular employees at the reception centers and migratory stations, as well as our field representatives and headquarters employees are paid out of this salaries and expenses appropriation.

Since in 1958 we expect to contract 490,000 workers, the migratory stations and reception centers will require \$34,500 more for temporary employees to recruit and process the additional workers which farm employers will need.

After a worker is contracted to an employer, we are directly responsible for the observance of the contract between the worker and the employer and the terms of the agreement with Mexico. This responsibility involves such activities as making inspections of housing and facilities, investigation of complaints, review of wage findings, wage determinations, and reviewing farm labor market and wage reports.

At the present time, there are approximately 12,500 employers contracting individually and 32,000 employers contracting through 368 different associations.

Each housing unit should be inspected before workers are authorized to use the facility, and again during the period of peak employment to determine that there is no overcrowding, that minimum standards of safety and sanitation are observed, and that an adequate amount of wholesome food is being served. This would permit corrective action to be taken while it would do some good. Such a program would cut down the number of complaints which otherwise would have to be investigated. I am concerned that we are unable to operate on this basis at present.

In the past, and particularly, during the past year, there has been some criticism of the way in which Mexican workers have been treated in this country. This criticism has been directed primarily toward the condition of the camps in which the workers are housed and the question of wages.

I will discuss the wage question later but with respect to housing, I have personally looked into this question and have found that, to a great extent, the farmers using this supplemental supply of agricultural labor have been dealing fairly with their workers. Unfortunately, however, it is not true with respect to all users of Mexican nationals. I have personally seen camps that I would consider unfit for human habitation, where unsanitary and other undesirable conditions exist. I have also seen some of the meals being furnished Mexican workers and regret to report that, in some instances, the food is not satisfactory.

I do not want to leave the impression that most camps are bad. To the contrary, many employers have spent large sums in building and maintaining labor camps. Some of them are model camps and serve good food.

I have concluded that a stepped-up positive program of housing inspections is absolutely necessary so that all camps can be brought up to minimum standards. We have such a program underway. In discussions with a number of employers and employer groups, I have been assured of their cooperation and that they will accept a greater degree of responsibility in seeing to it that users of Mexican nationals will provide the minimum standards of health and safety for the workers. These same employers, however, have pointed out that while they will cooperate with us, they cannot take over the Department of Labor's compliance responsibilities. Therefore, it is imperative for the proper operation of this program that additional staff be made available so that this housing inspection program can be carried out on a continuing basis.

We must make more employer visits. The users of Mexican nationals are spread over 27 States. It would take approximately 1,800 meetings with associations and their members to explain the provisions of the agreement and contract so that the users can be expected to know and meet their obligations. In 1957 we have an average of 1 Foreign Labor Service representative to 556 employers and 6,625 workers. With the 1958 request the ratios could be reduced so that 1 representative would serve 348 employers and 3,828 workers.

The wage question under this program is most complex. The Congress has expressed its intent to protect American workers from any adverse effects due to the employment of Mexican nationals. We have been unable to carry out this obligation fully because of lack of staff. However, in 1956 several special wage investigations were required in California, Arizona, New Mexico, and

Texas in addition to maintaining our regular prevailing wage reporting program. Where prevailing wage surveys showed a problem, due to a shortage of Foreign Labor Service representatives, investigations could not be made to determine whether proper wage rates were being paid until after the conclusion of the harvest activity and after workers had returned to Mexico. Wage complaints and other types of grievances can best be handled while the worker is still on the farm. The additional Foreign Labor Service representatives requested for 1958 will enable us to increase the number of such complaints investigated at that time.

For 1957 we have 80 Foreign Labor Service representatives and 13 clerical positions to carry out compliance and employer service functions. For 1958 we are requesting 48 more Foreign Labor Service representatives and 1 clerical position at a cost of \$357,450. We are also requesting \$35,200 to decrease the lapse on our present positions from 10.9 percent to 4.2 percent. Appointments to these positions since the beginning of the program have been of a temporary nature so that we had a high rate of turnover. In 1957, we are completing a program of conducting civil service examinations so that field employees in full-time positions will have permanent status. As a result, our turnover rates will be smaller.

The increased contracting workload and supervision of the expanded program of service to workers and employers will require the addition of 8 headquarters positions at a cost of \$43,750. We have only added 2 positions to our headquarters staff since 1954 when 215,000 workers were contracted.

Since we now estimate that employers will need 22,000 more workers this year and there is an urgent need to continue our expanded program of housing inspections, we are also requesting a supplemental appropriation for 1957.

ADMINISTRATIVE COSTS

Mr. GOODWIN. Now we are back, gentlemen, on administrative costs.

Senator HILL. You are back now on funds out of the Treasury, too; is that right?

Mr. GOODWIN. Yes.

Senator HILL. These are funds out of the Treasury that you are going to address yourself to now, are they?

Mr. GOODWIN. That is right; yes, sir.

For the administration of the Mexican labor program we are making a request for \$2,677,000, which is an increase of \$579,600. Of that amount, \$471,300 is requested for contracting 62,000 more workers than were provided for in our 1957 appropriation, and for better compliance with the terms of the international agreement. \$110,300 is for our contribution to the civil service retirement fund, and \$4,700 for the working capital fund.

The amended request reflects a decrease of \$6,700 for nonrecurring items of other contractual service.

HOUSE ACTION

The House approved \$2,236,200 of the \$2,677,000 requested.

The increase of \$138,800 will provide primarily for the mandatory retirement and working capital fund contributions, and \$13,800 for a small increase in temporary employment at the reception and migratory centers to contract 62,000 more workers.

The reduction of \$440,800 eliminated all of the 49 new Foreign Labor Service representatives positions, 8 headquarters positions, and \$21,100 additional needed for the 8.4 man-years of temporary employment at the reception and migratory centers.

Senator THYE. Mr. Chairman, while we are at that particular point, might we get an understanding of this.

You say, Mr. Goodwin, that in the new positions, the new services, you will eliminate all of the 49 new Foreign Labor Service representatives' positions, and \$21,100 additional needed for the reception and migratory centers. You have been administering this program for quite a number of years, and you have established a quite definite procedure of administering it. Have you found that you have to establish new procedural activities?

MR. GOODWIN. This is related, Senator, to an increase in workload. We anticipate an increase in workload of about 62,000.

SENATOR THYE. Where do you anticipate you are going to need those additional workers?

BORDER RECEPTION CENTERS

MR. GOODWIN. Most of this work is in the reception centers on the border, where we bring these workers in and where we contract them and make them available to the farmers.

SENATOR THYE. That figure is the same as for last year, is it?

MR. GOODWIN. No; that is increased. Our estimate is that that will go up by 62,000.

SENATOR THYE. But your administrative program was the same last year as what you contemplate this year, is that not correct? You have already tightened up the border last year, I would think, because the same testimony came to us a year ago that the border had been tightened up, and there were no more wetbacks coming across. Therefore you apparently had this administrative function last year. Now you come in this year with the same sort of statement.

That is what leads me to inquire about where you are going to use these people you are requesting. You are going to use labor for that work and we want to know where you are going to use them.

You had the same statement last year that you had tightened up the border, that there were no more wetbacks coming across, and that now you had to have these centers. We recognized it, and I thought we took care of it. Now you come along with the same proposition again this year.

What we want to know is whether or not there are going to be more workers hired this year, and if there are more workers going to be hired and brought into the United States where are you going to put them? Where are they going to be needed?

SENATOR HILL. Where is the demand for them?

MR. GOODWIN. Yes—

SENATOR THYE. We had the same question last year, and you said you had already tightened up the border.

MR. GOODWIN. We had increases in the number of Mexican workers that have been used in the last 3 years, at least. A big factor in that increase, as you have indicated, Senator Thye, in the last 2 years has been because of the drying up of the influx of wetbacks.

SENATOR THYE. Yes, sir.

EXPANDED USE OF MEXICAN WORKERS

MR. GOODWIN. That is not now a major factor. It is a very minor factor, if it is a factor at all, in our estimate for fiscal 1958. There are, however, a number of other reasons that have contributed to the

expanded use of these Mexican workers, and some of those factors are still in operation.

One of those factors has been the drying up of our supply of domestic workers. We are still pulling lots and lots of farmworkers into industrial employment. That has been going on at a much faster rate than the need for them has been declining because of mechanization.

So that we have continued to have an increased demand for the use of Mexican workers. I would say that most of it comes from the States along the border. I think most of them would be going into California, Arizona, and Texas, although there has been some expansion in some of the other States as well. Michigan has had quite an expansion as a result, as Mr. Keenan indicates, of an expansion in acreage. I think there may have been some expansion in Colorado, although I am not too sure of that.

KIND OF CROPS INVOLVED

Senator THYE. What kind of crops are involved in the expansion of acreage in Michigan?

Mr. GOODWIN. Vegetables and fruits.

Mr. KEENAN. Cherries. In the upper part of the Lower Peninsula in Michigan the acreage in the last 10 years has doubled, and most of that has been in the last 3 years. In the southern part of the State it is mixed vegetables, for the most part, and sugar beets. There is an increase in sugar beets in Michigan.

In the other States that Mr. Goodwin mentioned, they are bringing in more irrigated areas, in California, Arizona, and Texas, where there is land that has not been usable because of lack of water. There are whole giant areas in parts of those States where crops have been planted each year now, where formerly there was no crop at all, and that has been due to irrigation.

Mr. GOODWIN. A lot of that is in New Mexico. There are thousands of acres down there that were not in cultivation a few years ago.

Mr. KEENAN. A little of it is cotton, but across the country as a whole most of it is fruits and vegetables. Many more fresh vegetables are being produced as you know, year by year.

FOREIGN LABOR SERVICE REPRESENTATIVES

Mr. GOODWIN. I would like to devote a little time here, if I may, Mr. Chairman, to discuss part of this request which was denied in the House, which has to do with these Foreign Labor Service representatives, the 49 there that got knocked out.

These are the people that are responsible for the employer contacts, responsible for renewal of contracts and for terminating them. They are responsible for seeing to it that the terms of the Federal law and the international agreement are carried out on wages, and they are responsible for seeing to it that the farmer has furnished decent housing.

I understand this question has been discussed a little bit in the committee.

Senator HILL. It was previously discussed when the Secretary was here.

Mr. GOODWIN. We were requested to bring along with us some copies of the Housing Standards, which we have right here, and will be glad to make them available.

This is a function, Senator Thye, that falls into the area you mentioned a while ago, that we have been carrying on all along. So the question is a natural one, why we need more money now.

HOUSING STANDARDS

We made some investigations last summer of the conditions under which the Mexicans were living. Our conclusion was that we had not been doing an adequate job of enforcement of the housing standards. We therefore sat down and rewrote the standards so that there would be no misunderstanding as to what was required, and we have issued those revised standards.

Our investigations revealed to us that a lot of the housing is just not fit to live in, and we have to clean them up. That is why we have come in with this request for additional people to do it.

CONDITIONS IN WORKER CAMPS

We have brought with us this morning some pictures of the conditions that we found in these camps. I would like the committee to take a look at some of them. You probably will not want to look at all of them, but they will tell the story much better than I can tell you as to why we have to do something about this situation.

Senator THYE. Where was that first picture taken?

Mr. KEENAN. Yuma, Ariz.

Senator THYE. How many years have Mexican employees been used in that area in Arizona?

Mr. KEENAN. Legally, since 1949.

IRRIGATION AREA

Senator THYE. But this is an area where irrigation is used; is it?

Mr. KEENAN. Yes; this is irrigation.

Senator THYE. When was the water brought into that valley by irrigation?

Mr. GOODWIN. It was brought into Yuma very early. That preceded the development of the Imperial Valley.

Senator THYE. And have they been using imported Mexican labor in that area?

Mr. GOODWIN. I think it is fair to say that the wetbacks have been used there from the time the land was developed.

Senator THYE. That would be my belief, too. You have had responsibility for this program, and you have been administering it, and now you have brought the question to us. I know, since I have been on this Appropriations Committee, we have had this subject before us from year to year, and it has been brought before the Committee on Agriculture of the Senate from year to year, also. Do you say that situation still exists, even after all these years of trying to correct it?

Mr. GOODWIN. Part of this condition, Senator, has been the result of the rapid expansion of the program. I do not know what existed in this sort of thing before our program started in 1949. I have for-

gotten how many we brought in when we started in 1949, but it seems to me it was about 100,000.

Senator THYE. Were any of them brought in before that time?

Mr. GOODWIN. They were brought in during the war; yes; that is true.

PROGRAM ADMINISTERED IN THIRTIES

Senator THYE. That program was being administered in the thirties. There were Mexican laborers under contract to the growers in many areas in the United States, in sugar beets and other vegetable crops, in the thirties.

Mr. GOODWIN. In the thirties?

Senator THYE. Yes, sir.

Mr. GOODWIN. Sometimes there is confusion between the imported Mexican workers and the American Mexicans from Texas and other border States. I did not think there were any brought in under contract in the thirties. I may be wrong on that. But, at least we are talking about the period that we have been responsible for the program. I really do not know all the facts about that earlier period.

Senator HILL. When were those pictures taken, sir?

Mr. KEENAN. January, February, and March of this year.

Senator HILL. Is that picture you are exhibiting now supposed to be a home there, or a dormitory, or something like that?

Mr. KEENAN. This is a house in Texas, where two braceros were living. This third picture is a rear view of that house that was shown in the second picture. Then this next picture shows the kitchen in a house in Yuma, with a dirt floor.

SOURCE OF WATER

Senator HILL. Where would they get their water? They have to have water to live.

Mr. KEENAN. In the period from January 1 to March 8, when we made some 3,000 housing inspections, we found 30 camps or housing units where there was no water fit to drink.

Senator THYE. Do these photographs that you are exhibiting here show the general conditions, or are these outstanding examples that you have selected?

Mr. KEENAN. They are some of the worst ones.

Senator HILL. How typical would they be?

STATISTICS ON HOUSING UNITS INSPECTED

Mr. GOODWIN. I think the best answer we have to that question is this: We kept figures on 3,237 housing units inspected. Out of that group, 97 were found totally unfit for human habitation; we would not permit anyone to be in them for any length of time. Of the remaining 3,140 units, we found 30 without water fit to drink; we found 50 with dirt floors; we found 120 without provision for heating water for bathing or laundry; 386 were where major building repairs were necessary; 36 units where no beds of any kind were being provided; and 516 units without heat in the sleeping quarters.

Senator THYE. What sort of an employer was it that was employing them?

Mr. GOODWIN. Most of them are small employers, and some of them are what you might call fly-by-night. I mean by that that they are not the stable type of farm family that we think of when we think of farms.

EMPLOYERS SUBSTANTIAL OPERATORS

Senator THYE. It is true, is it not, that the average man operating in one of those irrigated valleys, with the exception of an entirely new beginner, is a rather substantial operator?

Mr. GOODWIN. We have said all along that these cases represent a minority of the total problem.

Senator THYE. But in the case of the majority of those operators, the laborers come back each year, and most of them bring their families with them. In the case of a vegetable-growing valley, they will bring their families with them, because it is entirely a seasonal affair; they contract for the summer, by the acre, on sugar beets. They are there for the season, for thinning out and hoeing, and then they go into the harvest. Most of those are substantial operators.

I have been around a little bit, and I would not say but what we could find they have living quarters there like you show in your photographs. It is only a shed, or a wind shelter, and that is about all it is.

But that condition cannot be too widespread, because you have State organizations looking after that, and you yourself have been charged with this responsibility for a long time. You have had all this money to work with, and you have been working on the problem. But I will say that if these photographs are an example of conditions there, I will say you have not been doing a good job.

TOTAL EMPLOYEES

Mr. KEENAN. We have had a force of 60 people working on complaints, and the total force is now 80. We have found that they have not been able to get around on housing inspections. We have had these complaints on wages. In the season they are just constantly running between the employers and the workers, settling disputes, many of them wage disputes. We simply have not had enough men to cover the ground on housing.

One of the reasons for that is the original budget for 60 men was given us when we had about 100,000 or 150,000 Mexicans coming in. Now we have over 400,000. We had thought that, by and large, the housing was fairly good, because in a lot of the large camps, with the responsible employers that have been in business for a number of years, we found good housing.

INCREASE IN HOUSING COMPLAINTS

Last summer the number of complaints on housing began to increase rather substantially, and Mr. Goodwin went out and looked at some of the housing in California and Arizona, and then in Texas, and he found a minority of cases with some very bad housing conditions. So, during the down season this winter, in January and February, when we do not have many Mexicans in the country, we took our whole

force of compliance men and put them on housing inspections. That is when we made the 3,000 housing inspections.

Senator THYE. Is that function to be expected of you? You see, this is seasonal work. What do you do with the people when they do not have the administrative function of settling disputes, and so forth, that arise? You surely do not go and pitch your tent off in some shady grove during the period of time there is no administrative work, do you?

Mr. KEENAN. The smallest number of Mexicans in the country in any month is about one-hundred-and-some thousand. In other words, even in these winter months in southern California, New Mexico, and Texas, there are a lot of Mexican workers used.

Senator THYE. I realize that. But you have a vast area in the northern region and the central part of the United States, and the Atlantic seaboard, where that is not the case.

HOUSING INSPECTIONS ON REGULAR BASIS

Mr. KEENAN. We came to the conclusion that we are going to have to do some housing inspections on a regular basis. With the force we have had, we simply have not had the men to do it. What we have found, really, is that a small minority of employers have been giving the entire program a black eye in some parts of the country. Most of the employers have been trying to maintain fairly decent housing, but a small minority have not, and that has caused this great increase in complaints, and has given the program a bad reputation.

We feel that we have to do this housing thing on a regular basis, these housing inspections, in the future. In order to carry out the other requirements of the international agreement and the basic law, we made this request for sufficient additional men to meet those other requirements of the law and do the housing inspections too. That is what it boils down to.

We simply have not been able, in the last 3 years, to devote much staff time to housing inspections, and we found enough as represented in these pictures that we think we ought to do that. So we have had to ask for the increase in compliance men. With 400,000 Mexicans, and a total force of 80 compliance people, and Mexicans being used in 28 States at some times in the year, we have been spread mighty thin.

RATIO OF LABOR REPRESENTATIVES TO EMPLOYERS

Mr. GOODWIN. We have 1 Foreign Labor Service representatives to 566 employers and 5,625 workers this year. What we are asking for would bring that down to 1 for every 348 employers, and 3,828 workers. So that there still would be a very high ratio even if we got the request.

Senator HILL. Do you have any further questions, Senator Thye?

Senator THYE. No.

Senator HILL. Senator Pastore?

Senator PASTORE. No questions.

Senator HILL. We are certainly very much obliged to you, sir. Thank you very much.

Mr. GOODWIN. Thank you, sir.

BUREAU OF EMPLOYEES COMPENSATION

SALARIES AND EXPENSES

STATEMENT OF WILLIAM McCAULEY, DIRECTOR

APPROPRIATION ESTIMATE

"BUREAU OF EMPLOYEES' COMPENSATION"

"Salaries and expenses: For necessary administrative expenses and not to exceed **[\$120,000]** *\$113,400* for the Employees' Compensation Appeals Board, **[\$2,347,000]**, together with not to exceed \$78,500 to be derived from the War Claims Fund created by section 13 (a) of the War Claims Act of 1948 (50 U. S. C. 2012) **]** *\$2,838,000*, together with not to exceed *\$47,400* to be derived from the fund created by section 44 of the Longshoremen's and Harbor Workers' Compensation Act, as amended (33 U. S. C. 906).

"[Salaries and expenses: Not to exceed \$47,000 may be derived from the fund created by section 44 of the Longshoremen's and Harbor Workers' Compensation Act, as amended (33 U. S. C. 906), for the purposes of the appropriation granted under this head in the Department of Labor Appropriation Act, 1957]"

Amounts available for obligation

	1957	1958
Appropriation.....	\$2,347,000	\$2,824,400
Comparative transfer from "Salaries and expenses, Office of the Secretary of Labor".....	26,900	
Transfer from war claims fund.....	78,500	
Nonrecurring items.....	-11,765	
Subtotal.....	2,440,635	2,824,400
Transfer from longshore trust fund.....	40,100	47,400
Total available for obligation.....	2,480,735	2,871,800

Obligations by activities

	Revised 1957 base		Estimate 1958		House allowance 1958	
	Positions	Amount	Positions	Amount	Positions	Amount
1. Disposition of compensation claims:						
(a) Federal employees.....	286	\$1,524,200	307	\$1,846,515	307	\$1,855,985
(b) Longshoremen and harbor workers.....	96	602,785	96	634,285	96	637,515
(c) Executive direction and management services.....	25	126,915	27	147,900	27	148,800
(d) Administration of War Claims Act.....			15	82,300	15	82,300
2. Appeals from determination of Federal employee claims.....	13	108,235	13	113,400	13	113,400
3. Administration of War Claims Act.....	15	78,500				
Total appropriation.....	435	2,440,635	458	2,824,400	458	2,838,000
4. Administration of longshoremen's rehabilitation program.....	7	40,100	7	47,400	7	47,400
Total obligations.....	442	2,480,735	465	2,871,800	465	2,885,400

EFFECT OF HOUSE ACTION

The House allowed the full amount of the original request of \$2,885,400, including \$47,400 to be derived from the longshore trust fund. The original request of \$2,885,400 was revised to \$2,871,800 because of revision of the items to be included in the working capital fund.

The House allowance provides for the proposed further decentralization of the Federal Employees' Compensation Act program to three additional field offices to be located at Boston, New York, and Chicago. In the amount allowed

for further decentralization, there is \$9,600 for payment of special per diem allowances to cover unusual costs incurred by employees and their families who move to field locations for the benefit of the Department.

Of the total increase of \$391,065 requested, \$134,500 is for mandatory increases and \$256,565 for further decentralization, of which \$102,250 is nonrecurring for 1959.

Obligations by objects

Object classification	Revised 1957 base	Estimate, 1958	House allowance, 1958
Total number of permanent positions.....	442	465	465
Average number of all employees.....	428	451	451
Number of employees at end of year.....	431	449	449
01 Personal services:			
Permanent positions.....	\$2,025,129	\$2,121,661	\$2,121,661
Regular pay in excess of 52-week base.....		8,418	8,418
Payment above basic rates.....	4,187	4,187	4,187
Other payments for personal services.....	96,969	120,969	120,969
Total personal services.....	2,126,285	2,255,235	2,255,235
02 Travel.....	96,050	122,050	122,050
03 Transportation of things.....	5,000	18,500	18,500
04 Communication services.....	38,800	41,300	41,300
05 Rents and utility services.....	2,400	60,150	60,150
06 Printing and reproduction.....	37,550	37,550	37,550
07 Other contractual services.....	46,400	46,600	46,600
Services performed by other agencies.....	53,100	53,400	67,000
08 Supplies and materials.....	21,950	23,050	23,050
09 Equipment.....	11,200	31,200	31,200
11 Grants, subsidies and contributions: Contributions to retirement fund.....		133,465	133,465
15 Taxes and assessments.....	1,900	1,900	1,900
Total direct obligations.....	2,440,635	2,824,400	2,838,000
Reimbursable obligations.....	40,100	47,400	47,400
Total obligations.....	2,480,735	2,871,800	2,885,400

Summary of changes

1957 actual appropriation.....	\$2,347,000
Transfers:	
To finance Bureau's share of working capital fund.....	26,900
War claims activity to direct obligations.....	78,500
From longshore trust fund.....	40,100
Nonrecurring items: Employees' Compensation Appeals Board.....	—11,765
Revised 1957 base.....	2,480,735
1958 appropriation request.....	2,871,800
Net change requested.....	391,065

	Estimate, 1958		House allowance	
	Positions	Amount	Positions	Amount
For mandatory items:				
Retirement contributions on 1957 base of 442 positions.....	None	\$129,000	None	\$129,000
Annualization of longshore rehabilitation program.....	None	5,200	None	5,200
Increased cost of working capital fund.....	None	300	None	300
Subtotal.....	None	134,500	None	134,500
For program items: Further decentralization of Federal Employees' Compensation Act activities.....	23	256,565	23	246,965
Subtotal.....	23	391,065	23	381,465
Excess House allowance.....	None		None	23,200
Grand total.....	23	391,065	23	404,665

PREPARED STATEMENT

Senator HILL. Mr. McCauley, will you come around, please, sir?

You have filed your statement for the record, have you, Mr. McCauley?

Mr. McCAULEY. Yes, sir; we have.

Senator HILL. That will appear in the record at this point, and we will be very happy to have you proceed as you wish, sir.

(The statement referred to follows:)

STATEMENT OF WILLIAM McCAULEY, DIRECTOR, BUREAU OF EMPLOYEES
COMPENSATION

The appropriation requested in the 1958 budget for the Bureau of Employees' Compensation provides \$53,061,000 for the operation of the Federal workmen's systems administered by the Bureau. In addition to the funds requested for the Bureau's programs, the estimate includes \$113,400 for the Employees' Compensation Appeals Board. The Board is a separate administrative unit in the Department of Labor, but funds for its operations are included as an item in the Bureau's administrative appropriation. Justification of the Board's requirements will be presented by the Chairman of the Board.

Approximately 95 percent (\$50,350,000) of the total sum proposed for the Bureau is for the payment of statutory disability and death benefits authorized by the Federal Employees' Compensation Act and the War Claims Act of 1948. Funds proposed for the appropriation "Salaries and expenses, Bureau of Employees' Compensation" are for administrative costs and represent about 5 percent of the total, or \$2,871,800.

The cost of administration of the District of Columbia workmen's compensation law which is administered by the Bureau is paid by the District and funds for this purpose are carried in the annual appropriation for the government of the District.

The functions of the Bureau contemplated for 1958 are the same as for the present and recent prior years. However, legislation enacted during the last session of the Congress has resulted in some change in coverage under the Federal Employees' Compensation Act. The principal change in this respect is discontinuance of coverage under that act for military reservists on peacetime duty. The program for carrying out these functions proposes one important change, namely, the further decentralization of the Federal Employees' Compensation Act activities. These changes are discussed in more detail in relation to the specific program involved.

The operations of the Bureau are confined exclusively to the administration of workmen's compensation benefits which include the adjudication of claims and furnishing of medical care and payment of benefits for disability and death. These operations involve the administration of (1) Federal Employees' Compensation Act and the furnishing of benefits provided by that act; (2) the Longshoremen's and Harbor Workers' Compensation Act and its extensions; and (3) the administration of payment of disability and death benefits authorized by the War Claims Act. These laws provide workmen's compensation protection for approximately 3,500,000 employees in public and private employments. Prior to December 31, 1956, an unknown number of military personnel in the Reserves of the Armed Forces while on active or training duty in time of peace were also covered by the Federal Employees' Compensation Act. Approximately 2,400,000 of the covered employees are civilian employees in the Federal service. The private employments include (1) longshoremen and other harbor workers, exclusive of seamen, while in maritime employment on the navigable waters of the United States; (2) employees in private enterprise in the District of Columbia; (3) employees of Government contractors engaged in work outside the continental United States at defense bases or on public works and (4) employees engaged in operations conducted on the outer Continental Shelf in the exploration and development of natural resources.

FEDERAL EMPLOYEE'S COMPENSATION ACT PROGRAM

The administration of the Federal Employees' Compensation Act is the largest of the Bureau's programs and now involves an annual expenditure of ap-

proximately \$50 million. Approximately 30 percent of the total benefits payable in the current fiscal year is for the death of reservists in the armed services. Payments on account of such military personnel are expected to start decreasing in the budget year as a result of legislation repealing compensation coverage for reservists injured after December 31, 1956 (Public Law 884, approved August 1, 1956). However, this decline, so far as it relates to incurred liabilities, will be slow and gradual. The most important effect will be the elimination of liability for new cases. Decreases for reservists will be offset in part by legislation (Public Law 955, approved August 3, 1956, and Public Law 879, approved August 1, 1956) extending compensation benefits to members of the Civil Air Patrol and the Reserve Officers Training Corps, respectively.

The major part of the benefit costs is for liabilities incurred in prior years. However, the program is an active and continuing one as evidenced by the 93,000 new cases of injury it is estimated will be received by the Bureau during the current and budget years respectively. This estimate is based on the assumption that the number of Federal employees will continue at approximately present levels. A cumulative increase in the number of permanent disability and death cases on the rolls is expected and it is estimated these will exceed 18,000 in the budget year. It is necessary to provide for the adjudication of new cases and the continued payment and readjudication of the old cases carried forward from prior years.

As previously indicated the 1958 estimate proposes an important change in the Bureau's administrative program by further decentralization of claims operations under the Federal Employees' Compensation Act. This change is proposed after thoroughly testing the effects of this procedure. Four years ago the Congress appropriated funds to enable the Department to establish a pilot project in its San Francisco office to test the advantages of receiving and processing claims under this law on a decentralized basis. The test covered 16 percent of the new claims load of the Bureau and included all cases arising out of injuries of Federal employees in the 6 Southwestern States. The results of this test justify extending this program to other areas.

One of the major advantages of decentralization is more speedy development and payment of claims. The record shows that in 77 percent of the claims received in the San Francisco office during the last half of the past fiscal year the first installment of compensation was paid within 1 week after receipt of the claim. In 83 percent of the cases payment was made within 2 weeks as compared with 49 percent for the claims processed in the central office.

A major defect of the present centralized operation is the lack of opportunity for close liaison with local operating agencies. This is responsible for delayed reporting of injuries and the submission of reports that frequently are incomplete, inadequate or lacking in essential detail. The Bureau must develop these cases either by correspondence or through personal contact by field investigators. This procedure involves inevitable delays and brings added hardship to the disabled employee with a legitimate claim. Under a decentralized operation, a closer liaison is maintained between the Bureau and the reporting establishments, claimants and medical facilities, resulting in improved reporting which in turn eliminates or minimizes the major cause of delay in adjudicating claims and at the same time provides better supervision of claims.

For fiscal year 1958, it is proposed to expand three existing field offices administering the Longshoremen's and Harbor Workers' Act, in areas where there is a heavy concentration of Federal employment, to handle Federal employee claims. The offices selected for this purpose are Chicago, New York, and Boston. Under this plan approximately 50 percent of the Federal employee cases will be handled by the decentralized program. This excludes an estimated 16 percent of the injuries reported to the central office from within the Washington area which for practical purposes may be considered a decentralized operation.

PROPOSED INCREASES

The estimate for the Federal Employees' Compensation Act program proposes a net increase of \$322,315 of which \$243,090 is for further decentralization. Of the amount requested for further decentralization \$102,250 will be nonrecurring after the initial year of operation. The details of this proposed plan of decentralization are shown in the budget submission which I will be glad to explain in such further details as the committee may desire.

The only other major item of increase requested for this activity is \$78,925 which is needed for contributions to the retirement fund as required by Public Law 854, 84th Congress.

LONGSHOREMEN'S AND HARBOR WORKERS' ACT PROGRAM

This program concerns the administration of the Federal compensation law applicable to private employments. Employees covered by the law include longshoremen, ship repairmen, and others while engaged in maritime employment on the navigable waters of the United States (except seamen), employees of Government contractors at overseas defense bases and elsewhere outside the United States, employees in private employment in the District of Columbia, and employees engaged in working on the outer Continental Shelf.

As the committee knows, this program, unlike the Federal employees' programs, does not involve payment of benefits by the Federal Government. Such benefits are the obligation of the employer who must insure his liability with an authorized insurance company or qualify as a self-insurer. This is a completely decentralized operation carried on through 13 district offices with a field staff of 86 employees. An office is also maintained in the District of Columbia for administration of the law in the District.

The workload under this act is expected to increase during the current and budget years. Amendments to this act in 1956 raised the maximum limit on benefits, reduced the noncompensable waiting period for disability cases from 7 days to 3 days, and made other liberalizing changes. These amendments together with settlement of labor disputes and anticipated resumption of full time operations in the maritime industry are expected to increase the workload to 80,000 new injuries reported for the current year and 83,000 new injuries for the budget year.

No change in staff is proposed for this activity, and the only major item of increase is \$31,500 needed for payments required to be made to the civil service retirement fund.

EXECUTIVE DIRECTION AND MANAGEMENT SERVICE

This activity provides for overall direction of the Bureau, program administration provided by the Director, and all administrative management services.

PROPOSED INCREASES

An increase of \$13,475 is requested in order to add an organization and methods examiner (GS-11) and a clerk stenographer (GS-4). This increase is part of the plan for further decentralization and is necessary to enable the Bureau to develop and promulgate uniform procedural regulations for all field offices. An additional increase of \$7,510 is for contributions to the retirement fund.

WAR CLAIMS ACT

Cases involving benefits under sections 4 (c) and 5 (f) of the War Claims Act are gradually decreasing. However, the number of active cases involving long-term injuries will continue at relatively present levels for some time because of the serious nature of the disabilities incurred by the beneficiaries during their long period of internment in prisoner-of-war camps or in hiding from the enemy. These cases require continued or repeated medical care and administrative handling.

The continuing costs under this program are principally for cases covered by section 5 (f) of the War Claims Act. The beneficiaries are civilian American citizens, and their dependents, captured by the Japanese in the Philippines.

As of July 30, 1956, a report was prepared for the President by the Secretary of Labor setting forth his estimates of the total amount which would be required to pay all additional benefits payable by reason of section 4 (c) and the total amount which would be required to pay all benefits payable by reason of section 5 (f) of the War Claims Act of 1948, as amended.

Pursuant to sections 13 (b) and (c) of such act, the President, determined, and has so certified, that the total amount which would be required to pay benefits under sections 4 (c) and 5 (f) was \$17,500,000. According to sections 13 (b) and (c) such amounts were transferred from the war claims fund to the General Fund of the Treasury.

No change is proposed for this activity other than an increase of \$3,800 required for contributions to the retirement fund.

LONGSHOREMEN'S REHABILITATION PROGRAM

This program is the result of amendments to the Longshoremen's and Harbor Workers' Act in 1956 which included provisions for increased vocational rehabilitation services, to permanently injured employees where such services are not available otherwise. The legislation provided that funds necessary for the administration of this program may be derived from the trust fund created by section 44 of the Longshore Act in such amount as may be authorized in annual appropriation of the Department of Labor.

PROPOSED INCREASES

For fiscal year 1957, the Congress allowed an amount not to exceed \$47,000 for the administration of this longshoremen's rehabilitation program. The program was not underway for a full year and only \$40,100 has been transferred from the trust fund for operations during the current year. The increase of \$5,200 will provide for a full-year operation of the program. The additional increase of \$2,100 will be needed for contributions to the retirement fund.

OTHER INCREASES

The budget also provides for an increase of \$300 as the Bureau's share of the increased cost needed for the Department's working capital fund.

Funds for this expense were previously carried under "Salaries and expenses, Office of the Secretary of Labor."

OTHER PROGRAMS

In addition to the currently active programs the Bureau is required to continue servicing and paying benefits in cases which arose during the Federal emergency work programs. These cases, most of which involve death benefits, will continue on the rolls for some years in the future.

The explanatory statements submitted with the Bureau's justification of its estimate contains more detailed information regarding these programs. I will be glad to supply any further details the committee may desire regarding any phase of our operations.

STATEMENT OF THEODORE M. SCHWARTZ, CHAIRMAN, EMPLOYEES' COMPENSATION APPEALS BOARD, UNITED STATES DEPARTMENT OF LABOR ON BUDGET ESTIMATES FOR FISCAL YEAR 1958

The Employees' Compensation Appeals Board consists of three members appointed by the Secretary of Labor. It is a quasi-judicial body which was established in 1946, with exclusive jurisdiction to consider and decide appeals by Federal employees from final decisions of the Bureau of Employees' Compensation pursuant to the provisions of the Federal Employees' Compensation Act. The jurisdiction of the Board extends to questions of fact, as well as law, and to questions involving the exercise of discretion based on the case record upon which the Bureau rendered its decision. New evidence may not be submitted to the Board. Appeal is a matter of right, as well as the opportunity to appear before the Board and to be heard in oral argument. Procedures are informal and designed to facilitate the presentation of cases. Decisions of the Board are final as to the subject matter appealed.

Total personnel of the Board, because of a leveling off of new cases and a change in operating techniques, will permit a reduction from 18 positions to 13, which will result in a personnel salary saving of \$21,215. Since each member of the Board personally reads the record, much of the work formerly performed by a case analyst is no longer necessary. As set forth in the workload and operations statement, it is planned to print volumes VII and VIII of the decisions of the Appeals Board to bring the publications to a current status. In addition to the normal distribution of these volumes, arrangements have been made with the workmen's compensation commission of each State of the United States, Alaska, Hawaii, and Puerto Rico to maintain in its library the published decisions of this Board and to make them available to attorneys and others who may have need for access to our decisions. The cooperation of these commissions has been most gratifying.

The difficulty in having a convenient source for research purposes is a serious matter and, in effect, may result in prejudice to claimants. Ignorance of the precedents of the Board may cause delay and impose additional burdens upon the Bureau and upon the Board in fulfilling their functions because of the inability of claimants and their representatives to know the interpretations of law and the responsibilities and obligations imposed under the Federal Employees' Compensation Act. The value of these precedents cannot be overemphasized.

The Federal Employees' Compensation Act is, in my opinion, the most generous and liberal workmen's compensation law in the world. It deserves the highest standard of judicial review. For such basic objective, the staff must be continued at the requested minimum level for efficient operation.

CHANGES IN PROGRAM

Mr. McCAULEY. Mr. Chairman, the statement filed with the committee covers in detail the changes in the program of the Bureau for 1958.

The House has allowed the full amount requested by the Bureau for this next fiscal year. I might briefly indicate to the committee the purpose of the increases we requested.

The total increase of \$391,065 requested by the Bureau, includes two items.

DECENTRALIZATION OF OPERATIONS

The first one is \$134,500 for the mandatory items such as the contribution to the retirement fund, and the remainder of \$256,565 represents the proposed decentralization of our operation under the Federal Employees' Compensation Act.

You may recall that 4 years ago, we were allowed funds to install a pilot decentralization of operations under this law in San Francisco to test the advantages of that form of administration. We feel it has proved very successful, and we propose next year to open up decentralized operations in three other locations, and the \$256,565 is requested for that purpose.

HOUSE ACTION

Of the \$256,565 more than \$100,000 will be a nonrecurring cost, the initial cost involving certain expenses such as a shipment of supplies and equipment, transportation of personnel, files, and so forth, to the new locations.

That, in brief, covers the entire request of the Bureau.

Senator HILL. The House allowed you exactly what the Budget Bureau estimate was. Is that correct?

Mr. McCAULEY. Yes, sir. The full amount of the estimate was approved.

Mr. DODSON. Mr. Chairman, there was one exception in language.

LANGUAGE PROVISION ON TRANSPORTING FAMILIES

We had asked for language to enable us to pay costs for transporting the families, and the cost for the families to live at the new field offices until such time as they could find a home to live in. In fact, we had asked for permission to pay not to exceed \$12 per day for 15 days for the employee, and \$6 per day for the dependents of the employed.

Such a provision—not the exact amount of money, but a provision of that kind—was in effect when we transferred agencies out of Washington during the last war.

The House did not allow our request for that general language.

Senator HILL. Did the Appropriations Committee of the House strike it out, or did the House itself do it?

Mr. DODSON. The subcommittee allowed it, but it was stricken out in full committee.

Senator HILL. But any expense under that language would be met with the funds that the budget recommended and as the House agreed to. Is that right?

Mr. DODSON. Yes, sir.

There was included in our estimate \$9,600 to cover that kind of expense.

Senator HILL. Then the truth is that the House put the money in but did not put in the authority for the expenditure of money. Is that correct?

Mr. DODSON. That is correct.

Mr. McCauley. That is right.

Senator HILL. And you estimated that at how much?

Mr. DODSON. \$9,600.

TOTAL EMPLOYEES INVOLVED

Senator HILL. How many people would be involved here?

Mr. DODSON. Seventy-one people.

Mr. McCauley. About half of that number we expect would be willing to transfer to a new field assignment. So we estimate about 40 individuals would be transferred.

Senator PASTORE. In order for us to be consistent, if we did not put the language back in we would have to take out \$9,600. Is that correct?

Mr. McCauley. Yes, sir.

Mr. DODSON. We hope that you will allow the language.

A good many of these employees are not high-salaried employees, and when they have to move their families to a town and find a place to live it is quite an expense for them.

AVERAGE SALARIES OF EMPLOYEES INVOLVED

Senator HILL. What do you suppose the average salary of these employees would be? You might give us the figure of the lowest salary, too, approximately. That would be interesting to know.

Mr. DODSON. A little over \$3,000 a year. Grades 3 and 4 would be the lowest employees involved.

Senator HILL. Would there be some employees with salaries as low as \$3,000 a year that would be transferred?

Mr. DODSON. Yes. But, to be perfectly honest with you, they probably would be single people.

But people with around \$5,000 salaries would be with families.

CLAIMS EXAMINERS

Senator THYE. What would be the nature of their work?

Mr. McCauley. Claims examiners and their supporting staffs.

Senator THYE. Do you have any claims examiners in grade 3?

Mr. McCauley. We have none in grade 3. The journeyman claims examiner is grade 9.

Mr. DODSON. That would be a typist or clerk that was facilitating the work, the lower grade.

Senator THYE. I was just trying to get the record to disclose if there were some employees with salaries of \$3,000 per year involved here, as to what their work would be. What would they do?

CLERICAL AND TYPING STAFF

Mr. McCAULEY. That would be mostly clerical and typing staff.

Senator THYE. How many would you have doing that kind of work?

Mr. DODSON. We would have to supply that number for the record. (The information referred to follows:)

Of the 71 positions being decentralized to the new field offices, there are 34 positions in grades 3 and 4 performing typing and clerical duties. The average salary of these positions is \$3,600 per annum with the lowest salary being the base of grade 3 at \$3,175. It is expected that approximately half of the employees holding these positions will be willing to transfer to the new field offices.

LANGUAGE APPLICABLE TO ENTIRE DEPARTMENT

Senator THYE. And how often would you have to move them from one place to another?

Mr. DODSON. We would not expect to move them more than one time.

Mr. McCAULEY. This would be a permanent change.

Senator HILL. Referring now to the budget language, that language would apply to the entire Department of Labor; it would not just apply to your Bureau. That is correct; is it not?

Mr. McCAULEY. To the whole Labor Department.

Senator HILL. If the committee saw fit to put that language in it could be amended to limit its application to your Bureau only. But as the language is now written, it would apply to the entire Department of Labor; is that correct?

Mr. McCAULEY. Yes, sir; it would.

RELOCATION EMERGENCY OPERATING CENTER

Mr. DODSON. I might say that we had in mind that we would endeavor, during the next year, to transfer some people—I would say approximately 50 people—from our Washington office to our emergency relocation operating center where they would perform their regular work. But, at the same time, they would be in a position to quickly put the emergency relocation center into operation in the time of an emergency.

We thought that the language should also apply to those 50 people, we will say.

Senator HILL. Do you have that relocation center established now?

Mr. DODSON. Yes, sir; we have a relocation center for emergency operations.

Senator HILL. Are there any other questions, gentlemen?

Apparently there are not.

We thank you very much, Mr. McCauley.

BUREAU OF LABOR STATISTICS

STATEMENT OF EWAN CLAGUE, COMMISSIONER

APPROPRIATION ESTIMATE

"Salaries and expenses: For expenses necessary for the work of the Bureau of Labor Statistics, including advances or reimbursement to State, Federal, and local agencies and their employees for services rendered, and not to exceed \$15,000 for services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a), **[\$6,887,000]** **\$7,768,000.**"

Amounts available for obligation

	1957	1958
Appropriation or estimate.....	\$6,887,000	\$7,750,700
Comparative transfer from "Salaries and expenses, Office of the Secretary of Labor" (working capital fund).....	130,300	-----
Comparative transfer from "Salaries and expenses, Office of the Secretary of Labor" (older worker program).....	50,000	-----
Total available for obligation.....	7,067,300	7,750,700
Nonrecurring item (retail trade and printing).....	-170,000	-----
Revised 1957 base.....	6,897,300	7,750,700

Obligations by activities

	Adjusted 1957 base		Estimate, 1958		House allowance, 1958	
	Positions	Amount	Positions	Amount	Positions	Amount
1. Collection, analysis, and publication of labor and economic statistics:						
(a) Manpower and employment.....	290	\$2,426,875	295	\$2,633,327	284	\$2,486,477
(b) Prices and cost of living.....	223	1,371,206	243	1,553,941	223	1,439,741
(c) Wages and industrial relations.....	153	972,517	175	1,167,149	153	1,021,949
(d) Housing and public construction.....	51	362,527	51	379,035	51	379,035
(e) Measurement of productivity.....	39	253,584	45	298,306	30	214,606
(f) Industrial hazards.....	37	207,350	37	216,627	37	216,627
(g) Foreign labor conditions.....	14	91,671	14	96,996	14	96,996
2. Central administrative services.....	94	678,546	94	722,331	94	705,331
3. Executive direction and program coordination.....	78	533,024	101	682,988	78	563,238
Total obligations.....	979	6,897,300	1,055	7,750,700	964	7,124,000

EFFECT OF HOUSE ACTION

Activity 1 (a). Manpower and employment

House action eliminated 5 positions and \$115,000 for this activity. House action would—

1. Eliminate the extension of the Federal-State cooperative labor turnover program to Colorado, Illinois, Michigan, Montana, New Jersey, Oregon, Pennsylvania, Utah, and Wyoming. In fiscal 1956 and 1957, all other States were added to this program. The 9 States listed here account for about 25 percent of the total nonfarm work force of the United States.

2. Eliminate funds requested to meet statutory increases in salaries of State agency personnel engaged in the current employment statistics program and require a reduction in personnel in State agencies approximating 7½ percent.

3. Eliminate funds requested to begin the first of a 3-year program to reclassify reporting firms in accordance with the new standard industrial classification system. The Bureau would therefore be unable to organize and train staff for

the reclassification of industries according to the new governmentwide classification system. Failure to convert to the new system will make it impossible to prepare statistics on employment, payrolls, or wages on a basis comparable with statistics of the Census Bureau or other Federal agencies using the new classification system.

Activity 1 (b). Prices and cost of living

House action eliminated 20 positions and \$110,000 for this activity.

Elimination by the House of the amount requested will prevent the initiation of the program of consumer expenditure surveys in 4 to 6 cities which were planned to insure the validity of the Consumer Price Index.

Activity 1 (c). Wages and industrial relations

House action eliminated 22 positions and \$140,000 for this activity.

These positions and funds are actually in the Bureau's 1957 appropriation. House action will there result in a reduction below the fiscal year 1957 level of employees and a large curtailment in this work. This will make necessary the elimination of proposed studies of wages in basic nonmanufacturing industries such as petroleum production and refining and nonferrous metal mining, or new industries such as electronics manufacturing.

Activity 1 (d). Housing and public construction

House action will have no effect on this program.

Activity 1 (e). Measurement of productivity

House action eliminated 15 positions and \$80,000 for this activity.

1. Denial of the request for funds to expand studies of automation which will eliminate the proposed study of the effect of the spreading use of electronic computers, and therefore loss of opportunity to determine the impact of this development on employment, changes in required skills, and on retraining requirements for a large group of white-collar workers.

2. Elimination by the House of funds transferred from the departmental budget to the Bureau budget for studying the effects of technological change on the employment of older workers will result in discontinuation of this program which the Bureau had proposed be continued at the fiscal year 1957 level. Five employees will be dropped.

Activity 1 (f). Industrial hazards.

House action will have no effect on this program.

Activity 1 (g). Foreign labor conditions

House action will have no effect on this program.

Activity 2. Central administrative services

House action will have no effect on this program.

Activity 3. Executive direction and program coordination

House action eliminated 23 positions and \$114,000 for this activity.

Denial by the House of the request for funds to evaluate the effect of tariff actions on domestic employment will mean elimination of this proposed program and consequent inability to answer congressional requests in this field.

A total of \$20,200 would be needed to cover retirement payments in connection with the items discussed above. Of this total, \$2,200 is applicable to the older worker survey.

The amount approved by the House is \$30,550 short of the total required for the purposes intended by the House amendment.

It also fails to provide for the mandatory increase item of \$17,000 in connection with the working capital fund.

Finally, as indicated above, the House action would eliminate two types of programs being carried out in 1957; industry wage studies, and the older worker program.

Obligations by object

Object classification	Adjusted 1957 base	Estimate 1958	House allow- ance 1958
SUMMARY OF PERSONAL SERVICES			
Total number of permanent positions.....	979	1,055	964
Full-time equivalent of all other positions.....	42	47	42
Average number of all employees.....	1,000	1,081	986
Number of employees at end of year.....	1,126	1,221	1,112
DIRECT OBLIGATIONS			
01 Personal services.....	\$5,271,593	\$5,615,432	\$5,197,331
02 Travel.....	271,352	328,094	267,152
03 Transportation of things.....	10,000	10,000	10,000
04 Communication services.....	193,295	197,000	192,870
05 Rents and utility services.....	84,861	89,000	84,861
06 Printing and reproduction.....	124,544	127,310	124,144
07 Other contractual services.....	680,577	770,892	667,677
Services performed by other agencies.....	153,800	171,550	166,550
08 Supplies and materials.....	73,353	78,912	72,715
09 Equipment.....	25,000	25,000	25,000
11 Grants, subsidies, and contributions: Contributions to retirement fund.....		327,450	307,000
13 Refunds, awards, and indemnities.....	2,000	2,000	2,000
15 Taxes and assessments.....	6,925	8,060	6,700
Total obligations.....	6,897,300	7,750,700	7,124,000

Summary of changes

1957 appropriation	\$6,887,000
Transfer :	
To finance Bureau share of working capital fund.....	+130,300
From Office of Secretary for older worker studies.....	+50,000
Nonrecurring item :	
Retail trade survey.....	-150,000
Printing of occupational outlook handbook.....	-20,000
Revised 1957 base.....	6,897,300
1958 appropriation request.....	7,750,700
Net change requested.....	853,400

	Estimate 1958		House allowance	
	Positions	Amount	Positions	Amount
For mandatory items:				
Retirement contribution on revised 1957 base of 979 positions	None	\$309,450	None	\$309,450
Retirement and depreciation on working capital fund	None	17,000	None	17,000
Subtotal	None	326,450	None	326,450
For program items:				
Initiation 3-year standard industrial classification program	5	30,000	None	None
Labor turnover, remaining 8 States.....	None	50,000	None	None
Increased salaries in States.....	None	35,000	None	None
Expenditure surveys.....	20	110,000	None	None
Industry wage surveys.....	22	140,000	None	None
Automation studies.....	6	30,000	None	None
Effects of tariff changes.....	23	113,950	None	None
Retirement on above items.....	None	18,000	None	None
Older worker survey.....			-9	-52,200
Characteristics of the unemployed.....			-6	-47,550
Subtotal	76	526,950	-15	-99,750
Grand total.....	76	853,400	-15	226,700

PREPARED STATEMENT

Senator HILL. Next we have Mr. Ewan Clague, Commissioner of the Bureau of Labor Statistics.

Mr. Clague, I understand you have filed a statement with the committee. We will be very happy to have you proceed now in your own way.

Mr. CLAGUE. Mr. Chairman, I would like to file the statement that I made before the House committee because that contains a more detailed description of our program.

Senator HILL. We will be glad to have you do so, and then you can make any further statement you wish.

(The statement referred to follows:)

STATEMENT OF EWAN CLAGUE, COMMISSIONER, BUREAU OF LABOR STATISTICS

During the past year the Bureau has received further evidence of the increasing importance of our statistics and reports in serving the needs of labor and management as well as the Government and the public at large.

Members of the committee will remember that during the Korean outbreak there was a great expansion in the use of wage escalators based on the Consumer Price Index. With the return of peacetime conditions and the achievement of stability in the level of retail prices, which lasted nearly 4 years, coverage of workers under this type of escalator provision declined appreciably. However, within the past year there has been a rapid growth in cost-of-living escalator clauses, affecting about 1,500,000 additional workers. Escalation was adopted in 1956 for the first time in such major industries as basic steel and meatpacking. It was reintroduced in the railroad industry. There is evidence that this growth will continue in 1957.

This growth is due in part to an essentially new factor in industrial relations, namely, the growing popularity of longer term collective-bargaining contracts. Until comparatively recently, agreements between labor and management were typically for a period of a year. Occasional contracts were for a longer term or were of indefinite duration, but were subject to reopening under various conditions.

The 5-year contract in 1950 between General Motors and the United Automobile Workers was a development of great significance. It was renegotiated in 1955 for a 3-year term. Contracts running from 2 to 5 years on a firm basis (i. e., without reopeners) are now found in many major collective-bargaining situations. As a protection to the workers during the term of these long contracts, the use of wage escalator clauses, based on the Consumer Price Index, was widely adopted. Generally speaking, these clauses work both ways—wages increase when the index goes up and decline when it goes down.

An important feature of the rise of the long-term collective-bargaining contract has been the growth of deferred wage increases. The Bureau has recently published a tabulation showing that more than 5 million workers in this country are scheduled to receive wage increases in 1957 that were negotiated in 1956 or earlier years. Such increases, coupled with wage escalation, insure a rise in the real wage rates of the employees covered by such contracts.

A major factor in the intensified use of the index during the past year has been the rise in the index in 1956 above the extremely narrow range that it had followed for the preceding 4 years. This stability was in effect an approximate balancing of different trends for various parts of the index. Generally, the commodity items—foods, apparel, electrical appliances, etc.—were declining, as contrasted with the continuation of the postwar rise in rents and services.

The recent breakout was due in part to what may be a strictly temporary situation; namely, weather and crop conditions during 1956. Last winter was the coldest experienced in Western Europe in several hundred years. As a result, there were extensive crop failures in those countries. They had to buy some food from the American supplies. To complicate matters, our own spring was somewhat colder than usual and several crops were late. This put a severe strain upon the supplies remaining from 1955, with consequent sharp price increases. For example, the retail price of potatoes in July was the highest ever attained in the history of this country. This shortage of fruits and vegetables was partly

responsible for the rapid rise in the index last summer. When the new 1956 crops came in, food prices declined as they usually do after the harvests. However, the continuation of the long-run advances in rents and services, coupled with seasonal increases in automobile and apparel prices, caused the Consumer Price Index as a whole to move into new high levels in the fall months.

I should also note that we find that business firms and consequently Federal agencies are making increasing use of our Wholesale Price Indexes for contract price escalation in long-term supply or construction contracts and rental agreements. Among the important groups of manufacturers using these indexes have been producers of heavy power equipment for both electrical generating **plants and ship propulsion** and large electrical distribution equipment as well as producers for the heavy manufacturing industries. We are now reviewing the commodity content and weight structure of this index and will bring it up to date during the coming year as new census data become available. This is being done as part of our regular program and no additional funds will be needed for the purpose.

CONSUMER PRICE INDEX

The committee will recall that last year we requested and the Congress provided us with funds to obtain rents by employee visit rather than by mail; our mail reporting system was breaking down. Likewise, we planned to extend our price reporting system into suburban shopping centers, where much consumer buying is now taking place. I can report to you that these projects are working out successfully.

We believe the time has now come when we must begin to reexamine the basis of the index. Accordingly, we wish to propose that funds be made available to us for surveys of family buying patterns in from 4 to 6 cities each year. The market basket we are now using consists of about 300 items. The relative importance of each of these items is based upon the large nationwide study which we conducted in 1950-51. This was an excellent study. It produced facts concerning family buying habits which in turn provided us with weights for the index that have served satisfactorily down to date.

In the meantime, however, 5 years have now passed. During this period the average incomes of working people have increased something like 25 percent. Furthermore, since the Consumer Price Index has risen very little over this 5-year period, these income gains represent a real rise in purchasing power. Our studies over the years have shown that whenever families had sustained increases in their incomes their buying habits changed. Statistics of consumer purchases show that some changes are already taking place. However, we have no information as to whether these shifts in buying have any real significance for our index or not. We cannot tell until we get some information on the exact nature and amount of the changes.

Accordingly, we plan to check the existing consumer expenditures in a limited number of communities and with a small sample of families. Ten years ago, immediately after World War II, the Bureau operated such a check in several cities each year. In fact, it was this type of check which showed the need for the major revision of the index for which the Congress provided funds during the period 1949-52.

In other words, we want now to undertake a check on family expenditures in a few representative cities each year. If we find there are no significant changes in buying patterns, nothing more needs to be done. If, on the other hand, it turns out that the changes are such as to require some revision of the weights in our index, then we can present to you some plans for making these revisions.

The increase requested for the Consumer Price Index provides for 20 positions and a total cost of \$114,200.

DIVISION OF WAGES AND INDUSTRIAL RELATIONS

During the past year public demand for wage and salary information has been intense and widespread. For example, questions have been raised as to whether all groups of working people have shared alike in the rising wage levels and the rising standard of living. This has led to a demand for more detailed information on the wages and salaries of workers in a variety of industries. Thus, in cooperation with the Women's Bureau, the Bureau of Labor Statistics is now completing a survey of the wages and working conditions of nurses and

of employees in other occupations in the Nation's hospitals. This survey was made in part because of the request of the American Nurses Association, which has contended that these facts were needed for systematic appraisal of the factors relating to the shortage of hospital personnel. Some preliminary information from this study has already been released to the public.

Last year Congress provided us with funds to make a survey of wages and hours in retail trade. This has been a monumental undertaking, one of the largest wage studies that the Bureau has ever conducted. I can report to you that we have had the finest kind of cooperation from the retail industry in this survey.

One of the critical problems raised by the retail industry itself was the measurement of wage differences between stores, based on size, location, or other factors. Our study will throw much light on these differences. We plan to begin the tabulations of the data about March 1, and we shall have some results available by late spring. However, because we were not able to start the work as early as we originally planned, the full results will not be available until summer.

We have, in addition, continued a variety of studies of wages by occupation in selected labor markets and for a limited number of industries. These studies are widely used by government, industry, and the general public. They are indispensable for the insight they provide on such important matters as the pattern of American wages, wage differentials due to skill and plant location, and the extent of various types of employee benefits. With funds provided by the Department's Wage and Hour and Public Contracts Divisions, we have undertaken an important series of studies of the impact of the \$1 minimum wage. We have also continued the monthly publication of information on current wage changes.

In the closely related field of industrial relations the Bureau has maintained its current file of selected collective bargaining contracts for government and public use, has regularly issued its strike statistics and other current information, and has made a variety of special studies. During the past year, our studies in the area of health, insurance, and pension plans, and the file of plans we maintain, have been most useful to congressional committees and to several Federal and State agencies in considering legislation concerning the operation and administration of these employee benefit plans. We have issued, as part of the Department's program, two bulletins dealing with the status of older workers under collective bargaining agreements. A comprehensive study of layoffs, recall, and work-sharing procedures in union agreements was recently completed.

With the completion of the major study of employee earnings in retail trade, to which I referred earlier, we propose to continue our detailed wage survey work largely in the field of nonmanufacturing. This broad and important segment of industry, embracing about two-thirds of all establishment employment, has necessarily been neglected. We have tended to concentrate our limited wage survey resources on studies in manufacturing industry, partly because of the many industrial relations problems in that area that create a strong demand for data.

The result has been that wide gaps have developed in the available public information on wage structures and employee benefits in a number of nonmanufacturing industries critical to the Nation's economy. The Suez crisis has highlighted still further the national and international importance of some of these industries, such as petroleum. Wages in petroleum production and refining were last surveyed in 1951. Nonferrous metal mining has not been studied since the war. The most recent study of actual wages in bituminous coal mining was made in 1946. Even in manufacturing there are areas, such as the essentially new and vitally important electronics industry, for which detailed wage information simply is not available.

It is our considered judgment that the Bureau's wage survey program needs to be strengthened and some of the most conspicuous gaps eliminated by focusing greater attention, as we now propose, on important nonmanufacturing industries. At the same time, the nature of the demand for information is such that the Bureau cannot neglect its limited program of studies in manufacturing.

The increase requested for this program provides for 22 additional positions and a total cost of \$145,200.

MANPOWER AND EMPLOYMENT STATISTICS

At the last review of Congress extensive testimony was presented on shortages of scientists, engineers, and other highly trained workers. This is in part the result of a drop in birth rates in the 1930's, which created a shortage of young people coming into the labor force since World War II. There is real concern that these shortages may impede our economic growth and technological progress, on which our national security is so dependent.

We are now at the turning point in terms of population, however. The high birth rates of the 1940's have sent a rising tide of children into the elementary schools, and now the high schools and in a very few years this tidal wave will reach the colleges. Our schools and colleges have to prepare now to meet the needs of these young people. While this is a problem it is at the same time an opportunity. If these young people select the occupations for which we need additional workers, and if the schools can furnish them with the kinds of education and training needed, we can meet our manpower needs.

The Bureau, through its occupational outlook research program, makes a contribution by publishing factual information required for these career decisions and for planning education and training. In the summer of 1957 we shall issue to the public the third edition of the Occupational Outlook Handbook. This will show the outlook, the prospective wages or salaries, the working conditions, etc., in more than 500 leading occupations in the United States. A new edition of this handbook has been urgently needed, since the last one was issued in 1951 and was based on information prior to the Korean emergency. This previous edition sold over 45,000 copies at the Government Printing Office. We expect that the new one will be even more successful. There has been an urgent demand for it from the schools and colleges of the country, from the employment offices in the States, from the Veterans' Administration, and from many professional organizations. Under the program which Congress approved last year, we plan to issue revised editions of this handbook every 2 years so that it will always be reasonably up to date. In addition, we are issuing quarterly reports on the latest developments affecting employment opportunities, to keep a flow of this information moving out to the public.

Almost every month last year the Bureau, through our employment statistical program, was able to report new records being set in the number of Americans who had jobs. The number of people working in business and industry and for Federal, State, and local government passed the 53 million mark in December. Another high point in America's economic progress was reached late in the year when average hourly earnings of factory workers passed the \$2 mark for the first time. In industry after industry new highs in employment and in earnings were reached.

However, even when employment in the economy as a whole is expanding at a satisfactory rate there are always sectors which lag behind or may actually decline. Industries like textiles and leather continued to show weakness in 1956, and employment dropped in automobile manufacturing and lumber. However, coal mining, which in recent years had lost thousands of employees, showed small but significant increases in 1956.

Just as there is wide diversity among industries within the pattern of overall strength, there are wide differences among the various localities in the United States. In some of them employment has gone up dramatically, while other areas have actually reported declining employment. Among the many areas which have shown substantial growth are Miami, Phoenix, and San Diego. Among those in which employment actually declined over the year are Detroit and Evansville.

This diversity among industries and areas points up the fact that even in boom times there are spots which bear watching and which may need special assistance.

The governments of these cities and of the States in which they are located and the Federal Government are watching these employment developments. The Council of Economic Advisers relies heavily on the employment and hours-of-work statistics that we report. As you may recall, at the suggestion of the Council and with the approval of Congress, we instituted a new statistical measure last year—hours of overtime worked in manufacturing industries. This is considered to be a sensitive indicator of employment changes.

The employment statistics program provides the only current information on employment, hours, earnings, and labor turnover in the nonfarm sector of the economy nationally, for all the 48 States and for more than 100 major labor

market areas. We are asking for a total of \$116,300. Our aim here is to maintain and keep up to date the present level of our operations and to extend our labor turnover operations to the comparatively few remaining States not yet part of our program. You will note that the additional funds requested provide for only 5 positions, all of which will be outside Washington; the remaining funds are for grants to our cooperating State agencies.

Specifically, our request in this program area includes the following:

1. By the end of the current fiscal year, 40 of the States will have joined us in the new labor turnover statistics program approved by Congress over the last 2 years. We are now requesting funds which will enable the remaining 8 States to join. With these additional funds—all to be transferred to the cooperating States—we will achieve the goal of having a complete program in this field covering very State in the Union. \$50,000.

2. We are requesting additional funds—all of which is to be transferred to our cooperating States—which is needed to pay the salaries of the present number of persons working in our program in State agencies. This will permit us to maintain the current level of our operations in this field. \$35,000.

3. There is today a governmentwide effort, in which other statistical agencies have joined, to revise all of the employment and related information to a new standard industrial classification system set up by the Bureau of the Budget. This will require a major effort on our part to classify the industries in our statistics to bring them in line with recent technological and organizational changes in American industry. This is the beginning of a 3-year program in which we will be providing technical assistance and funds to our cooperating State agencies. This request provides for 5 positions and a total cost of \$31,300.

PRODUCTIVITY AND TECHNOLOGICAL DEVELOPMENTS

The measurement and analysis of productivity has in the past concentrated on examination of technological and economic progress of American industry, with a general recognition of the dependence of the real standard of living on the rate of improvement in productivity. In keeping with these interests the Bureau published, in 1955, postwar trends of output per man-hour in manufacturing. We are now working on the 1954 Census of Manufactures for the purpose of carrying this series forward. We are also continuing work on estimates of productivity for the total economy and for its major sectors, such as agriculture and nonmanufacturing.

In recent years there has been a growing awareness of the fundamental relationship of productivity to wages. This has actually been translated into some labor-management contracts which provide automatic wage increases on the basis of assumed improvement in productivity.

This wage-productivity relationship highlights the need for more complete and more current information on productivity trends. We have been doing some work on developing interim indicators of changes in output per man-hour for current periods, and we expect to continue these efforts. These interim measures, of course, are not as accurate as those derived from more detailed statistics, but they are useful for providing clues to recent developments. For example, we now have indications that output per man-hour of production workers in manufacturing increased at a significantly higher-than-average rate between 1953 and 1955. On the other hand, the scanty information we have points in the other direction for 1956—that is, a significantly lower-than-average increase in output per man-hour. These annual figures must be used cautiously because they are based on preliminary data and because figures for a single year cannot be used to predict events for a following year.

We have also been devoting some attention to other aspects of productivity, specifically in the field of technological developments. We know that new technology, such as automation, has diverse effects on the people and jobs in plants where it is introduced. It can provide benefits for many people, but may cause difficulty for others. Therefore, we have been studying automation by analysis of individual firms in order to see what their experience has been with respect to some of the personnel, wage, training, and other issues which may arise. We hope that these studies will be useful to labor and management in other firms in adjusting to technological change.

While these individual case studies are useful in their own right, they do not provide information on the broader effects of technological change.

One step in studying this problem would be to examine the rate at which important types of automation are being spread over plants and industries. One

of the most dramatic of these is the electronic computer, which has already affected workers and management in scores of offices and plants. We are asking for a modest increase in our budget to study the impact of the electronic computer—how fast it is being adopted and in what industries. From this we can develop information on net effects upon employment, shifts in occupations, changes in skills, need for training and other conditions resulting from the computer's use. We will obtain this information directly from the manufacturers as well as the users of computers.

The estimated cost of the additional work is \$31,500, which includes six positions.

In addition, we plan to do another type of study to examine one of the problem areas arising from changing technology—the effects upon older workers. This is a logical continuation of the Labor Department program dealing with problems of the older worker. A series of case studies of plants will concentrate on the problems of the older worker who is faced with job displacement or loss of skill resulting from new technology. These studies will carefully examine the effects of technical changes upon training, possibility of retraining, changes in job status, output rate, and earnings of older members in our work force. Where these matters have been successfully handled, our studies will provide guidelines to management for future use.

The budget requested for these studies is equivalent to funds now allocated by the Department of Labor to the Bureau of Labor Statistics for studies of the older worker.

The estimated cost of this work is \$52,200 and includes funds for 9 positions.

FOREIGN TRADE AND EMPLOYMENT

During the past year increasing public attention has been directed to the question as to what effect foreign trade policy has had on employment. Last year this subject was reviewed in hearings by the Ways and Means Committee and by the Joint Economic Committee. In our judgment this question will become increasingly critical since legislation concerning foreign-trade policy will be before the Congress in the coming fiscal year.

In order for the administration to exercise sound judgment and for the Congress to have the information on which to appraise the operation of the program (insofar as employment is concerned), more accurate and detailed data are needed.

We have never had any national analyses on an industry-by-industry basis concerning the amount of employment that may have been displaced by competing imports. This information has been needed for a long time, but this is a very difficult estimate to make and no adequate resources have been available to do it on a thorough and comprehensive basis.

Estimates of the volume of employment connected with foreign trade, either in export-producing industries or in industries processing imports, were made by the Bureau of Labor Statistics on several past occasions, but the latest estimate was for 1952. There have been many new developments since that time.

We are asking for \$119,750, including 23 positions, with which we would propose to bring the above estimates up to date, and to produce the estimate on the effect of competitive imports mentioned above.

PREPARED STATEMENT

Mr. CLAGUE. I also have a shorter statement here which I would like to file also, but would like to summarize it briefly, if I may.

Senator HILL. All right. We are glad to have both statements, and this shorter one will also appear in the record in full.

(The statement referred to follows:)

STATEMENT OF EWAN CLAGUE, COMMISSIONER, BUREAU OF LABOR STATISTICS

While the action of the House was designed to sustain the staff of the Bureau of Labor Statistics at its 1957 levels, in actual fact it will cause a reduction in staff. For example, the Bureau for the past 2 years has had funds provided by the Department of Labor as a part of the Department's program for assisting older workers to obtain and retain jobs. The staff doing this work is now on the

payroll of the BLS. This item appears in our 1958 request as an increase, although it is simply a transfer to the Bureau of funds formerly shown in the Department budget, and which were eliminated from the Department's request for 1958.

In view of the growing problems of older workers in obtaining employment, we believe that this work is urgently needed and should be continued. The staff involved in this request are now on the payroll and working on this problem.

The other reduction in the Bureau's staff arises from the special wage survey in retail trade now being conducted by the Bureau. This item has not been considered as part of the Bureau's 1957 base. However, we have requested a slightly smaller amount (\$140,000 plus \$5,200 retirement costs) to continue the wage studies of the Bureau in industries, particularly nonmanufacturing, which have not been surveyed for years.

In justification of this request I want to point to the fact that the key economic problem which is concerning the Nation at this time is that of the relationship of wages and prices. The economic policies now being considered by the Congress, by the executive departments, by labor and management, and by the general public will have to rely for factual information upon the wage and price statistics of the Bureau. The questions which need to be answered require more information on wages in different industries, in different parts of the country, and in different degrees of skill. We believe that a continuation of these wage surveys is necessary for the peaceful settlement of industrial disputes and the determination of Government policies.

In the wage-price discussion the other side of the problem is the question, What is happening to prices, both in general and in detail? Recent figures indicate that at this time about 4 million workers are on escalator contracts by which the wages of the workers go up or down during the life of the contract in accordance with changes in the Consumer Price Index. Many of these contracts shift the wage rates 1 cent for each change of half a point in the index. Thus for each one-half point about \$80 million a year will change hands; that is, either in wage increases to the employers or in wage decreases to the workers. The responsibility of the Government, and in this case of the BLS, is to keep the index as accurate as it could possibly be made—neither too high nor too low, but just exactly right. In furtherance of this objective the Congress last year provided the Bureau with some additional funds to collect rents by actual visit of an agent instead of relying upon mail postcards, and also to add to the list of stores so that the prices in the index would be adequately represented by discounts, concessions, sales, etc.

It is now 5 years since the Bureau last obtained detailed information on family buying habits, which in turn determine the weights or importances assigned to the different commodities and services included in the index market basket. During these 5 years the income of the average American family has risen about 25 percent. We have requested \$110,000 to check the family expenditures of the present day in order to determine whether the items and the weights in the index are still sound and valid.

The other items in our 1958 request are all directly related to our regular and continuing work. We have requested \$50,000 to finish up what remains to be done in a 3-year program of labor turnover statistics. During the past 2 years 40 States have been brought into the cooperative Federal-State program; only 9 States remain to be brought in. These statistics of layoffs, quits, discharges, etc., are sensitive economic indicators of changes in employment conditions in various industries and throughout the country. This cooperative program will provide the Bureau with improved national figures and enable the States to produce sound State and local figures. Another item (\$35,000) is for payments of increased salaries in the States cooperating in the program of employment statistics which yield the employment, hours, and earnings information issued every month. These funds would not add additional staff in the States. They are to meet the salary levels in the different States in accordance with the general policy of the Government. The final item (\$30,000) in this group is for a small staff to begin the major job of introducing the new standard industrial classification which has been adopted by the Bureau of the Budget for all Government agencies. The Census of Manufacturers of 1958 is now designed to be based on this new classification.

Productivity, or output per man-hour, has become the key economic factor in the attempt to resolve the wage-price problem. Increasing industrial productivity is the factor which makes possible increases in wages and stable prices, or even reduced prices. The Bureau is the Federal agency which is attempting to measure the rate of change in productivity. We have just recently supplied

additional information to the Joint Economic Committee. For 1958 we have not asked for additional funds for this work, but we have requested \$30,000 for additional studies on the effect of automation upon jobs. Automation is one of the methods by which increased productivity is achieved. At the same time automation is sometimes regarded by the worker as a threat to his job. Our studies are designed to show how the introduction of improved productive processes has been successfully achieved in various plants and industries.

The final item about which I wish to speak is the request for \$113,950 for studying the effects of tariff changes upon employment in the United States. The Secretary of Labor has the responsibility of advising the administration on the effects of both exports and imports upon employment in American industries. Many inquiries on this same subject come to us from Members of Congress. We simply do not have the information that is necessary to answer these questions or to provide the facts for policy decisions.

STATUS OF APPROPRIATIONS

Mr. CLAGUE. I would like to mention, first, the status of the 1958 appropriations of the Bureau of Labor Statistics.

The original estimate was \$7,768,000. The House committee cut this to \$7,470,000. On the floor of the House there was a further cut, to \$7,124,000. This last amount is \$99,750 less than is necessary to maintain our current programs, not counting the special retail wage survey about which I will speak in a moment.

So, while the action of the House was designed to sustain the staff of the Bureau of Labor Statistics at the 1957 level, as an actual fact it will cause some reduction in staff.

PROGRAM ON OLDER WORKERS

In the past 2 years we have had funds provided by the Department of Labor for part of the Department's program on the older workers. This is exactly similar to the point that was made by Mr. Goodwin a little earlier. Money was transferred from the Department to us. We have had those funds for the past 2 years. It was extended this year into our own budget, and therefore was presented as an increase although these people have been on our payroll right along.

Senator HILL. What was the amount of those funds?

Mr. CLAGUE. The amount was approximately \$52,200.

Senator PASTORE. How many people does that involve?

Mr. CLAGUE. Nine people.

SPECIAL SURVEY IN RETAIL TRADE

The other reduction in the Bureau's staff arises from the special survey in retail trade now being conducted by the Bureau. You gave us that money last year for that special survey. That was not considered part of our Bureau's 1957 base. It is shown in our 1958 request as an increase, but its elimination causes a reduction in our staff.

However, we have requested for 1958 a slightly smaller amount to continue with studies of the Bureau in certain industries, particularly nonmanufacturing.

It was our feeling that this wage work should be continued in a number of industries that have not been surveyed for many years, and my detailed statement indicates our justification.

CONSUMER PRICE INDEX

The other side of the wage-price discussion that is going on in this country—and I may say that the wage data come from our Bureau, and the price data come from our Bureau—is, of course, the Consumer Price Index and the Wholesale Price Index. We have about 4 million workers now that are escalated on these figures in the Consumer Price Index.

Last week the Brotherhood of Railway Trainmen and the railroads signed up another 125,000, and I will say that during the coming year many more will come under it. That emphasizes the importance of keeping it as accurate as possible.

What we asked for this year is an increase in order to check the validity of the weights in that index.

Last year you gave us some money to check rents, and also to price the specialty stores, where the discount prices and other concessions can be found, in order that we might have as accurate a picture as possible.

As I indicated in my written statement, a half point on this index moves \$80 million in wages either up or down; either the employer pays more or the worker gets less. Some day we shall certainly have to revise the weights in this index due to the changes in family buying habits.

I want to check it next year, and that is why I asked for that money.

BASIS OF PRESENT WEIGHTS

Senator HILL. How would you say the present weights are?

Mr. CLAGUE. The present weights were made as a result of our study in 1950-51. They are now about 6 years old. In the meantime, income for the average family has increased about 25 percent, and that means considerable changes in the amount spent for food, clothes, et cetera. We think those ought to be checked.

FUNDS REQUESTED FOR INDEX

Senator HILL. How much money did you ask for for that particular purpose?

Mr. CLAGUE. \$114,200.

Senator HILL. And that was disallowed by the House?

Mr. CLAGUE. It was disallowed by the House.

It was allowed by the House committee but the disallowance was on the floor of the House.

Senator HILL. And that was for 20 people to do this job?

Mr. CLAGUE. That is right.

Now the remaining items in our 1958 request are increases, of course, and I want to make that clear.

LABOR TURNOVER STATISTICS

We did request \$50,000 to finish up a 3-year program of labor turnover statistics. That is statistics of quits, discharges, and so forth. That is a cooperative, Federal-State program in which we work with the States to our mutual advantage. We now have 40 States, including the District of Columbia, in the program as a result of the

work of the last 2 years, and now we are asking money to finish it up in the third year.

My statement shows 8 States remaining. The figure should be nine, if we are to complete the program.

Senator HILL. How long has the work been going on?

Mr. CLAGUE. For the past 2 years.

Senator PASTORE. And what have we learned as a result of it?

Mr. CLAGUE. What has happened as a result of this is that the States are now producing statistics of quits and discharges, layoffs and so on, by industry, by city, which show the reason for the turn-over in employment throughout the country.

We produce national figures for the country as a whole.

SALARY INCREASES IN STATES

There is a small item of \$35,000 which is similar to what Mr. Goodwin presented. That is for salary increases in States. Those are the States that cooperate with us on statistics. And it is a salary increase which is not within our control.

STANDARD INDUSTRIAL CLASSIFICATION

We asked for 5 employees and \$31,300 in order to begin a shift in the standard industrial classification, which is a classification of industry. That is something being considered by the Bureau of the Census. In fact, it will be put into operation by the Bureau of the Census.

If we are to keep our statistics in line with theirs, the States and we have to shift our classification. That is a 3-year job for which we are requesting some funds to start this year.

PRODUCTIVITY OR OUTPUT PER MAN-HOUR

The next item is productivity or output per man-hour.

We have been the agency which measures productivity. We have supplied some material to the Joint Economic Committee for later publication this spring. We are not asking for money for productivity statistics as such, but we have been studying automation, the way in which automated machinery is affecting jobs, either increasing the numbers of skills required or decreasing the number of jobs available.

Senator PASTORE. Was that disallowed?

Mr. CLAGUE. The increase was disallowed; yes.

ELECTRONIC COMPUTER STUDY

We asked for \$31,500 in order to make a study of the electronic computer and its effect on white-collar workers.

These computers take 2 years to go into effect. We can estimate the number of jobs they would displace or the number of new jobs that would need to be created in order to man them. In that way, by getting a record of where these computers would come into operation, we might be able to forecast both the unemployment that might result and the skill needs that would be needed.

Senator PASTORE. Is that job gone into on the State level?

Mr. CLAGUE. No. This is just a job that we are doing. There is no State work of that kind under operation.

Senator HILL. And if you do not do it that work will not be done; is that correct?

Mr. CLAGUE. That is right. I want to make clear that we do have some money this year to make studies in specific industries; but not this particular study which projects into the future. We have made studies in the bakery industry, in an insurance company, and in a television concern.

TARIFF CHANGES

The final item, Mr. Chairman, is the money for studies of tariff changes. That was a new item, 23 positions I believe, and about \$119,750 for study of the effects of tariffs upon employment in the United States. That is, both exports and imports, including the amount of labor involved in processing imported materials for further production.

Senator DWORSHAK. Do we have any information of that kind available for the past?

Where have we been in the past 50 years? Is nobody interested in what effect tariffs have had on employment?

Mr. CLAGUE. We did quite a job on that, Senator, in 1952. That was the last time a comprehensive job was done on it.

Senator DWORSHAK. Did you prepare any reports at that time so that Congress could have the information?

Mr. CLAGUE. Yes. It became available to Government agencies and to the Congress, I believe, to the Ways and Means Committee, and to individual Senators and Congressmen who wrote us. They keep writing us now, of course, for reports on individual industries, but we have not had any new studies made.

Senator DWORSHAK. Is it customary to make a new study every 5 years, or is that outmoded?

Mr. CLAGUE. Conditions do change; tariffs are changed; and, of course, the employment conditions in industry change.

Senator DWORSHAK. The effect of tariffs on employment does not change much, does it? The basic problem?

Senator PASTORE. I beg to differ on that. The result does not change a great deal, but I think we are being somewhat mislead.

I am on your side in this discussion, Senator, but I think we are being somewhat mislead on the past history of the effect of tariffs without taking into account the fact that many of these countries were not producing and that today they are producing.

Senator DWORSHAK. They are producing watches and automobiles and other articles.

Senator PASTORE. I think the whole study ought to be brought up to date.

Senator DWORSHAK. I was inquisitive to know whether this was a new venture or whether in the past we have had available data and information of this kind. I was not necessarily opposed to it. I was just wondering what the record was.

Senator PASTORE. I am on your side on this problem, but I do not think we have the proper predicate to make a decision on it, and we need more information.

Senator DWORSHAK. Do you know what my side is?

Senator PASTORE. Yes; I do.

Mr. CLAGUE. I do want to answer your question, Senator Dworshak.

This was put into the record by Secretary of Commerce Sinclair Weeks in 1953, sent to Daniel A. Reed, chairman of the House Ways and Means Committee. We were the ones who produced the figures.

Senator DWORSHAK. Thank you.

HOUSE REDUCTIONS

Senator HILL. Mr. Clague, let me ask this question here: The House Committee on Appropriations cut your budget estimate some \$298,000; did it not?

Mr. CLAGUE. That is right.

Senator HILL. And then you got an additional cut on the floor of the House by a very close vote; is that not correct?

Mr. CLAGUE. That is right.

Senator HILL. How would you have fared on the amount which the House committee appropriated? How many of these functions to which you have referred could you have carried out under the House committee figure?

Mr. CLAGUE. The committee allowed us \$7,470,000. That did include the older worker study that is mentioned here. It included the funds for the survey for the Consumer Price Index, that is, the family expenditures for the Consumer Price Index.

They also included \$120,000 for the effect of tariff changes on United States employment, and they allowed the \$30,000 for the 3-year program of the standard industrial classification. The others they cut out.

Senator PASTORE. How about the tariff?

Mr. CLAGUE. The tariff was in.

Senator HILL. The tariff was in the House figures?

Mr. CLAGUE. The House committee.

Senator HILL. Not in the House figures but in the House committee figures?

Mr. CLAGUE. That is right.

Senator HILL. Are there any questions, gentlemen?

Senator THYE. No, Mr. Chairman.

Senator PASTORE. No.

Senator HILL. There being no further questions, we want to thank you very much, Mr. Clague.

STRONG SUPPORT FROM BUSINESS ORGANIZATIONS

I would also like to say, before you leave, that last year and, I suppose, this year, too, the work you are doing was very strongly supported by a number of business organizations and institutions. Business feels very much the need of the work you are doing.

Senator THYE. It is absolutely essential to the whole economic question of employer-employee relations.

Mr. CLAGUE. I think it plays a big part in keeping industrial peace.

Senator PASTORE. I think that the Labor Department ought to tell the State Department what the true facts of life are.

Senator HILL. There is the further consideration, of course, of so many of these contracts being tied into the results of your work.

Mr. CLAGUE. That is right.

Senator HILL. That is tied into the reports that you make; your figures.

Mr. CLAGUE. That is right.

We got a call the other day from a large shipbuilding concern in this country. All of their contracts with the Navy Department and the Maritime Commission are escalated on the Wholesale Price Index and on the average hourly earnings of industrial workers. They want those series kept up because they affect both the Government and the firm.

Senator HILL. Thank you very much, Mr. Clague.

WOMEN'S BUREAU

STATEMENT OF MRS. ALICE K. LEOPOLD, DIRECTOR, AND ASSISTANT TO THE SECRETARY OF LABOR FOR WOMEN'S AFFAIRS

APPROPRIATION ESTIMATE

"Salaries and expenses: For expenses necessary for the work of the Women's Bureau, as authorized by the Act of June 5, 1920 (29 U. S. C. 11-16), including [services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a), and] purchase of reports and material for informational exhibits, [\$403,000] \$462,000."

Amounts available for obligation

	1957	1958
Appropriation.....	\$403,000	\$459,800
Comparative transfer from "Salaries and expenses, Office of the Secretary of Labor".....	8,200	-----
Nonrecurring item.....	-32,000	-----
Total available for obligation.....	379,200	459,800

Obligations by activities

Description	Revised 1957 base		Estimate, 1958		House allowance, 1958	
	Positions	Amount	Positions	Amount	Positions	Amount
1. Development of programs and materials to improve women's employment opportunities and economic status.....	23	\$148,271	23	\$161,500	23	\$162,300
2. Advisory services on legislation affecting women workers.....	9	67,462	9	70,600	9	70,900
3. Executive direction and program coordination.....	11	97,982	11	100,900	11	101,300
4. Administrative services and management.....	12	65,485	18	126,800	18	127,500
Total obligations.....	55	379,200	61	459,800	61	462,000

EFFECT OF HOUSE ACTION

The House allowed the full amount of the original request of \$462,000. The original request of \$462,000 was revised to \$459,800 because of revision of the items to be included in the working capital fund.

The House allowance provides for the establishment of a field service consisting of 4 field representatives and 2 supporting clerical staff. These field representa-

tives will comprise a mobile, highly skilled group of professional staff workers, trained in all aspects of women's employment. They will be headquartered in Washington, but will spend the major part of the time in their assigned regions (northeast, central, southwest, and western) to serve the groups and agencies who request their services and to supplement the departmental staff's execution of the total Bureau program.

Of the total increase of \$80,600 requested, \$20,962 is for mandatory increases for the continuing staff, \$1,100 for printing, and \$58,538 for the field staff described briefly above.

Object classification	Revised, 1957 base	Estimate, 1958	House allow ance, 1958
Total number of permanent positions.....	55	61	61
Full-time equivalent of all other positions.....	1	1	1
Average number of all employees.....	55	61	61
Number of employees at end of year.....	55	61	61
01 Personal services:			
Permanent positions.....	\$320,335	\$355,585	\$355,585
Regular pay in excess of 52-week base.....		1,395	1,395
Other payments for personal services.....	5,720	5,720	5,720
Total personal services.....	326,055	362,700	362,700
02 Travel.....	11,000	25,000	25,000
03 Transportation of things.....	700	1,425	1,425
04 Communication services.....	8,000	12,200	12,200
06 Printing and reproduction.....	16,500	17,600	17,600
07 Other contractual services.....	900	1,030	1,030
Services performed by other agencies.....	11,500	12,500	14,700
08 Supplies and materials.....	2,945	3,445	3,445
09 Equipment.....	1,000	2,300	2,300
11 Grants, subsidies, and contributions: Contributions to retirement fund.....		21,000	21,000
15 Taxes and assessments.....	600	600	600
Total obligations.....	379,200	459,800	462,000

Summary of changes

1957 actual appropriation.....	\$403,000
Comparative transfer from "Salaries and expenses, Office of the Secretary of Labor".....	+8,200
Nonrecurring item.....	-32,000
Revised 1957 base.....	379,200
1958 appropriation request.....	459,800
Net change requested.....	80,600

	Estimate, 1958		House allowance	
	Positions	Amount	Positions	Amount
For mandatory items:				
Extra day of pay on 1957 base.....	None	\$1,253	None	\$1,253
Retirement contribution on 1957 base of 55 positions.....	None	18,709	None	18,709
Working capital fund.....	None	1,000	None	1,000
Subtotal.....	None	20,962	None	20,962
For program items:				
1. Development of programs and materials to improve women's employment opportunities and economic status.....	None	3,000	None	3,000
2. Advisory service on legislation affecting women workers.....	None	-600	None	-600
3. Executive direction and program coordination.....	None	-1,500	None	-1,500
4. Administrative services and management.....	6	58,738	6	58,738
Subtotal.....	6	59,638	6	59,638
Excess House allowance.....				2,200
Grand total.....	6	80,600	6	82,800

SALARIES AND EXPENSES

Senator HILL. Next we have Mrs. Alice K. Leopold, Director of the Women's Bureau.

We will be glad to hear from the Women's Bureau.

The House committee did not cut your request, did it, Mrs. Leopold?

HOUSE ACTION

Mrs. LEOPOLD. The House restored the funds on the rollcall vote. The Appropriations Committee recommended the full amount; the House restored the funds which they temporarily took away.

Senator HILL. That was one of the very few instances among the 14 rollcall votes where they restored the funds. Is that right?

Mrs. LEOPOLD. Yes, sir.

Senator HILL. We will be glad to have you proceed now, Mrs. Leopold.

PREPARED STATEMENT

Mrs. LEOPOLD. We have filed with the committee a brief statement.

Senator HILL. That statement will appear in the record in full, and you can proceed as you wish.

(The statement referred to follows:)

STATEMENT OF MRS. ALICE K. LEOPOLD, ASSISTANT TO THE SECRETARY OF LABOR FOR WOMEN'S AFFAIRS

Today over 22 million women are in the Nation's labor force, 3 million more than at the height of World War II, and more than 2½ times as many as in 1920 when the Women's Bureau was established by an act of Congress. These women are about one-third of our workers and a vital part of the economic strength of this country. They work in almost every occupation, including the important shortage occupations of teaching and nursing. There are increasing job opportunities for women, for example, in the radio and television industry, and in banking and accounting.

The postwar years have seen a number of changes which vitally affect women workers. There are shortages of nurses, teachers, secretaries, typists, and in such other professions, for example, as engineering and accounting. The increase in the average age of women workers, from 32 in 1940 to 39 today, and the greater longevity of the population as a whole is closely related to the necessity for working for the proper placement of older workers. On the other hand, there are changes in occupational opportunities resulting from the growth in the electronics and other new industries. There is an increasing need for adequate counseling and guidance materials for young people who are about to choose a career, and a need for liberalizing the State minimum-wage laws and orders affecting women workers.

In all these areas the Women's Bureau has planned projects for 1958. In order to do an effective job, however, we need a highly mobile field staff to help develop and execute current programs. Our 1958 request, therefore, includes the amount of \$58,538 for a field staff of 4, with 2 supporting clerical workers. They would carry out Bureau programs for older workers, to point the way toward alleviation of certain occupational shortages, for minimum wage and equal pay, and would be available also to gather information for specific Bureau projects and surveys. They would work closely with the regional and field staff of the Labor Department to coordinate, expand, and develop the women's affairs program of the Department.

This has been a general statement, Mr. Chairman, which I should be glad to amplify if you have any questions.

GENERAL STATEMENT

Mrs. LEOPOLD. I would like, in perhaps two sentences, to report for the record that our budget of \$459,800 represents the employment of

61 people in the Bureau for the entire country; that these funds have been restored by the House, and, so, we would hope that it would be your pleasure also to grant this amount.

I think if any arguments need to be presented for the wisdom of this budget it would be these:

Since there are 22 million women in the labor force, and we anticipate in the next 10 years, or in the next 8 really, that we will have an increased labor force of 10 million workers, of whom 5 million will be women, it is almost imperative that we add a small request, to our present budget, which is for 4 field staff workers. They would carry on their activities in the increasingly important fields of shortages which exist in the teaching profession, in the nursing profession, clerical, stenographic, et cetera, and would also work for legislation for women in the States—and among your own States are States for whom we have worked—and continue the really important action programs in the field of the older worker.

We would like to have you give us this amount.

TOTAL EMPLOYEES

Senator HILL. How many employees do you have now, Mrs. Leopold?

Mrs. LEOPOLD. The total budget would be 61. We have 57. We are asking for four additional regional people. We have 57 at present.

Senator HILL. Did the House allow you these four to which you have just addressed yourself?

Mrs. LEOPOLD. Yes, sir; they did.

Senator THYE. Mrs. Leopold, where are most of these workers stationed?

FIELD STAFF

Mrs. LEOPOLD. All of the Bureau is now in Washington, sir. Our feeling is that as the increase in the labor force of women becomes more important, to really reach people as we should, we would need to try a field staff of four, who would be located in the various regions which we call west, north central, south and northeast.

This is something that has been asked of us and which we hope will be a helpful thing.

Senator HILL. Do you have any questions, Senator Pastore?

EMPLOYMENT OF OLDER WOMEN

Senator PASTORE. Yes, Mr. Chairman.

Do I understand, Mrs. Leopold, that you are conducting a study about the employment of older women?

Mrs. LEOPOLD. Senator Pastore, we are doing more than that. We are conducting a series of action meetings, using, may I say, the figures of the Bureau of Labor Statistics and the facilities of the Bureau of Employment Security. These have been started now in four communities, and we have been asked to continue these forums in other sections of the country.

I can give you or put into the record those sections which have already asked us.

Senator PASTORE. Maybe I did not make my question specific enough.

Am I to understand that we need to have a separate study with relation to women as against men in the field of employment of older people?

Mrs. LEOPOLD. Senator, I do not think we need to have a separate study, because the studies made included the facts and information about older women.

Senator PASTORE. That is right.

Mrs. LEOPOLD. But it is possible to concentrate the activity of a community through women's organizations, and through affiliation with the employment service, which would appeal to a group of older women of whom there are many. This special appeal, which has been in the form of the earnings opportunities forums, has been extremely successful in its attendance and in its educational value and, in some instances, in placement.

I believe this is a very good way to approach the employment of older women, and I think its separateness is valuable.

Senator HILL. Do you have any other questions, gentlemen?

Senator THYE. No further questions, Mr. Chairman.

Senator PASTORE. No questions.

Senator HILL. We certainly thank you ladies for coming here this morning.

Mrs. LEOPOLD. Thank you very much.

WAGE AND HOUR DIVISION

STATEMENT OF NEWELL BROWN, ADMINISTRATOR

APPROPRIATION ESTIMATE

"Salaries and expenses: For expenses necessary for performing the duties imposed by the Fair Labor Standards Act of 1938, as amended, and the Act to provide conditions for the purchase of supplies and the making of contracts by the United States, approved June 30, 1936, as amended (41 U. S. C. 35-45), including reimbursement to State, Federal, and local agencies and their employees for inspection services rendered, and not to exceed \$3,000 for expenses of attendance of cooperating officials and consultants at conferences concerned with the work of the Division, **[\$10,000,000]** \$10,888,000."

Amounts available for obligation

	Adjusted 1957 base	Adjusted esti mate, 1958
Appropriation or estimate.....	\$10,000,000	\$10,858,900
Comparative transfer from "Salaries and expenses, Office of the Secretary".....	75,300	-----
Total.....	10,075,300	10,858,900

Obligations by activities

	Adjusted 1957 base		Estimate, 1958		House allowance, 1958	
	Positions	Amount	Positions	Amount	Positions	Amount
1. Promotion of compliance and enforcement.....	1, 257	\$8, 055, 400	1, 257	\$8, 742, 600	1, 214	\$8, 483, 700
2. Wage standards and determinations.....	85	697, 500	85	726, 900	85	726, 900
3. Regulations and interpretations.....	21	126, 650	21	134, 200	21	134, 200
4. Economic analysis and statistics.....	55	533, 700	55	552, 800	55	552, 800
5. Executive direction and management.....	21	217, 850	21	225, 600	21	225, 600
6. Central administrative services.....	96	444, 200	96	476, 800	96	476, 800
Total obligations.....	1, 535	10, 075, 300	1, 535	10, 858, 900	1, 492	10, 600, 000

EFFECT OF HOUSE ACTION

Activity 1. Promotion of compliance and enforcement.—The increase requested was \$687,200 for regulated promotions, reconditioning of equipment, additional day's pay, increased contribution to working capital fund and contribution to retirement fund. The House disallowed \$258,900 which approximates the amount requested for regulated investigator promotions, and the additional day's pay. The increase for the additional day's pay is mandatory, and the funds for promotions are required mainly to convert to an annual basis in fiscal year 1958, promotions that are effective during fiscal year 1957. In addition to eliminating the \$2,000 equipment maintenance item, the House action will require the elimination of 43 positions from this activity.

Activity 2. Wage standards and determinations.—The increase requested of \$29,400 for additional day's pay and contribution to retirement fund was allowed by the House.

Activity 3. Regulations and interpretations.—The increase requested of \$7,550 for additional day's pay and contribution to retirement fund was allowed by the House.

Activity 4. Economic analysis and statistics.—The increase requested of \$19,100 for additional day's pay and contribution to retirement fund was allowed by the House.

Activity 5. Executive direction and management.—The increase requested of \$7,750 for additional day's pay and contribution to retirement fund was allowed by the House.

Activity 6. Central administrative services.—The increase requested of \$32,600 for additional day's pay and contribution to retirement fund was allowed by the House.

Obligations by objects

	Adjusted 1957 base	Adjusted estimate, 1958	House allowance, 1958
Total number of permanent positions.....	1, 535	1, 535	1, 492
Full-time equivalent of all other positions.....	8	8	8
Average number of all employees.....	1, 482	1, 482	1, 441
Personal services.....	\$8, 262, 000	\$8, 527, 000	\$8, 285, 100
Travel.....	963, 000	963, 000	963, 000
Transportation of things.....	27, 000	27, 000	27, 000
Communication services.....	123, 000	123, 000	123, 000
Rents and utilities.....	19, 000	19, 000	19, 000
Printing and reproduction.....	71, 000	71, 000	71, 000
Other contractual services.....	551, 300	553, 900	551, 900
Supplies and materials.....	41, 500	41, 500	41, 500
Equipment.....	15, 000	15, 000	15, 000
Grants, subsidies, and contributions.....	.....	516, 000	501, 000
Taxes and assessments.....	2, 500	2, 500	2, 500
Total.....	10, 075, 300	10, 858, 900	10, 600, 000

Summary of changes

1957 actual appropriation-----	\$10,000,000
Transfers to finance Bureau's share of working capital fund-----	+75,300
Revised 1957 base-----	10,075,300
1958 appropriation request-----	10,858,900
Net change requested-----	+783,600

	Estimate, 1958		House allowance	
	Positions	Amount	Positions	Amount
For mandatory items:				
Extra day of pay on 1957 base-----	None	\$33,000	None	\$33,000
Retirement contribution on 1957 base positions-----	None	516,000	None	501,000
Retirement and depreciation on working capital fund-----	None	600	None	600
For regulated investigator promotion costs-----	None	232,000	None	232,000
Subtotal-----	None	781,600	None	766,600
For program items:				
For equipment maintenance program-----	None	2,000	None	None
For promotion of compliance and enforcement-----	None	None	-43	-241,900
Subtotal-----	None	2,000	-43	-241,900
Grand total-----	None	783,600	-43	524,700

SALARIES AND EXPENSES

Senator HILL. Next we will hear from the Wage and Hours Division, and Mr. Newell Brown, the Administrator, will make the presentation.

You have filed your statement with the committee, have you, Mr. Brown?

Mr. BROWN. Yes, sir.

PREPARED STATEMENT

Senator HILL. That will appear in the record in full, and we will be very happy to have you proceed now as you see fit.

(The statement referred to follows:)

Mr. Chairman and members of the committee, the \$1 minimum wage is now more than a year old. On the premises that substantial additional funds would be needed to enforce the new minimum in the field, to cover attendant adjustments in the national office, to study the economic effects of the new minimum and to pay for a doubled program of special wage determinations in Puerto Rico, last year we asked for and were granted \$10 million. This year we are requesting funds to maintain our current program at its present level through fiscal year 1958. No additional positions are requested.

In supporting this request, I should like to address myself to three principal subjects: First, our stewardship of the funds granted last year; second, the evidence available of present and prospective enforcement and related problems stemming from the increase to \$1; and, third, the several major experiments and studies we have instituted looking to sounder long-range planning and more effective future enforcement in the wage and hour and public contracts area.

STEWARDSHIP

Investigator employment has increased from 457 in July 1955 to 706 in March 1957. Today's total is somewhat less than the number we contemplated a year ago, due to unforeseen costs which limited the hiring funds available. While the

net increase was 249, it was necessary to appoint 417 new investigators during this period, to compensate for turnover and, to a much lesser degree, the promotion of investigators to new supervisory positions. Literally thousands of investigator candidates were interviewed and otherwise considered by supervisory personnel at all levels. Recruitment was slowed by generally high employment, the pay offered, and our policy of careful selectivity. While we have now achieved about 98 percent of our staffing goal within funds available, it is to be noted, looking to present and future accomplishment, that, as of the present, about one-half of the investigative force is new.

Because it takes a substantial amount of time for a new investigator to reach his potential as a producer, because we do not have as many on the staff as we had contemplated, and because we have consciously emphasized quality rather than using quantity as the all-important criterion of performance, we do not expect to produce this year the number of investigations we discussed last year. However, we have now reached an annual production rate of 54,000 as compared with 39,000 in fiscal 1955, and 33,000 in fiscal 1956. Fiscal 1955 is cited since that was the last full year prior to the many adjustments that were required by the increase of the minimum to \$1.

More significant than the number of investigations, in my view, are the results presently coming from our new emphasis on quality investigations. These results also reflect, to a degree, the impact of the \$1 minimum. In the following categories we are now producing results as great, or greater proportionately, than would appear to be indicated by the increase in our field staff: amounts of back wages found due, back wages which employers have agreed to pay, number of employees to whom back wages are due, and number of employees whom employers have agreed to pay. By way of illustration in fiscal 1955, we found \$12 million in back wages due; in fiscal 1956, \$11 million. This year, with only a 50 percent increase in the field force, in the past few months we have been finding back wages due at an annual rate of \$20 million, or an increase of 67 percent or more over 1955 and 1956.

In 1955 the Congress amended the Fair Labor Standards Act to provide for a review of minimum wage rates in Puerto Rico and the Virgin Islands on an annual basis. In 1956 the law was further amended to make these provisions applicable to American Samoa. In order to make possible the yearly review of every minimum wage rate applicable to covered employment in these islands, it was necessary to increase greatly the frequency of the industry committee meetings held for this purpose. This expanded program is proceeding on schedule. All 10 groups of committees planned for Puerto Rico for the fiscal year 1957 have already been appointed, and 8 have completed their work. The two remaining Puerto Rican committees will complete their work before the end of fiscal year 1957. In addition, a committee in the Virgin Islands convened and completed its hearing in March, and a committee meeting has been scheduled for May in American Samoa. Expenses for the Samoan program will be absorbed in the current fiscal year. Through the work of these 12 committees, all covered industries in Puerto Rico, Virgin Islands, and American Samoa will have their minimum wages reviewed during the current fiscal year. A similar program is planned for the next fiscal year.

The Division is in the process of expanding the level of the Walsh-Healey wage determination program from 5 determinations to 7 per year, and it is anticipated that the accelerated program will be in full operation by the beginning of fiscal year 1958.

The number of learner applications received after the amendments were considerably less than anticipated and staffing requirements were correspondingly reduced. It is estimated that activity in this area will continue in 1958 at approximately the current level.

The first phases of the 3-year program for studying the economic effects of the \$1 minimum wage are now nearing completion and an interim report on findings to date was issued in March.

Wage surveys in 7 of the 12 low-wage industries and industry segments selected for study for the Wage and Hour and Public Contracts Divisions have been completed by the Bureau of Labor Statistics. Surveys of the other five industries are in process. The Bureau has also completed field work in 10 small localities selected for study. Wage distribution data for five of the lowest wage manufacturing industry groups has been obtained and the Bureau is comparing these data with similar data obtained for April 1954. Changes in the distribution are being analyzed to determine to what extent these can be attributed to the minimum wage.

Later the Bureau will conduct a second survey of the 12 low-wage industries, to determine the longer range effects of the minimum wage as reflected in changes in wage structure and other factors since April 1956. The second round of locality surveys will be conducted in the next fiscal year. During the fiscal year 1958 the Bureau of Labor Statistics will also make intensive studies of 300 of the substantially affected plants to obtain information on the methods of adjustment adopted by these plants such as installation of new machinery, changes in product, price changes, changes in employment or hiring practices or reduction in profits. By the end of the next fiscal year, we plan to complete a comprehensive report summarizing the information on the effects of the \$1 minimum wage obtained in the entire series of studies, and indicating the implications for future minimum wage policy.

With enactment of the Fair Labor Standards Act Amendments of 1955, raising the minimum wage to \$1, it was necessary to develop additional informational materials to be used during the latter half of fiscal year 1956 in a nationwide educational campaign. The major tools consisted of a specially prepared wage-hour service kit containing speech material and radio-TV spot announcements directed to financial, labor, industry and service organizations as well as general material on white-collar exemption. Sixteen pamphlets presented in simple, nontechnical, language were developed and used to explain specific parts of the FLSA and its application to industry in general. The techniques employed in the nationwide educational program to gain broader compliance and better understanding of the Fair Labor Standards Act through education and to publicize the change in the minimum wage rate included using of all means of public communication.

While there has been long-standing conviction that more emphasis on informing employers and employees would bring improvements in compliance, the difficulty of statistically measuring results has inhibited activity. We are now directing somewhat more of our efforts to educational activities than in previous years.

ENFORCEMENT PROBLEMS RESULTING FROM THE \$1 MINIMUM

As had been anticipated, the advent of the \$1 produced the need for increased wage and hour enforcement activity. Further, there is evidence that this need is at least as great as it was in 1950 when the 75-cent minimum wage became effective, and will continue at least through fiscal 1958.

Investigation findings reported during two roughly comparable periods, July-December 1956 and July-December 1950, disclose that, in the 1956 period we found minimum wage violations in 1 out of every 5 establishments investigated as compared to 1 out of 6 in 1950. Furthermore, the proportion of employees in investigated establishments who were paid less than the minimum wage is double the proportion found in 1950. The average amount of underpayment per employee in 1956 was 50 percent higher than in 1950. It is further to be noted that a substantially increasing number of investigations has not resulted, as might have been expected, in a dropping of the proportion found in violation.

There is no reason to believe, based on our present investigative activity or by reference to experience after the 1949 amendments, that there will be a lessening need for investigations in fiscal year 1958. The minimum wage violations reported in the fiscal years following the 1949 amendments were at the rate of 6 percent in fiscal year 1950, 20 percent in fiscal year 1951, 20 percent in fiscal year 1952, and 17 percent in fiscal year 1953.

EXPERIMENTS AND STUDIES

We have worked into our regular program during the past year 4 important projects, 2 designed to test our investigative techniques which could, if successful, produce more effective use of our enforcement dollars, and two designed to reexplore the nature of the present and prospective wage and hour and public contracts enforcement problem. It is expected that we will have the results of these projects available by next fall and that these results will be useful in determining what the program should be in fiscal 1959 and beyond that. Some program reorientation may well be suggested.

The two investigative techniques we are trying out are a so-called compliance check and an exploration of the possibilities of using the mails to a greater degree in the overall conduct of our investigation program. The compliance check involves the placing of greater reliance on the judgment of investigators as to the amount of time they will spend on any particular investigation. In

the past it was generally felt that every investigation should be a thorough one. If, on the other hand, it turns out that an experienced investigator can determine with few exceptions, early in the investigation, that no important trouble exists and thereupon leaves, he will have more time to spend where there is trouble and will get to more firms in the course of a year.

In regard to the use of the mails, we are experimenting with an employer questionnaire to determine to what extent it may be useful in making our investigation efforts more effective.

We are reexploring the nature of the enforcement problem through an analysis of the nature of violations being found, their magnitude, currency and relationship to the employers' violation potential, among other things; and through a so-called random sample survey.

The type of enforcement program that the Division has carried on in past years does not provide information as to the general national level of compliance because emphasis is placed on selecting establishments which are probably in violation and on concentrating investigations in industries in which previous enforcement activity discloses a relatively high degree of noncompliance. For the same reason the regular enforcement program does not provide solid information on the extent to which noncompliance is concentrated in particular industries, size of establishment groups, and geographic areas. Information of this type is essential, we think, to development of a fully sound enforcement program for the future. If we had such information, we could come closer to determining how many investigations need to be made to bring about a given level of compliance, and where these investigations should be directed.

To obtain this type of information we have instituted a random sample survey of all covered employers in nearly all industries subject to the act, which will yield, by next fall, estimates of the proportion of all covered employers in violation and proportion of all covered employees underpaid, broken down by major areas, industry groups, and size of firm. This survey will involve making investigations in about 10,000 establishments.

STATEMENT OF NEWELL BROWN, ADMINISTRATOR, WAGE AND HOUR DIVISION, BEFORE
THE SENATE APPROPRIATIONS COMMITTEE ON THE EFFECT OF HOUSE ACTION

The House Committee on Appropriations approved our request in full, and the request was reduced by a floor amendment to \$10,600,000. My impression is that some of the Congressmen who supported the reduction were of the opinion that its adoption would not affect the level of our program. Actually, there is no way of adjusting to a reduction in this budget except by decreasing program.

The proposed reduction approximates the funds required to meet the cost of the additional day's pay, and the increase in salaries of new investigators who have satisfactorily completed their year of apprenticeship and qualify as experienced investigators. Under the standards established by the Civil Service Commission, these employees are entitled to the higher grade and salary when their performance reaches the journeyman level. Their understanding when they took the civil service examination was that after 1 year of satisfactory performance as apprentices, they would be promoted to the regular investigator positions. Of course, we are not bound to promote them, but it should be obvious that if we do not live up to this understanding, there will be a severe decline in morale, and many of these trained investigators will leave the Federal service.

I sincerely feel that this budget and the level of program provided is a very modest one. It provides for a continuation of operations approved by this committee last year. No additional positions are involved. In order to maintain this level it is necessary for us to have \$858,900 more than we had last year, mostly for items over which we have no control. None of the factors which account for the increase are related to level of program. The amounts involved in the increase are as follows:

(a) Contribution to civil service retirement fund.....	\$516,000
(b) Additional day's pay.....	33,000
(c) Equipment maintenance program.....	2,000
(d) Investigator promotions (see above).....	232,000
(e) Working capital fund (functions and obligations formerly carried in appropriation for the Office of the Secretary).....	75,900
Total.....	858,900

These items with the exception of the small equipment item are mandatory. The funds for promotions are for the most part required to convert to an annual basis in fiscal year 1958, promotions that will become effective during the latter part of fiscal year 1957. To absorb the reduction of \$258,900, it will be necessary to eliminate 43 positions from our base budget with a corresponding effect on the level of program.

As I have indicated previously, there is no indication of a lessening of need for a vigorous enforcement program. The amount of underpayments which are being disclosed by investigations are at a higher rate than during previous years. Month by month, the amount of underpayments found due under the minimum wage provisions has been rising. Further, we know from our experience in enforcing the 75-cent minimum wage that the rate of violation disclosed by investigations does not drop until 3 or more years after a minimum wage increase becomes effective.

HOUSE REDUCTION

Mr. BROWN. Our odyssey today is briefly told. We came to the House for \$10,858,900, which represented no increase in staff, no added positions, no increase in program, but, rather, the maintenance of the fiscal 1957 program.

The House subcommittee and the House Appropriations Committee both approved that. The House itself, however, voted a cut of \$258,900, which was, I think, at least at the outset, under some misapprehension that this would serve to keep us at our present program level.

The effect of this cut would be the equivalent of cutting back into the present program or present staff the equivalent of about 43 positions. In other words, it would be a cutback in the program.

It is our view that the level of performance of fiscal 1957, should be carried on in 1958 for three reasons:

IMPACT OF \$1 MINIMUM WAGE

No. 1, the impact of the \$1 minimum wage appears to us to be a continuing phenomenon that will be in existence for at least another year.

No. 2, the stewardship of the funds that we have had in this past year is yielding results at least comparable to the added funds being spent. That is in terms of back wages found due, collections to employees to whom wages are found due, et cetera.

Thirdly, we are in the midst of several rather large and major experiments directed toward better long-range planning in this particular Government service into the future.

Those three things persuaded us that we ought to maintain about the same level for fiscal 1958. In order to maintain that level we would have to get back the \$258,900 that the House cut off.

Senator HILL. Under the budget estimate, if your personnel was to remain the same, for what purpose would you use the additional \$888,000 as the budget recommended?

CONTRIBUTIONS TO RETIREMENT FUND

Mr. BROWN. There has been some small adjustment in that amount, so that it came out to \$858,900. There are five items, No. 1 being contributions to the civil service retirement fund, which is somewhat over \$500,000.

Senator HILL. That is mandatory and you have no choice there. Is that correct?

Mr. BROWN. That is right.

Then there is an extra day's pay, which is \$33,000.

Senator HILL. Is that due to leap year?

Mr. BROWN. I do not know.

This is true, I think, of all the budgets. In this coming fiscal year there is an additional day.

Mr. DODSON. It is the way the calendar falls. There is one more day of pay in the next fiscal year.

Mr. BROWN. Next we have \$2,000 for equipment maintenance, which is little enough, of course.

PAY INCREASES FOR EXISTING STAFF

Then we have \$232,000, which represents pay increases for the existing staff. That largely goes to new investigators we have hired over the last year or year and a half at grade 7, which was around \$4,500. They were hired on the understanding and the longstanding policy of the Department and agency that, having served a year of apprenticeship, they are promoted, other things being equal, to a GS-9, which is \$5,440.

If you are at all aware of their work, this is little enough. To deny them that increase at this juncture would mean a substantial falling off of personnel, resignations. And, in the case of those who might stay on, the impact on morale would be tremendous.

Senator HILL. Are these men inspectors?

Mr. BROWN. They are inspectors. Yes sir.

Senator HILL. Are they men who go around and have to do with the enforcement of the act and that kind of thing?

Mr. BROWN. That is correct.

Senator HILL. They should be men who make a good impression and who know how to meet and greet people and impress people with the idea that they know what they are talking about, and they ought to have some diplomacy about them, too. I imagine sometimes when they walk into a place and tell a person who they are, the atmosphere changes.

Mr. BROWN. That is true.

Senator HILL. They ought to be men who know how to handle a matter of that kind with some degree of diplomacy.

It seems to me that \$5,600 is not a very large salary for a good man. Is it?

Mr. BROWN. No.

They climb from that, over a period of years, up to \$6,250 at the journeyman grade, GS-9. But they come in at \$4,525.

We have had considerable difficulty in recruiting the substantial increase in the past 2 years because of that salary level.

Senator PASTORE. Is this all done with the approbation of the Civil Service Commission?

Mr. BROWN. Yes, sir.

HOUSE VOTE ON REDUCTIONS

Senator HILL. I notice that the cut made by the House was made on a very close vote, 214 ayes as against 205 nays. So there is a good deal of doubt in the House apparently as to whether or not this cut should be made.

You may proceed, sir.

Mr. BROWN. There is just one other item, of \$75,900, which is the working capital fund, which is the same thing that the other bureaus have. We are requesting nothing beyond what we had in 1957 for the overall program, just the costs that are in the nature of things.

Senator HILL. Do you have any questions, Senator Pastore?

Senator PASTORE. No.

Senator HILL. Is there anything else you would like to add, Mr. Brown?

Mr. BROWN. No, Mr. Chairman.

Senator HILL. We are very much obliged to you, sir.

PRESIDENT'S SAFETY CONFERENCE

STATEMENT OF JAMES E. DODSON, ADMINISTRATIVE ASSISTANT SECRETARY, OFFICE OF THE SECRETARY, DEPARTMENT OF LABOR

GENERAL STATEMENT

Senator HILL. Mr. Dodson, I understand you had a word to say here about some matter.

Mr. DODSON. Mr. Chairman, I am concerned that we have not made our case clear with regard to our need for the money for the President's Safety Conference and for the atomic energy matter.

Briefly, the President's Safety Conference has grown from a conference having an attendance of around 500 people to one now of 2,000. There is a lot of clerical work entailed in that. There is also the fact that it has grown from a conference that could be housed in the departmental auditorium, with no rental charge, to the point where it has moved on down to Constitution Hall with a rental charge.

The fact is that you have to have several executive committees or working committees and secretaries to those committees in order to make a conference of that size be productive.

So our need for funds now is related to the growth of this President's Safety Conference and the bringing in of various types of industries or people involved in this problem that were not in there in the beginning.

Senator PASTORE. What do you need the money for? Is it for expenses or personnel?

Mr. DODSON. Temporary personnel mainly; overtime for personnel; increasing the typing staff to send out the invitations, to register the people when they come in.

There is a certain amount of extra duplicating work that must be done in connection with a conference of that kind. It is principally for what I would call servicing functions. And, as I say, there would have to be people on a temporary basis to act as executive secretaries to several committees that are engaged in getting the conference set up and going.

ATOMIC ENERGY ACCIDENT PREVENTION

On the atomic energy side, to me the overall Department's role in the field of accident prevention is involved. As atomic energy is introduced into private enterprise, the Department of Labor has been the agency of Government to try to prevent accidents in industry. Working through the State labor departments as multipliers, it has been stated here that we should help the State labor depart-

ments develop safety codes in this field. We also want to help train the State labor factory inspectors to meet situations as they arise.

This matter of the two additional positions at this time is our request to get our program geared to meet this introduction of atomic energy to private industry, and to train the State labor factory inspectors and to aid the States in the development of their safety codes.

It is a beginning, and as atomic energy becomes more and more used in private industry or private practices we would have to gage our program accordingly.

I think the principle is that the Department of Labor is the Federal agency of Government for the reduction of accidents in industry. And with atomic energy moving over into industry we must keep pace if we are going to do the job that we have been held responsible for doing for a number of years.

Senator HILL. Senator Pastore, you are a member of the joint committee. Not only a member but a very able and active member. Do you have any questions or comments on that?

Senator PASTORE. Yes, Mr. Chairman.

I am pretty much convinced that the time will come when the proper department will have liaison with atomic energy, and that is when it becomes a commonplace in our atomic society. And I think the Department of Labor is the department to do it. But I question very much whether or not we are starting a little prematurely.

For myself, I think we have to look forward to this.

I was very much interested in what representations had been made to the Atomic Energy Commission and what the Atomic Energy Commission had to say. One of the witnesses yesterday said he would forward that information to the committee.

Mr. DODSON. Yes, sir.

Senator PASTORE. Personally, I would like to get into it a little more deeply.

I think the time will come when it will be necessary for the Department of Labor to go into this program, but it is my opinion that in our present spirit of economy we are moving a little too fast into this particular region in the Labor Department because I do not think we are quite there yet.

You are going to have two fellows come in and sit at nicely shined desks, and they will go to Oak Ridge, and that will be very desirable. I do not know whether you will recruit these men for \$10,000, men with the necessary background, unless they are fresh out of college, and this job will be attractive to them, and maybe it will help them get their feet on the ground.

We are now moving in a spirit that we have to do something about cutting down some. I question very much whether or not we have arrived at the time when this will be a wise program in the Department of Labor as it is now contemplated.

I think eventually you will come to that.

Perhaps I do not quite understand how you people envision it and how the Atomic Energy Commission sees it, but I am afraid that you are on a rather weak footing as of the moment. I just cannot see the Labor Department training anybody back home in a field that is very, very much restricted for the moment and when any activity that you do have is under license by the Atomic Energy Commission.

If you are talking about X-rays in a shoe store, that is something entirely different. That has been with us for a long, long time. But you certainly are not going to glamorize that with isotopes and atomic energy.

If you are talking about one thing, that is one thing. If you are talking about atomic energy as being used for peaceful purposes, domestically, being developed, I think pretty much, myself, that it is largely under the aegis of the Atomic Energy Commission, and we are not going to get into it at all unless we want to get into a lot of serious trouble.

Mr. DODSON. I have not been in the discussions with Atomic Energy personnel myself, but I do know our people have had numerous discussions with the Atomic Energy people, and I am sure they are well aware of what we are trying to do.

Senator PASTORE. I know it is desirable, but I am questioning the necessity of it now.

Even I, as a member of the Joint Committee on Atomic Energy, question whether this is the wise thing to do, whether it is necessary right now even in view of the fact that we have not moved too far, that we have not moved far enough to the liking of some of the Members of the Congress, with investigations into the development of peaceful uses of the atom in the United States.

I wonder if it would be wise to set up a safety agency with the Department of Labor right now, with nothing really to do outside of making a lot of trips all over the country, informally talking to a lot of people.

Eventually it will come, but your two men are not going to handle this big field. We have 48 States, and when this thing comes we will have to know a lot more about it than we know today.

Mr. DODSON. This was our beginning, and we feel we have to keep pace with the times.

I have to be honest and say it would not be our ending, because, obviously, two men could not do the job.

Senator PASTORE. When this thing comes it will be a very big thing and you will have to transfer this whole thing from the Atomic Energy Commission over to your department.

Mr. DODSON. I am glad to have your thinking on this subject.

Senator PASTORE. But, for the time being, it is necessarily highly classified. But when the day comes that every public utility company will be producing electricity from atomic energy, when it becomes commonplace as all that, I see it as an activity in the Labor Department; but not now. Really I do not see it now unless somebody demonstrates it to me.

Mr. DODSON. That is all I have to say, Mr. Chairman.

Senator HILL. Thank you very much, Mr. Dodson.

Mr. DODSON. You are quite welcome, sir, and I thank you very much for the time you have given our people.

Senator HILL. We certainly appreciate your being here.

The subcommittee will stand in recess until 10 o'clock tomorrow morning.

(Whereupon, at 12:23 p. m., Wednesday, April 10, 1957, the subcommittee was recessed, to reconvene at 10 a. m., Thursday, April 11, 1957.)

LABOR-HEALTH, EDUCATION, AND WELFARE APPROPRIATIONS, 1958

THURSDAY, APRIL 11, 1957

UNITED STATES SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, D. C.

The subcommittee met at 10 a. m., pursuant to recess, in room F-82, the Capitol, Hon. Lister Hill (chairman of the subcommittee) presiding.

Present: Senators Hill, Hayden, Stennis, Pastore, Thyne, Dworshak, and Potter.

Senator HILL. The subcommittee will kindly come to order.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

BUDGET PRESENTATION

STATEMENT OF MARION B. FOLSOM, SECRETARY; JOHN A. PERKINS, UNDER SECRETARY; RUFUS E. MILES, DIRECTOR OF ADMINISTRATION; AND JAMES F. KELLY, BUDGET OFFICER

OBLIGATIONS BY OBJECTS

Senator HILL. We are very happy to have with us this morning the Secretary of Health, Education, and Welfare, Mr. Folsom.

We welcome you here, Secretary Folsom, and we will be delighted to have you make any statement or presentation that you see fit to make.

Secretary FOLSOM. Mr. Chairman, we are glad to be here. We have a full statement to make, of about 33 pages.

Senator HILL. At the outset I shall insert in the record this table, furnished at the request of the subcommittee, showing the obligations by object for the entire Department. I call attention to the fact that the requests for "grants, subsidies and contributions" total \$2,359,992,392, or 91.4 percent of the total.

(The table referred to follows:)

Obligations by objects

	Fiscal year 1957		Fiscal year 1958	
	Obligations authorized by appropriations and transfers	Obligations authorized by OASI trust funds and fees	Obligations authorized by appropriations and transfers	Obligations authorized by OASI trust funds and fees
Total number of permanent positions.....	30,708	21,204	32,828	21,340
Full time equivalent of all other positions.....	993	13	1,051	2
Average number of all employees.....	29,580	19,989	31,980	21,000
Number of employees at end of year.....	31,088	21,022	33,288	20,915

Obligations by objects—Continued

	Fiscal year 1957		Fiscal year 1958	
	Obligations authorized by appropriations and transfers	Obligations authorized by OASI trust funds and fees	Obligations authorized by appropriations and transfers	Obligations authorized by OASI trust funds and fees
01 Personal services.....	\$152, 149, 771	\$96, 675, 827	\$165, 837, 809	\$97, 088, 343
02 Travel.....	5, 821, 849	2, 766, 607	6, 646, 548	2, 407, 066
03 Transportation of things.....	1, 373, 516	577, 025	1, 437, 066	438, 085
04 Communication services.....	1, 722, 644	1, 711, 332	1, 841, 996	1, 758, 914
05 Rents and utility services.....	2, 412, 525	7, 818, 028	2, 623, 753	8, 662, 574
06 Printing and reproduction.....	1, 668, 084	1, 776, 366	1, 898, 984	1, 616, 186
07 Other contractual services.....	42, 487, 403	¹ 5, 677, 007	47, 649, 752	¹ 11, 362, 530
08 Supplies and materials.....	33, 968, 093	1, 500, 491	22, 195, 740	1, 095, 847
09 Equipment.....	6, 513, 720	1, 622, 760	7, 051, 260	1, 679, 425
10 Lands and structures.....	38, 474, 321	65, 000	13, 086, 146	23, 000
11 Grants, subsidies and contributions.....	2, 345, 762, 398	-----	2, 352, 040, 016	-----
Contributions to the retirement fund.....	-----	-----	7, 952, 376	6, 094, 106
12 Pensions, annuities and insurance claims.....	1, 476, 363	-----	1, 591, 363	-----
13 Refunds, awards and indemnities.....	61, 800	26, 500	48, 350	26, 500
15 Taxes and assessments.....	430, 377	25, 057	542, 938	24, 924
Unvouchered.....	40, 000	-----	40, 000	-----
Total.....	² 2, 634, 362, 864	³ 120, 242, 000	⁴ 2, 632, 484, 097	132, 277, 500
Adjustments:				
Deduct:				
Charges for quarters and subsistence.....	-1, 894, 327	-----	-1, 967, 333	-----
Reimbursements and transfers.....	-36, 155, 504	-----	-40, 437, 054	-----
Prior year balances available.....	-561, 548, 686	-25, 131, 651	-516, 957, 466	-24, 972, 651
Prior year balances available, contract authorized.....	-2, 945, 180	-----	-1, 512, 980	-----
Proposed supplemental estimates.....	-282, 049, 000	-21, 883, 000	-----	-----
New authorizations OASI trust fund and food and drug fees.....	-----	-98, 200, 000	-----	-132, 254, 500
Add:				
Balance available in subsequent year.....	+445, 084, 743	+24, 972, 651	+509, 405, 662	+24, 949, 651
Balance available in subsequent year, contract authorization.....	+834, 525	-----	+1, 099, 655	-----
Applied to contract authorization.....	+964, 655	-----	-----	-----
Unobligated balance no longer available.....	+11, 370, 305	-----	-----	-----
Unobligated balance rescinded.....	+5, 064, 024	-----	-----	-----
Net total obligations (appropriations).....	2, 213, 088, 419	-----	2, 582, 114, 581	-----

¹ Includes advances to States for BOASI disability freeze and insurance benefit program; \$4,631,088 in 1957 and \$10,634,015 in 1958.

² Includes proposed supplemental estimates of \$282,049,000. Excludes permanent authorizations (a) colleges of agriculture and mechanic arts, \$2,550,000; (b) vocational education, \$7,138,331. (See the following list:)

List of proposed supplemental estimates:

President's Committee on Education Beyond the High School.....	\$650, 000
Grants to States and other agencies, Office of Vocational Rehabilitation.....	1, 500, 000
Construction, mental health facilities, Territory of Alaska.....	500, 000
Salaries and expenses:	
Hospitals and medical care.....	1, 470, 000
St. Elizabeths Hospital.....	201, 000
Construction, maximum security building, St. Elizabeths Hospital.....	673, 000
Grants to States for public assistance.....	277, 000, 000
Salaries and expenses, Bureau of Public Assistance.....	35, 000
Cooperative research on demonstrative projects in social security.....	20, 000

Total..... 282, 049, 000

³ Includes proposed supplemental estimate of \$21,883,000 for salaries and expenses, BOASI.

⁴ Excludes permanent authorizations (a) colleges of agriculture and mechanic arts, \$2,550,000; (b) vocational education, \$7,138,331.

GENERAL STATEMENT

Secretary FOLSOM. What I would like to do is read the first five pages to summarize it, and then skip over to the last few pages which relate to changes made by the House committee.

Senator HILL. All right. You may proceed as you wish.

Secretary FOLSOM. Mr. Chairman and members of the committee, the 1958 budget and legislative proposals related to the programs administered by the Department of Health, Education, and Welfare are designed to continue forward progress in the areas of health, education, and welfare. They are designed to foster a pattern of cooperative action, a sharing and division of responsibility by individuals, private groups and local, State and Federal governments to provide the best combination of services for all of the people. This concept is inherent in most of our existing legislation and continued in our proposed legislation.

FEDERAL ROLE

It can be briefly stated that the Federal role is one of leadership and assistance but not domination. Thus, the Federal Government supports and encourages local and private effort, where this is appropriate, but does not supplant it.

In the development of legislative and budget proposals, we have endeavored to emphasize constructive programs. These proposals are directed at roots and causes of problems and are designed to prevent as well as treat human needs, emphasizing research in every field in the Department. By taking these actions now, we forestall more serious problems in the future. As we advance and correct or prevent deficiencies in health, education, and economic security of the people, we are making investments in human resources and we are contributing to our expanding economy, our national security, our freedom itself.

SUMMARY OF 1958 BUDGET

The budget proposes appropriations totaling \$3,070,602,412 for the Department of Health, Education, and Welfare. This represents an increase of \$564,449,537, of which \$477,545,000 covers the first-year cost of new legislation recommended by the President. Of the proposed increase for new legislation, 95 percent is for school construction. The items of new legislation in the budget are:

School construction.....	\$451, 000, 000
Construction grants for teaching facilities at medical and dental schools.....	15, 200, 000
Assistance to States for planning expansion in education beyond the high school.....	2, 500, 000
Grants to States for prevention and control of juvenile delinquency.....	3, 000, 000
Provision of minimum sanitary facilities for Indians.....	4, 800, 000
Training of teachers for the mentally retarded.....	500, 000
Planning funds for a new Howard University hospital.....	410, 000
Establishment of a Federal Advisory Commission on the Arts and creation of an Award for Merit Board.....	135, 000

NET BUDGET CHANGE UNDER EXISTING LEGISLATION

The remaining net increase of \$86,904,537 applies to the administration of programs authorized by existing legislation.

NET BUDGET CHANGE

The elements occasioning the increased budget request for carrying out the programs authorized by existing legislation in the amount of \$86,904,537 are:

Contributions to the civil-service retirement fund treated as a budget item of the Department for the first time in 1958, increase-----	\$7, 603, 120
Net change in support of the affiliated institutions, decrease-----	91, 325
Strengthening the Food and Drug Administration, increase-----	2, 100, 000
Net change in grants and operations of the Office of Education, decrease-----	48, 016, 300

There are increases in a number of items, but a substantial decrease in the appropriation for construction grants for the impacted areas. With a net decrease for the Office of Education of \$48 million.

To continue with these items:

INCREASE FOR ADDITIONAL REQUIREMENTS

For the additional requirements of the Public Health Service there is an increase of \$14,955,722. There again there is a series of increases and decreases.

For expansion of the program of vocational rehabilitation there is an increase of \$7,268,090.

The net change in requirements for St. Elizabeths Hospital shows a decrease of \$7,337,000.

There is an increase in public assistance grants, in the amount of \$102,400,000.

For additional requirements of the Social Security Administration other than public assistance grants there is an increase of \$7,328,692.

Additional requirements in the appropriation under the Secretary's Office represent an increase of \$693,538.

The total net increase amounts to \$86,904,537.

Not included in the above list is an increase of \$9.9 million in appropriations from the OASI trust fund to cover increased administrative cost of the expanding OASI program.

IMPACT OF LAST YEAR'S LEGISLATION

In a few moments I will comment briefly on each of the increases listed above. It should be noted at this point, however, that the preponderance of the increase relates to legislation which was enacted by the last session of the Congress. These enactments included the Social Security Amendments of 1956 which broadened the coverage under old-age and survivors insurance, initiated a program of disability insurance, lowered the retirement age for women, increased Federal participation in public assistance payments, authorized expanded Federal participation in the provision of medical care for public assistance recipients, authorized the research program into cause of dependency, and a training program for welfare workers.

Other legislation enacted last year which is reflected in this budget includes the transfer of the National Library of Medicine to the Public Health Service, authorization for a national health survey, the Water Pollution Control Act, the Alaska Mental Health Enabling Act, the authorization for grants for rural library services, training authorizations covering practical nurses, public health personnel and

professional nurses, the authorization for mental health special projects, and dependents' medical care for the uniformed services.

Funds were provided in supplemental appropriations last year to initiate much of this legislation, but the 1958 budget represents the first full year of operation of these programs.

As you can see, this is a formidable list of new and modified programs and objectives. I will not endeavor to report on our progress in launching these programs, but I would like to say that we have made good progress in getting the new programs under way. I am sure you will get a complete picture of these activities as you take up the individual appropriations.

MAJOR PROGRAM ADJUSTMENTS

In the interest of conserving your time, if it is agreeable with the committee, I will file a portion of my statement explaining the major program adjustments in the 1958 budget, and then will move on to the effect of the House action, beginning on page 21.

(The partial statement referred to follows:)

ANALYSIS OF BUDGET CHANGES BY OPERATING AGENCY

I will highlight the major changes in the requested appropriations in the order in which they are presented in the budget. Following the discussion of the programs as presented in the budget, I will comment on the House action. In using the figures for each of the operating agencies I have excluded the cost of the Civil Service Retirement Act in order to show the program changes.

Food and Drug Administration, +\$2,100,000

The 1958 budget is designed to carry forward the policy of strengthening enforcement of the food and drug laws, and represents the second stage of the expansion program recommended by the Citizens Advisory Committee in its report of June 1955.

The Citizens Committee pointed out that the Nation has grown by more than 30 million people since 1941, and that tremendous technological change has taken place. In the drug field, for example, sales of endocrine products have increased by 900 percent, barbiturates by 300 percent and others by corresponding percentages. Almost half of the highly potent drugs available today were unknown 15 years ago. After thorough review, the conclusion of the Citizens Committee was that the Food and Drug Administration should be increased threefold or fourfold over a period of years. This is the second, and clearly essential step, in the expansion of this organization which protects us more than we realize.

The funds requested provide for necessary increases in the enforcement staff, replacement and modernization of laboratory, and enforcement equipment, and the establishment of a new Food and Drug district office at Detroit, Mich.

Office of Education, -\$48,016,300

Operating funds of the Office of Education were substantially increased in 1957 to extend the important educational services of collecting and disseminating information with respect to the Nation's educational activities and requirements, and assisting State and local school systems, and to inaugurate an educational research program conducted in association with colleges, universities, and State departments of education. The 1958 budget requests a further increase of \$1,982,000 to extend services and research. The largest part of this increase would be used to expand educational research by \$1.3 million. This will bring the total research program to \$2.3 million. These funds will permit continuation of the research projects initiated this year and permit a start on research into other pressing educational problems.

As we move into an era of increasingly complex educational problems, this program of cooperative educational research is of the greatest importance. The Office of Education should not be an agency whose primary role is to hand out Federal funds after problems have become so acute at State and local levels that the Federal Government must provide fiscal aid. That should be its secondary role. Its primary role should be to assist the States, communities, and nonprofit

institutions, through research and information to cope with difficult problems in their own communities. The expansion of the research program is particularly needed to further this role. This is the reason I consider the research and service budget of the Office of Education to be so important.

In addition to its basic responsibilities, the Office of Education administers several educational-grant programs. These include grants to States to support vocational education, rural library services, land-grant colleges, and the funds for the construction and maintenance of schools in communities overburdened by an influx of students due to Federal activities.

The 1958 budget includes an increase of \$13,950,000 for operation and maintenance of schools in Federal-impact areas. This increase is occasioned by the increase in eligible students coupled with the increase in average cost of education per student. Provision is made for increased funds for the second year of the grant program for rural library services. Under vocational-education grants, we propose a \$2 million increase in the funds for the practical-nurse-training program as an important part of the program designed to reduce the national shortage of nurses and nurse assistants.

The net decrease in the budget request for education programs is caused by a decrease of \$66,700,000 in requirements for grants for the construction of schools in Federal-impact areas. The funds required for this purpose are less in the second year of the currently authorized program.

Office of Vocational Rehabilitation, +\$7,268,090

The budget includes increased support grants to States to match increased funds available within the States. This will make possible additional services to the handicapped and move a step further in the direction of the President's goal of rehabilitation of all disabled persons that can be assisted and who wish to avail themselves of the services.

The budget continues the policy of providing sufficient funds to permit the State-Federal program to expand, to the extent authorized by law, at a rate as rapid as State-matching funds will permit. Last year a record of 66,273 handicapped persons were rehabilitated and placed in gainful employment. The aim of the current year is to rehabilitate 76,000 persons. The goal for 1958 is to rehabilitate 90,000 disabled persons to gainful employment.

The budget provides for special emphasis upon training to increase and improve the supply of competent personnel in all the disciplines needed to further expand rehabilitation services. Increased funds are also provided for expansion of research and demonstration projects for the development of new techniques, and for demonstration of the effectiveness of different methods of assisting handicapped persons with varying degrees and types of disabilities. This program exemplifies both the policy of Federal action in partnership with State, local, and private enterprise, and the constructive approach to a national problem.

The long-run value of expanding this program makes sense in simple financial terms. There is little question that rehabilitated people, gainfully employed, return to the Federal Treasury in income taxes several times the cost of rehabilitating them. But what is more important, it restores them to the productive, independent and self-respecting status to which they aspire and are entitled.

Public Health Service, +\$14,955,722

National Institutes of Health.—The Congress appropriated for the current fiscal year \$183.2 million for the National Institutes of Health, the principal research arm of the Public Health Service. This was an increase of \$84.5 million over the previous year and was by far the largest annual increase in a steady expansion of these activities. Congress wisely expressed the view that there should be no reduction in the quality of research supported through these funds.

In the normal course of administering these appropriations, the Institutes developed plans and estimates as to how the greatly increased funds could be used most effectively while maintaining previous high standards. The Institutes estimated that \$172.8 million of the total appropriations could be effectively used during the current fiscal year. This was in no sense a ceiling, but was a working estimate. It was understood at the time, of course, that the estimate might turn out to be either high or low, depending upon later developments. The estimate was based on a reasonably firm program for direct operations, research fellowships, training, grants to States and field investigations. However, the estimate of research project grants to outside institutions necessarily was based on an estimate of the number and amount of worthwhile research applications which would be received.

These are the policies adopted with respect to these outside grants:

1. That the standard of scientific excellence that has characterized this program would be maintained by continuing to utilize the study sections and advisory councils which bring to bear the judgment of the Nation's outstanding scientific experts.

2. The amount of funds available would not be a factor in the determination that any research project should be approved or disapproved by the scientific advisory groups.

3. All projects recommended by the study sections and the research councils and approved by the Surgeon General would be financed to the limit of available funds.

The 1958 budget proposal continues the high level of support of research projects experienced in 1957. Additional grant funds have been included in order that educational institutions might be compensated in full for the indirect costs associated with research, the policy heretofore having restricted such payments to 15 percent of the total grant. Experience has shown this amount to be inadequate. It seems to me important that colleges and universities should not have their financial position further burdened because of the impact of large research programs. Indirect costs including the provision and maintenance of space, payrolling, accounting, personnel, and other common services are essential to conducting research. These services cost money and Government-supported research has increasingly become a consumer of these services. The policies of the various Government departments and agencies differ in their recognition and reimbursement of these indirect costs. The Department of Health, Education, and Welfare and the National Science Foundation have the most restrictive limitations of all the Federal agencies—that is, the lowest rate of reimbursement—in respect to these indirect costs. The National Science Foundation has recommended a uniform system and policy of recognizing these costs as a part of research project cost. A statement on the technique of measuring this cost for governmentwide application is now being developed. This budget is designed to put into effect this policy.

Increases are also provided for continuation and expansion of the research fellowship program initiated in 1957, and further expansion of the direct research activities at Bethesda directed toward full utilization of the Clinical Center and related facilities.

Chronic disease and health of the aged.—Among the other highlights of the budget for the Public Health Service is the increase proposed to improve community services for the chronically ill, especially older persons. The total requested for this purpose is \$2.7 million, compared with \$541,800 for the current year. This includes \$1.5 million for special project grants to public or private nonprofit agencies and institutions. Technical assistance and research in the development of better health programs for the chronically ill and the aged are budgeted at \$1.2 million. I consider these additional funds to be an important part of our total program for dealing with the problems of aging persons. In view of the committee's interest in the subject of aging we have prepared and are filing a separate statement on this subject with your committee.

Accident prevention.—An increase of \$300,000 is requested to strengthen the public health programs on accident prevention. These funds will be used to foster research, conduct short-term training courses, and appraise existing programs. This will permit modest expansion in an important health field. Accidents are the fourth leading cause of death and the first cause among persons between 1 and 35 years of age. Accidents account for 9 million injuries each year, including over 300,000 permanent disabilities. The need for stepping up our work in this area seems clear.

Atomic radiation.—The budget requests \$608,000 to study potential public health problems involved in rapid advances in the use of nuclear energy. These funds would be used to help train State and local personnel on the public health aspects of reactor development and use, to help States keep current their radiation safety codes, to speed up the development of radiation sampling and analysis, and to augment research on the health effects of radiation. If we fail to keep pace from a health standpoint with the rapid developments in the peaceful uses of nuclear energy, there may be serious impediments to the total program and unnecessary hazard to the health of many persons.

Air-pollution control.—The budget proposes a total of \$4.1 million compared with \$2.74 million this year, for control of air pollution, a problem of growing national importance.

Much of the proposed increase would be devoted to research on new and complex pollutants and to the search for better and more economical methods of measuring and controlling pollution. Studies on the effects of air pollution on health would be intensified. More technical assistance and financial aid would be made available to State and local air pollution control agencies or to other public agencies concerned with air-pollution control for demonstration projects. Programs for training personnel also would be expanded.

Water-pollution control.—Exclusive of construction grants for sewage-treatment works which remain at \$50 million, the budget proposes an increase of \$2.4 million for control of water pollution, to a total of \$6.6 million.

This would expand from \$2 million to \$3 million funds available for grants to States and interstate water pollution-control agencies to help them conduct stream surveys, promote construction of treatment plants, and train personnel for pollution-control programs. Increased funds are also requested for research and for collecting better factual data on the pollution of the Nation's major waterways. Usable water is becoming increasingly difficult to obtain in adequate quantities and is obviously important to the further expansion of the Nation's cities, communities, and industries. Holding down and reducing pollution is an essential means of making maximum use of available water.

Grants for health services and training.—An increase from \$12 million to \$15 million is requested for general health grants to States, primarily to support and stimulate the development of better local public health programs. I have previously referred to the special project grant authority to assist in developing new approaches to the health services for the aging and those afflicted with chronic disease. It is our hope that the additional funds requested here for grants to all States will assist State and local health departments in developing health services for these groups. To develop more trained public health personnel, an increase from \$1 million to \$2 million is requested for traineeships and training grants to help physicians, nurses, engineers, and other specialists obtain graduate training in public health. This program was begun in fiscal year 1957.

Nursing shortage.—The number of professional nurses, practical nurses and nursing aids employed has increased considerably during the past 2 years, but the need for all types of nursing personnel also continues to increase very rapidly. The Department is actively concerned with the problem of meeting these needs. Through several programs, mainly in the Public Health Service and the Office of Education, the Department is providing significant assistance in adding to the supply of nurses, improving their training, and attaining better utilization of their skills.

The Health Amendments Act of 1956 provided in title I for the training of professional nurses in public health nursing, and in title II for the advanced training of professional nurses. Title III of this legislation amended the Vocational Education Act to expand and improve practical nurse training.

The Public Health Service provides scholarships and fellowships for graduate nurses and for nurses in advanced professional preparation. An increase of \$1 million—to a total of \$3 million—is requested for this training program. Grants for research in nursing are also an important part of the total plan for dealing with the nurse shortage.

Large responsibility rests in the Public Health Service Division of Nursing Resources for improving the value of each hour of nursing service available to patients. To accomplish this objective, several action programs are under way.

In brief, the Department's major activities in this field, in addition to seeking to add to the supply of nurses, may be grouped as follows: (1) improvement in the training of nursing personnel; (2) encouraging wide use of improved methods of utilizing nursing skills; and (3) developing additional new methods of utilizing nursing skills effectively. In vigorously carrying out a range of activities to reach these objectives, the Department works closely and cooperatively with hospital and nursing associations. A separate report on our steps to deal with the nurse shortage is being filed with your committee.

Indian health activities.—The budget proposes an appropriation of \$43.9 million—an increase of \$5.2 million—to further expand health services for American Indians and Alaskans. The long-range goal is to bring the health of the Indian up to the standard enjoyed by the rest of the population. Their health status is still deplorably below that level. Our efforts are directed at increasing the availability of health services with emphasis on preventive health and health education. This is a situation where we have both the technical competence and the clear obligation to use it to assist the Indians to raise their levels of health as rapidly as possible.

Operation of hospitals.—The budget provides for strengthening the staff and improving the equipment of the Public Health Service hospitals. This increase is designed to improve the medical-care program and relieve the currently overtaxed staff. Surveys were recently made of five Public Health Service hospitals by teams of outside experts. In all of the hospitals surveyed, the teams independently concluded that the staffing was extremely tight in relationship to workload and in some cases clearly inadequate. They all concluded that funds available for the purchase of equipment were insufficient to provide the essentials for an adequate medical-care program. I am convinced that their evaluation was a fair one. This budget reflects essential funds needed to overcome the deficiencies which they pointed out.

Other increases.—Other increases cover the new dependents' medical-care program for the uniformed services (funds are included to cover the dependents of personnel of the Coast Guard, Coast and Geodetic Survey, and commissioned officers of the Public Health Service); a \$1 million grant to the Territory of Alaska for care of the mentally ill under the Alaska Mental Health Enabling Act enacted last year; and a small but very desirable increase for the development and coordination of improved employee health services for all Government employees. Industry has learned that good employee health services pay off in increased productivity. Funds are also included for the recently transferred National Library of Medicine. Increased funds are also required for full-year operation of the national health survey which was authorized last year.

St. Elizabeths Hospital, —\$7,337,000

The 1958 budget provides for a personnel expansion to relieve the overtaxed hospital staff. A recent study of the hospital's operations, using the standards of the American Psychiatric Association, indicated that the hospital is very seriously understaffed in many of its activities. This coincides with the direct observation of the Superintendent of the hospital.

The use of the new tranquilizing drugs has had a very substantial effect on the hospital's operations. Patients that heretofore required little more than custody care are now able to respond to treatment. This is a very gratifying development in the care of the mentally ill. To capitalize on this opportunity, more staff should be provided. More attendants, nurses, and psychiatrists are needed to improve treatment and more social workers are needed to help the patient and his family prepare for a return to the community. I urge your favorable consideration of this increase.

The net decrease in the funds for St. Elizabeths Hospital is caused by the fact that \$7,314,000 was appropriated for construction of the maximum security building in 1957, a nonrecurring expense.

Social Security Administration, +\$109,728,692

Public Assistance.—The preponderance of the budget increase for the Social Security Administration covers public assistance grants. The budget estimates \$1.7 billion, an increase of \$102 million, in grants to States for assistance to the needy aged, blind, disabled, and dependent children. The increase is occasioned primarily by the provisions of the 1956 amendments to the Social Security Act which increased Federal participation and authorized Federal participation in the provision of medical care for public assistance recipients. The number of aged persons receiving assistance has been generally declining but increases are expected in the number of dependent children and blind and disabled persons.

Provision is made for the initiation of a training grant program authorized in last year's social-security bill. The request is for \$2.5 million to increase and improve the supply of professionally trained welfare personnel. This training will emphasize means of coping with the complex human problems involved in dependency. The shortage of trained social workers is quite serious. By increasing the number and quality of trained personnel in the administration of the public assistance program, it should be possible to assist more recipients to help themselves become self-reliant and no longer dependent upon public assistance. This is an important element of what I consider a constructive approach to welfare work, and together with the social-security research funds which I shall mention in a moment, is probably the most significant opportunity we have for reducing public assistance grants.

Children's Bureau.—The budget proposes \$41.5 million for the Children's Bureau for grants to States for improvement of maternal and child health, crippled children's services, and child welfare. This is an increase of \$2.1 million over the current year and largely reflects a proposed expansion in child-welfare services.

These increased funds will extend needed services in the States and help them to adjust to the tremendous growth in child population over the past several years and the increasing complexity of our highly mobile Nation. It is obvious that child-welfare services which seek to help children and their parents adjust to the most difficult aspects of early life—the trauma that come from broken homes, mental retardation, migration, and many other difficulties—can assist in heading off much more serious difficulties later.

For the research, advisory services, and other activities of the Bureau itself, the budget requests \$2.2 million, an increase of \$227,000. This increase in research and service is not large but is another important element of the constructive approach to problems in these fields.

Bureau of Old-Age and Survivors Insurance.—The financing of the Bureau of Old-Age and Survivors Insurance does not involve appropriated funds. It is financed entirely from trust funds outside of the regular budget. Nevertheless, its operations involve expenditures which far exceed those spent by all of the other segments of the Department put together. The budget anticipates an increase in the number of persons receiving benefits at year end from 10,270,000 in 1957 to 11,193,000 in 1958. Benefit payments are expected to increase from \$6.3 billion in 1957 to \$7.2 billion in 1958.

The proposed administrative expense budget for 1958 is \$131 million—an increase of \$9.5 million over the current year. As you know, this is a budget which is developed on a measured workload basis and uses current unit cost of performance. Although most other units of the Department do not lend themselves to measuring increases in productivity in any very precise way, we have figures in this area to demonstrate improved efficiency. The productivity per employee has increased 35 percent since 1950. Only 1.9 cents of each dollar of expenditure by the Bureau of Old-Age and Survivors Insurance goes for administrative expenses; the remaining 98.1 cents is for direct benefit payments to insured individuals.

This budget reflects a continuation of the policy of frugal management of these trust funds. There is an increase in fund requirements because 1958 is the first full year of operation under the 1956 amendments to the Social Security Act.

Social security research.—The budget requests \$2.1 million to launch a program of social-security research. These funds will support 35 to 40 research projects by public or nonprofit private organizations to identify causes of dependency and develop and demonstrate ways of overcoming them. I am constantly mindful of the fact that nearly two-thirds of the entire budget (under existing legislation) of the Department of Health, Education, and Welfare goes for public assistance grants. If we are to have any real chance of substantially reducing these large outlays in a humane and constructive way, it must be through improving our understanding of how to reduce dependency. This is the reason I feel so keenly that this research program of the Social Security Administration is a very wise long-range investment.

One further important item of increase in the Social Security Administration relates to strengthening the staff of the Office of the Commissioner. The Commissioner has a very small staff, an inadequate staff, to cope with his sizable responsibilities for the management of the operating programs plus the job of collecting and analyzing material on all aspects of social security including hospital and medical care insurance trends and developments in private retirement systems. I urge your favorable consideration of the requested increase for this office.

Office of the Secretary, +\$693,538

Appropriations made to the Office of the Secretary consist of the immediate office, the Office of Field Administration, the Office of the General Counsel, and the surplus property program. These are relatively small organizations for the responsibilities assigned to them. They have not fully kept pace with the program expansion throughout the Department which has had significant workload impact upon them. The requested increases have been carefully considered and met the tests of minimum needs to perform an effective job. Since I plan to testify in support of the budget for the Office of the Secretary, I will not attempt to further highlight that budget here.

EFFECT OF HOUSE ACTION

Secretary FOLSOM. Now we will turn to page 21 of the statement, and discuss the effect of the House action.

The House in acting on the 1958 appropriation bill for this Department decreased the request for appropriations by \$98,578,000. Of this reduction, \$79,400,000 applies to grants to States for public assistance. The Social Security Act which authorizes the appropriation establishes a basic formula for matching State expenditures for public assistance, and in effect pledges the United States Government to pay the sums required by the matching formulas. Thus, this is an item which is not subject to administrative control.

The House Appropriations Committee noted in their report that the Department's estimates fail to give adequate consideration to the liberalized social insurance program, the effect it should have on reducing public assistance rolls, and it further indicated that they did not believe adequate consideration had been given to the impact on public assistance which could be expected from the expanded vocational rehabilitation program. I sincerely hope the committee was right.

I am certain that—long range—these two programs will reduce the public assistance rolls. However, we do not expect them to result immediately in reduced public assistance expenditures in anything like the order of magnitude represented by this reduction, since we did take these factors into consideration in our estimate. The budget represents our best estimate of requirements.

REQUESTS FOR RESTORATION

Outside of this major item, which is not subject to administrative control, the House made reductions in 24 items amounting to \$19,178,000. I have carefully reviewed each of the programs affected by these reductions. I strongly recommend that the Senate restore funds in 9 of these appropriations for a net increase of \$11,747,000 over the House allowance.

Some of the reductions made by the House would eliminate or retard constructive programs which would reduce want and dependency in the future, and thus in the long run return far more than their cost. Some of the reduction would leave grave deficiencies in the Nation's approach to growing problems such as the health of the aging population, the anticipated doubling or tripling of college enrollments, and the health effects of atomic radiation. To deny relatively small but prudent and sound investments in these programs is a false economy which will only pile up greater cost and more acute emergencies later. The items amount to about \$11,800,000.

I do not wish to imply, by not specifically appealing for a restoration of the other items in specific dollar amounts, that I am any less persuaded of the desirability or need for these items than when the budget was first presented. I believe the Department's budget was sound, prudent, and economical in the best sense. I recognize, however, that the House allowances generally permit limited forward progress in these other items.

For whatever guidance it may give the committee, I have restricted my appeals for restoration of specific dollar amounts to the most urgent and critical needs adversely affected by House action. I have instructed the officials of the various units of the Department, who will testify later, to explain fully to the committee the effects of all the reductions made by the House in the programs and services of their agencies.

In addition to the decrease in funds, there were certain other House actions which I would like to call to your attention related to the appropriation language which was deleted by the House and certain limitations inserted by the House. I will speak briefly to each of the major items on which I recommend a change in the House bill.

OFFICE OF EDUCATION

Four appropriations under the heading "Office of Education" were reduced: Funds for the President's Committee on Education Beyond the High School, \$300,000; funds for research and services of the Office of Education, \$500,000; funds for the engineering services for school construction in federally affected areas, \$100,000; and funds for the promotion and development of vocational education, \$308,000. In addition, one appropriation—grants for library services—was increased \$2 million by House action.

I recommend that the Senate restore \$200,000 for the operation of the President's Committee on Education Beyond the High School, and reduce the appropriation for grants for library services to the budget estimate. Although I am not appealing the reduction in educational services, I believe that expansion of services by the Office of Education to be a sound and desirable objective. Nonetheless, as a practical matter, I recognize that the House allowance permits modest forward progress in the educational field, and have restricted my request to the Senate for restoration of funds to the more critical areas adversely affected by House action.

PRESIDENT'S COMMITTEE ON EDUCATION BEYOND THE HIGH SCHOOL

The budget requested \$300,000 for the second and final year of the Committee's activity. The House Appropriations Committee recommended \$200,000. This amount was deleted by an amendment on the floor of the House. I strongly urge the Senate to restore at least \$200,000 so that this Committee may complete this important work which is now well underway.

The need for public discussion, study, planning, and the development of action plans related to higher education is obvious. The increase in potential enrollment in our institutions of higher learning in a relatively few years will far exceed the current physical and teaching capacity of our institutions. We have the opportunity of planning now to meet this problem in a constructive way. If careful plans are not laid now, in a few years the Federal, State, and local governments will be faced with pressing demands for stopgap emergency action which may be more costly in the long run and perhaps less wise and less effective.

GRANTS FOR LIBRARY SERVICES

The budget estimate requests an appropriation of \$3 million, almost \$1 million above the 1957 level. The House allowed \$5 million, which is \$2 million above the budget estimate. The budget was prepared giving careful consideration to a planned program of forward progress in a balanced approach to the many areas of need in the fields of health, education, and welfare, and giving consideration to the total

impact of these programs on the economy and taking into account the desire to hold total Government expenditures at the lowest level consistent with Federal responsibilities.

As a part of this balanced program a \$1 million increase was requested for grants to States for library services. A further increase of \$2 million would, in my judgment, advance this program disproportionately to many other important and needed programs. For these reasons I cannot support the House allowance, and recommend that the Senate reduce the appropriation to the budget estimate.

PUBLIC HEALTH SERVICE

The House reduced the budget estimate for the Public Health Service by \$13,964,000. I recommend the restoration of \$8,703,000 of this reduction in order to expand health services for the aging and chronically ill, meet the public health challenge of expanded use of fissionable materials, and to carry out the planned program of improved health services to Indians.

ASSISTANCE TO STATES, GENERAL

The House reduced the budget estimate by \$5,017,000. Direct operations were reduced by \$517,000, which will reduce the effort in studies related to health of the aging and chronically ill, accident prevention, and occupational health. This will retard the planned program but will permit limited forward progress, so I make no appeal.

The remaining reduction, which I do wish to appeal, covers the elimination of \$1.5 million for special project grants in the field of aging and the chronically ill, and a proposed increase of \$3 million in grants to States which the States would be encouraged to use in expansion of their health services to the aging. The aging population is growing very rapidly. Much more needs to be done, both in developing new and improved public health approaches to the problems of the aging and in extending the techniques already developed. I urge your favorable consideration of this request for restoration of \$4.5 million.

SANITARY ENGINEERING ACTIVITIES

The House reduced the budget estimate by \$423,000. Included in this reduction was the total increase requested for radiological health, amounting to \$213,000. The radiological health program is aimed at meeting the complex public-health problems—of radiation in this atomic age. With exposure to radiation growing daily, and in face of the realization that it is the total lifetime cumulative dose for each individual that is of transcendent importance, we must move quickly to develop public-health knowledge and methods to deal with domestic use of fissionable materials. I, therefore, request that \$213,000 of the decrease be restored.

INDIAN HEALTH ACTIVITIES

The House decreased the budget estimate by \$3,990,000, thus eliminating all of the funds requested for program expansion.

The Indian health program was transferred to this Department on July 1, 1955. With the increased funds made available by the Congress for the first 2 years of this program we have made marked progress. The health status of the Indians is still at a very low level, and the goal of providing health service that will give him the opportunity of achieving the level of health of the rest of our population is far from achieved. The comprehensive survey of Indian health, just completed by the Public Health Service at the direction of Congress, fully confirms this. The House reduction impairs the progress of the program and will deny the planned increase in hospitalization and health services so vitally needed. I urge you to restore the entire reduction of \$3,990,000.

I am not requesting restoration of the construction funds for the Indian health program, not because the work is not necessary but because I believe that it can be deferred until 1959 without crippling effect.

In addition to the decrease in funds for Public Health Service programs made by the House, it enacted certain restrictive and revised appropriation language which I would like to discuss.

GRANTS FOR HOSPITAL CONSTRUCTION

The House bill appropriates \$121,200,000, the full amount of the budget estimate. However, the House bill provides for a different distribution of the funds than the budget estimate. The House bill increases the budget estimate for part C, the original Hill-Burton program, by \$9 million, and correspondingly decreases the budget estimate for part G, the special categories of facilities, by \$9 million. I do not dispute that the \$9 million could be effectively used for general hospitals, but I believe that we will better serve the health needs of the country if we give increasing attention to the development of the specialized facilities which provide more economical service to the aging and chronically ill. I therefore recommend that you restore the distribution recommended in the budget.

NATIONAL INSTITUTES OF HEALTH

The House approved the amount in the budget for each account under the National Institutes of Health. However, the House inserted in the bill language prohibiting the payment of indirect costs in excess of 15 percent of direct cost for any research grant.

Heretofore there has been no prohibition language in the appropriation at all. The budget program included a proposal to change the research grant policy on overhead payments to colleges and universities. It was planned to change from a policy of not to exceed 15 percent for indirect costs to full indirect costs, estimated to average about 25 percent.

This change was proposed as part of a governmentwide program of recognizing all elements of research project cost performed by colleges and universities and applying a uniform policy of measuring these costs.

As I indicated earlier, these are real costs though not as readily identifiable as direct costs. They should be recognized and paid for. Failure to provide for the full indirect costs of research grants places a fiscal burden on these institutions which will adversely affect their

teaching programs and slow up the further development of their research work.

As I have previously indicated, this Department is making less adequate reimbursement than most other departments and agencies. I recommend elimination of the restrictive proviso inserted in the House bill.

As I brought out in the part I did not read, the survey showed that this Department and the National Science Foundation are the only ones that allow as low an overhead as 15 percent. The Department of Defense and the other departments allow a much higher percentage.

SAINT ELIZABETHS HOSPITAL

The House decreased the budget estimate for the Federal share of the cost of hospital operations by \$265,000. The reduction not only eliminates the 10 percent staffing increase proposed in the budget, but reduces the funds below the amount necessary to sustain the current level of expenses by \$85,000.

I believe that the increase in hospital funds as recommended in the budget is fully justified to provide advance treatment techniques and capitalize on the treatment opportunities afforded by the use of tranquilizing drugs.

In order to assure ourselves and the Congress of the needs of the hospital, we are appointing a group of professional expert independent consultants to appraise the staffing and operating needs of the hospital and to review the self-directed study made by the hospital. The results of this study will be used to develop the 1959 budget. Meanwhile, I strongly recommend that the hospital be supported at not less than the current operating expense level, and urge you to restore at least \$85,000 of the House reduction.

SOCIAL SECURITY ADMINISTRATION

Exclusive of grants for public assistance, the House reduced the budget estimate by \$5,065,000 in appropriated funds and \$1,004,000 in trust funds.

I am recommending restoration of \$4,680,000 of this decrease to initiate the important constructive programs of training public welfare personnel and undertaking cooperative research and demonstration projects in social security.

GRANTS TO STATES FOR TRAINING OF PUBLIC WELFARE PERSONNEL

The budget request included \$2.5 million for grants to States to inaugurate a much needed program of professional training of public welfare personnel. The House disallowed the entire amount.

This program was authorized in the Social Security Act Amendments of 1956. There is a serious lack of professionally trained welfare workers. In order to carry out the stated congressional objective, helping public assistance recipients to become self-supporting and financially independent, it is important that the program be administered by fully trained staff. This training program therefore offers a real hope for decreasing the need for public assistance which now takes such a lion's share of the Department's budget.

There are several examples of dramatic results achieved when a trained staff is assigned to work intensively at attacking the cause of dependency and helping people reach an independent status. This type of service needs to be extended much more broadly, and this will require more professional training of welfare personnel. I urge your favorable consideration of this constructive approach to welfare work.

SALARIES AND EXPENSES, BUREAU OF PUBLIC ASSISTANCE

The House decreased the budget estimate by \$316,000 for salaries and expenses in the Bureau of Public Assistance. Of this amount, \$100,000 was disallowed because it pertained to the administration of the grant program for training public welfare personnel. I recommend restoration of the \$100,000 to carry out the training program.

COOPERATIVE RESEARCH OR DEMONSTRATION PROJECTS IN SOCIAL SECURITY

The budget included \$2,080,000 for a research program in social security. The entire amount was deleted by the House.

This request is for the inauguration of a program in research into the causes of dependency and to develop methods of preventing or overcoming them. This program was authorized in the Social Security Act Amendments of 1956.

We have demonstrated the effectiveness of research in many areas, medical science, the physical sciences, and in our military preparedness. However, research in the social sciences has been quite limited.

In this Department we are spending over \$1.6 billion for public assistance. Yet little is known about the causes of dependency and how to prevent or overcome the social forces that bring about public dependency. This program is proposed as a modest and limited approach to selected research projects designed to find these answers.

This program and the companion effort of training for public welfare workers offer a real opportunity to take constructive steps to decrease the public assistance rolls. I feel that a small sum spent to find some answers to the problems with which we deal can result in very substantial savings in public funds for the future. I look upon this research program as an economy measure and in the nature of an investment.

Not only is this program and the training of public welfare workers a sound, long-range investment, but, what is even more important, they are constructive, humanitarian programs. These programs will mean that people who would otherwise be dependent and perhaps despondent will be brought back into self-supporting and self-reliant members of society.

I urge your support of this effort, and recommend restoration of \$2,080,000 deleted by the House.

LIMITATION ON STATE AND LOCAL ADMINISTRATIVE EXPENSES OF PUBLIC ASSISTANCE

The House inserted a proviso limiting the amount of funds available for State and local administrative expenses. This proviso has the effect of making a material modification of the Social Security Act

and changing the basic Federal-State partnership relationship in the administration of the public assistance program.

The basic law authorizes 50-50 matching of necessary and proper administrative expenses. The appropriation proviso would establish a dollar ceiling. This seems unwise when we realize that 1956 social security amendments established a new arrangement for matching expenses of medical care which will create a new administrative burden on the States and encourages provision of services to recipients to assist them in overcoming their public dependency through self-help.

It would be false economy to hold down administrative expenses which hold the promise of keeping ineligible off the public-assistance rolls and assisting others to become self-sufficient.

Concern has been evidenced at the disparity in cost from one State to another. This is a complex subject on which much analytical work has been done. These analyses have indicated many reasons for the differences, including salary disparity related to the economy of the several States, and the significant differences in the programs of the several States, particularly the laws governing eligibility such as responsibility of relatives and lien laws.

I am appreciative of the concern expressed by the Congress for an item which exceeds \$100 million in appropriated funds. I assure the committee that we in the Department also have concern for an area of operations that involves such large amounts. We intend to intensify our review of these expenditures, assure ourselves to an even greater degree than presently that they are all necessary and proper. I expect to be in a position when we appear next year to give you the results of this effort.

RESTRICTIVE PROVISIO

I urge the deletion of this restrictive proviso and the continued administration of the basic law as enacted. If the Congress concludes that Federal-State relations should be changed with respect to State and local administrative expenses, I believe that the matter should be taken up as a matter of substantive legislation amending the Social Security Act.

The restrictive proviso enacted by the House places the administrators of the program in a difficult if not impossible position. There is no legislative direction as to how to apply such a limitation. Many Members of Congress would be opposed to a flat percentage reduction affecting all of the States. On the other hand, we find it difficult to identify a basis for reducing individual State expenses on any selective basis. I therefore recommend that the proviso be stricken.

OFFICE OF THE SECRETARY

The House allowance decreased the budget for items under the heading "Office of the Secretary" by \$386,000, of which \$57,000 was reduction in trust-fund expenditures.

While I consider all of the estimates to be desirable for the efficient discharge of our responsibilities, I nonetheless recognize that the House did authorize limited expansion.

Consistent with my desire to appeal selectively only the most critical items, I am requesting restoration of only \$79,000. This amount is requested for the Office of the General Counsel.

We operate with a centralized and small legal staff. This staff has not been increased in recent years commensurate with the tremendous increase in responsibilities and workload. Recently enacted legislation has had and will continue to have a considerable impact on the work of the General Counsel's office. This legislation included the 1956 amendments to the Social Security Act which broadened coverage, reduced the retirement age for women, and inaugurated a program of disability insurance.

Other legislation includes the Water Pollution Control Act, transfer of the National Library of Medicine, authorization for a national health survey, the Alaska Mental Health Enabling Act, the authorization for grants for rural library services, training authorizations covering practical nurses, public health personnel and professional nurses, and several other legislative enactments.

In addition to the work resulting from new legislation, it is important that we staff the Office of General Counsel for enforcement of the Food, Drug, and Cosmetic Act in order that the legal activities can be properly geared to the expanded activities of the Food and Drug Administration. I therefore recommend restoration of \$79,000 for the Office of General Counsel.

APPROPRIATION LANGUAGE

Several other appropriation provisions were deleted by the House on a point of order, and certain new limitations added. I will not go into these as they will be presented as each of the affected appropriations is taken up. I would like to say, however, that the House action will in a number of instances interrupt our operations and adversely affect the programs, and I urge your consideration of these language problems with a view to taking corrective action.

CONCLUSION

I have instructed each of the operating agencies to present their testimony to you in terms of fully explaining the budget program and explaining the effect of House action in terms of the reduction in services and program objectives which will be necessary. This presentation will be made even if no appeal from the House action is made in order that you will be fully informed on the budget program and the effect of the House action in your consideration of the Department budget.

Thank you, Mr. Chairman.

Senator HILL. Mr. Secretary, we thank you for your presentation.

Now that you have completed your introductory statement, Secretary Folsom, we can go into more detail on the different items.

As you said, we have before us the heads of each of the operating agencies and bureaus, and at the proper time the heads of the particular agencies and bureaus will go into detail on their particular appropriation items. However, I would like to ask you 1 or 2 questions. One is on the matter of this old-age assistance, and the other concerns the House cut in the order of some \$79,400,000 in grants to States for public assistance.

That \$79,400,000 was out of what figure? Do you recall?

Secretary FOLSOM. Perhaps Mr. Kelly can give us that figure.

Mr. JAMES F. KELLY (Department budget officer). \$1,679,400,000.

Senator HILL. I take it that if your estimate was correct and the House estimate was not, then you would have to come here with a deficiency request.

Secretary FOLSOM. Yes, we would.

OLD-AGE ASSISTANCE PROGRAM

Senator HILL. While we are speaking about that we get right into this problem mentioned on page 31 of your statement, I believe, and that is the matter of Federal funds in the administrative cost of the old-age assistance program and your other programs such as your crippled children's program and your program for the blind.

As you say, the basic act provides that the Federal Government should pay 50 percent of these costs. Is that not right?

Secretary FOLSOM. Yes, sir.

Senator HILL. The Social Security Act was enacted in 1935, which is 22 years ago. Has there been any time when the Federal Government has not met that obligation as written in the basic act?

Mr. KELLY. Up until 1946 the act provided a limitation of 5 percent, and in 1946 it was modified to a straight 50-50 matching.

There has been no instance since then when the States have not gotten the full 50 percent of those expenses considered necessary and proper.

(The following information was subsequently furnished:)

The Federal share of State and local administrative expenses was authorized as follows for the various public assistance programs during the years indicated:

OLD-AGE ASSISTANCE

From 1936 to 1946 the Social Security Act authorized payments to the States from the Federal appropriation an amount equal to 5 percent of the Federal share of assistance payments, such amount to be available for either administration or assistance payments. The 1946 amendments revised this authorization to allow 50 percent of the costs of proper and efficient administration.

AID TO DEPENDENT CHILDREN

From 1936 to 1940 the Social Security Act authorized payments to the States from the Federal appropriation an amount equal to one-third of State and local expenses for the proper and efficient administration of the program. The 1940 amendments revised this authorization to allow 50 percent of the costs of proper and efficient administration.

AID TO THE BLIND

From 1936 to 1940 the Social Security Act authorized payments to the States from the Federal appropriation an amount equal to 5 percent of the Federal share of assistance payments, such amount to be available for either administration or assistance payments. The 1940 amendments revised this authorization to allow 50 percent of the costs of proper and efficient administration.

AID TO THE PERMANENTLY AND TOTALLY DISABLED

This program became effective October 1, 1950. The act authorizes 50 percent of the costs of proper and efficient administration.

Senator HILL. In each and every instance then the Federal funds have been appropriated?

Mr. KELLY. That is right.

EFFECT OF DENIAL OF FUNDS

Senator HILL. It would seem to me that for the Appropriations Committees not to recommend appropriations in amounts necessary to this end, it would in effect, be seeking, by denial of funds, to amend and change the basic legislation. Is not that the effect?

Secretary FOLSOM. Yes, sir; it is.

Senator PASTORE. Was it all cut out?

LIMITATION ON ADMINISTRATIVE EXPENSES

Secretary FOLSOM. No. In this case they put a limitation; they put a dollar ceiling on the administrative expense.

However we will reach a point where we have to go beyond that, where the States put up more money for administration than we can match, we have to put up the funds to match. There again we would have to come back and ask for a deficiency. But it makes it difficult to apportion the money ahead of time to the States.

Senator PASTORE. I was merely directing my question to the observation made by the chairman, that this was a reversal of statutory law. It is not quite that, is it? I mean there is a limitation.

Senator HILL. The effect is that.

Secretary FOLSOM. Yes, the effect is because you could not provide a 50-50 matching if you kept to the ceiling.

Senator PASTORE. Beyond a certain point.

Senator HILL. If you do not put up the funds you do not carry out the basic provisions of the act.

Of course, technically it would not be an amendment of the provision. Of course, the provision would remain in the statute as it is, but the effect would be to remain in the provision.

PUBLIC ASSISTANCE

The same could be said of the \$79,400,000 in the public assistance; could it not? Could you make the same argument there, too?

Mr. KELLY. I do not think so because the nature of this program is that the Federal Government pledges itself to meet the payments under a matching formula, and if the program is underestimated, then the practice has been to make up that deficiency in deficiency and supplemental appropriations, and to pay the States the portion that was not supplied in the original appropriation.

Senator PASTORE. Let me understand the dollar limitation a little better. Can you explain that in a little more detail?

Why is that a change? Where do we get the limitation?

Secretary FOLSOM. We have a problem right now in the deficiency appropriation for the current year. It seems they wanted to put a limitation there. We have asked for an additional amount for these administrative expenses, and so far we have not been given it. If we are not given it we are going to have to cut down on the administrative expenses to States in the next 2 months.

Some States have a definite law that they will not put up any money for administration unless it is matched by the Federal Government. If we do not come up with that money now we will just have to stop paying assistance to these people and close up shop.

That is a concrete case of what is likely to happen if the estimates are not right.

Senator HILL. In other words, it breaks down your whole administrative machinery. Is that right?

Secretary FOLSOM. Yes.

When you have an open-end grant of this sort and put a ceiling on it, that is not in accord with it.

LIMITATION LANGUAGE

Senator HILL. The House put on two limitations. One was a limitation applying to the coming fiscal year, and the other was the limitation:

Provided further, That none of the amount herein appropriated shall be used to cover any costs of State and local administration incurred prior to July 1, 1957.

It is a double proposition.

Was there any effort made on the floor of the House to strike these limitations?

Mr. KELLY. There was not.

Senator HILL. I do not know why this matter was not presented to the House.

NATIONAL LIBRARY OF MEDICINE

Mr. Secretary, do you have what we call a freeze on construction? I have particularly in mind the National Library of Medicine.

One of the reasons that Congress passed that act was to provide not only more adequate but also safer housing for that very wonderful library. It is generally agreed—I think everywhere, not only in the United States but also around the world—that that is the greatest medical library in the world. But it is not very safely housed today. A fire could wipe out that library, or a disastrous flood.

Once that library is destroyed or seriously impaired, all the gold at Fort Knox could not restore it. We just could not go out and replace those documents. Once gone they are lost forever.

GENERAL ORDER ON CONSTRUCTION PROGRAMS

Secretary FOLSOM. I will have Mr. Kelly speak about the library. But there is, you know, a general order covering all Government building-construction programs today, those where we have planning underway or that are under consideration, because of the general construction situation prevailing in the construction industry today. So a number of projects were held up because of that.

Mr. Kelly, would you explain the library situation?

SELECTION OF SITE FOR LIBRARY

Mr. KELLY. On the library, Mr. Chairman, the reason that no request for appropriated funds was included in the 1958 budget was that the Congress, in enacting the law last year which transferred the Library of Medicine to our Department, authorized the creation of a Board of Regents which have the responsibility for selecting a site.

The planning funds were included for the design of this building in the 1957 appropriation, but we were not in a position to submit a construction estimate because the Board of Regents had not met and selected a site in time for this budget to be presented.

We have now selected architects to start the preliminary work of design. The Board of Regents have been appointed and have met, and they are meeting again this month and will select a site. Until that is done, you cannot make up a firm estimate of construction cost.

Senator HILL. But you are going forward with your plans for the building, are you not?

Mr. KELLY. We are; yes.

Senator POTTER. And you also have planning money now.

Mr. KELLY. Yes, sir.

OLD-AGE AND SURVIVORS INSURANCE BUILDING

Senator HILL. We had a good deal of consideration and discussion in the committee in the past on the matter of your Old-Age and Survivors Insurance Building in Baltimore. What is the status of that money?

Secretary FOLSOM. That is a building for which we have the plans in pretty good shape, and could probably start the construction within a few months. But that is held up by this general freeze, government-wide freeze.

If that freeze should be lifted in the coming months we could start right away on that building.

INADEQUACY OF FUND AUTHORIZATION

Mr. PERKINS. Mr. Chairman, one thing that should be added is that the money appropriated amounted to around \$25 million, and we are limited to that.

As the plans have evolved it has developed that to build the building as planned would require about an additional \$7 million, to give us between \$30 million and \$31 million, I believe. That money we do not have, so that we would be in some restricted position if the general freeze would be lifted, and we would not be able to proceed because of the limitation to \$25 million in the current appropriation.

Secretary FOLSOM. If the freeze is lifted before Congress adjourns we can come down and ask for the money.

Senator HILL. Would you have to have any further legislation in order to proceed, or would you need just the amount of the appropriation?

Mr. KELLY. Just an appropriation.

Senator HILL. Could you supply this committee, Mr. Secretary, with a copy of that order which places you in this construction?

Secretary FOLSOM. Yes.

Mr. MILES. Mr. Chairman, it is not an order. It was a policy expressed in the President's budget message, and we can quote the appropriate passage.

(The following was later submitted:)

EXCERPT FROM THE BUDGET MESSAGE OF THE PRESIDENT

Pages M 6-7

We must move forward in some areas while we hold back in others. For example, the needs for schools, highways, and homes are so urgent that I am proposing to move ahead with programs to help our States, cities, and people undertake such construction at a prudent rate. However, in view of the present active competition for labor, materials, and equipment, I am not recommending some

other desirable construction projects, and I have asked the head of each Federal agency to watch closely the timing of construction and to postpone work which can be appropriately put off until a later date.

COMMUNICABLE DISEASE CENTER IN ATLANTA

Senator HILL. In that connection, too, I have another question.

For many years you have had plans for a Communicable Disease Center in Atlanta, Ga. What is the status of that?

Mr. KELLY. That is a building under the lease-purchase program. The plans for that building were completed and it has been twice sent out for bids, but they have not obtained successful bids within the limitations under the lease-purchase program today.

Senator HILL. Under the language in this bill, lease-purchase is out; is it not?

Mr. KELLY. Yes, sir. The House directs that none of the staff of the Department engage in any further negotiations and planning with respect to the lease-purchase projects. They recommend that we seek appropriated funds for those buildings which are necessary and which we wish to proceed with.

LEASE-PURCHASE PROGRAM

Senator HILL. Mr. Secretary, could you enlighten us as to your thoughts and recommendations or feelings about the lease-purchase program, and particularly this provision in the bill?

Secretary FOLSOM. I do not think I had better comment about the lease-purchase program. That is a governmentwide policy of many of the departments besides my own. But we are appealing the language because we do not want to hold up some of our projects, such as the Food and Drug Administration.

Senator HILL. This language is one of the provisos that you have referred to in your statement, which provisos you would like to have removed?

Secretary FOLSOM. Yes, sir.

CONSTRUCTION PROJECTS AFFECTED

Senator HILL. How much construction is now affected by this proviso?

Mr. KELLY. We have only two buildings being currently planned under the lease-purchase program, which are the Communicable Disease Center in Atlanta and the Food and Drug Building.

We are particularly concerned with the effect of this limitation on the Food and Drug Building. They will talk to you about that when they appear, because there are planning funds now available under lease-purchase to go ahead with the design of that building.

It would be the same building that would be designed whether or not we build it with appropriated funds or lease-purchase funds. But this proviso would have the effect of stopping that planning after July 1 and delaying the building if appropriated funds were not made available.

LOCATION OF NEW FOOD AND DRUG BUILDING

Senator PASTORE. Where is the Food and Drug Building to be built?

Mr. KELLY. It would be located on Third Street in Southwest Washington.

Senator HILL. Senator Hayden, do you have any questions?

INDIAN HEALTH PROGRAM

Chairman HAYDEN. I was particularly interested in the Indian health program because we transferred it from the Interior Department bill; at least the administration of it.

I note that the request made to the Bureau of the Budget was \$45,711,300. The Budget allowed \$43,990,000, and the House cut \$3,990,000 of it allowing \$40 million.

All that I have been able to say about the Public Health Service is that it is making remarkable progress in the work particularly among our Indians. But there are so many of them and they are so badly afflicted with tuberculosis and other diseases that there is just an enormous amount of work to do.

It looks to me like the request that was made was reasonable and ought to be carried into effect. We can discuss that later, of course.

Senator HILL. Do you have any further comments you would like to make on that, Mr. Secretary?

Secretary FOLSOM. We feel that we should have the original budget proposal.

We could hold up probably on some of the construction work without having a crippling effect on the program. But we would still say the budget is reasonable and should be allowed.

Senator HILL. But you did not appeal the reduction, did you?

Secretary FOLSOM. We appealed the reduction for the operating part of it, but not for construction.

Senator HILL. Do you have anything else, Senator HAYDEN?

Chairman HAYDEN. No, Mr. Chairman.

Senator HILL. Senator THYE?

Senator THYE. Yes, Mr. Chairman.

TRAINING OF PUBLIC WELFARE PERSONNEL

Mr. Secretary, on page 28 of your statement you discuss the grants to States for training of public welfare personnel, \$2.5 million for professional training of public welfare personnel. I do not know what all is involved in that training. Do you propose to take the present personnel and set up a school of training? Or just what is involved?

Secretary FOLSOM. No. This is in the form of grants to States so that they can, in turn, make grants to institutions, schools of social work and others to turn out more trained workers for handling public assistance funds. It relates only to workers who are handling the public assistance program.

Senator THYE. Then you would assist any college or university by such a grant in order to have them develop better facilities to train this public welfare worker?

Secretary FOLSOM. That is correct.

Senator THYE. It is not setting up a school within a State agency, is it?

Secretary FOLSOM. No. This is mainly help to the individuals rather than to the institutions, in the form of scholarships and grants.

Senator THYE. Is that on a scholarship basis?

Secretary FOLSOM. Yes.

Senator THYE. So that if someone would like to continue in the educational field and he did not have the financial means, this would be a way of granting him some assistance in the form of a scholarship?

Secretary FOLSOM. Yes.

We find that there is a great shortage of trained professional workers in this field. They can do very effective work there.

RESEARCH IN SOCIAL SECURITY

Senator THYE. Then I have another reference, Mr. Secretary, which is to be found on page 29 of your statement, as follows: "Co-operative Research or Demonstration Projects in Social Security."

You say:

The budget included \$2,080,000 for a research program in social security.

I am not certain that I know just exactly what is involved in this particular field of activity and item.

SECRETARY FOLSOM. We found that there are certain counties and cities where they made a study of people who have been on relief assistance rolls for a number of years, to see why they are on or what could be done to put them on a self-supporting basis.

There again, by using the best trained professional workers in this group of people, they have been able to demonstrate that a pretty good percentage of the families can be taken off the rolls simply by education of such people, giving them a little vocational education or physical rehabilitation, advising them how to seek employment, things of that sort, and just studying the situation in each family to see what could be done to put them on a self-supporting basis.

We have several illustrations that are very effective. We have illustrations that are very impressive as to what can be done. We would like to set up a number of projects of that sort.

You have two things there: you have demonstration projects; and you also have research grants which could be made to individual social service schools, schools of social science, and graduate schools at universities, and have them make studies in particular areas and see if they could come up with any suggestions as to what can be done.

It is really a subject that was in the Social Security Act last year.

In these schools of social work the social workers were very much impressed by the possibilities of these two fields. This is just a start to see what can be done.

Senator THYE. Is there a possibility that if you pursue this research that you might be able to eliminate the cost to the Federal Government in those that are now receiving that aid?

Secretary FOLSOM. I think it is probably the most constructive thing that we have recommended because the thing that has concerned me naturally is that in the budget we have \$1,600 million in the form of public-assistance grants. While we can expect a reduction in the old-age assistance grants as the social-insurance program continues to increase, people on those rolls have decreased very little in recent years despite the fact that we have had a big increase in the number of people on social-security rolls.

AID TO DEPENDENT CHILDREN

But the other programs like aid to dependent children continue to increase. This is such a big item that we think something ought to be done to look ahead into the future to see if we cannot reduce it. This is the way, it seems to me, by putting a little money for research and training, we might be able to accomplish a great deal in the future in the way of reducing the cost of public assistance. It is just a sound investment that you make, like you make in many research projects, like your medical research and many other things.

Senator THYE. Thank you, Mr. Chairman. That is all I have.

Senator HILL. Senator Pastore.

Senator PASTORE. I would prefer to wait until we get to the item-by-item procedure, Mr. Chairman.

Senator HILL. I might say here, Senator Pastore, that I thought you had a very interesting discussion here yesterday with the Labor Department representative about atomic radiation. Do you want to wait until we get into that?

Senator PASTORE. Yes, I would prefer to wait until we get into that.

Senator HILL. Senator Dworshak.

GRANTS AND MATCHING FUNDS

Senator DWORSHAK. I would like to inquire about your program of grants and matching funds in the various States, which means that you do not have absolute control over your expenditures.

TOTAL EMPLOYMENT

How many new employees are you asking for in this budget for next year as compared with the current fiscal year?

Mr. KELLY. The grand total number of positions authorized to the Department is 50,956 in 1957. That figure goes to 55,620 in 1958.

Senator DWORSHAK. How much of an increase is that?

Mr. MILES. 4,664.

Mr. KELLY. However, it should be pointed out that a substantial part of that increase actually is occurring this year in connection with supplemental requests related to the expansion of the Social Security Act which are now under consideration by the Congress.

Senator DWORSHAK. What would be the net proposed increase for this next year, taking into consideration the implementation of that new legislation in the current fiscal year?

Mr. KELLY. The net increase after taking that into consideration is 2,123, and 854 of that was authorized by the House.

Senator DWORSHAK. Why do you need 2,123 more people if you are already making allowance for expanded programs? What work will be necessary to be done by these additional employees?

Mr. KELLY. One of the increases—and I do not have the precise figures in front of me here—is the continued expansion toward full utilization, which substantially occurs in fiscal 1958 at the Clinical Center of the National Institutes of Health in Bethesda.

Another part of the increase relates to the program expansion for the improvement of the care of Indians in the Indian health program which was transferred.

NATIONAL INSTITUTES OF HEALTH PERSONNEL

Senator DWORSHAK. What would be the total personnel of the National Institutes of Health?

Mr. KELLY. I would have to supply that, but it is approximately 6,000.

(The information requested follows;)

NATIONAL INSTITUTES OF HEALTH

Position table

Employment as of Feb. 28, 1957.....	6, 016
Enacted, 1957.....	7, 132
Budget estimate, 1958.....	7, 350
House allowance, 1958.....	¹ 7, 301

¹ Net reduction due to:

Position increase in National Cancer Institute.....	14
Position reduction due to deletion of authority by House for operation of cafeteria.....	-63

Total..... -49

Senator DWORSHAK. That is the maximum planning for their entire operation?

Mr. KELLY. It is pretty close to it.

Senator DWORSHAK. All of those employees are located here, are they?

Mr. KELLY. Yes, sir.

Senator DWORSHAK. None in the field?

Mr. KELLY. A relative few connected with a couple of field laboratories that they have, but substantially all are in Bethesda.

Senator DWORSHAK. In our National Institutes of Health, our health programs, most of the money is in the form of grants to colleges and research institutions, is it not?

Mr. KELLY. Most of it is; yes.

Senator DWORSHAK. What is the increased workload in the National Institutes of Health?

Secretary FOLSOM. They do considerable research; about 35 or 40 percent of the funds are for direct research.

TOTAL PATIENTS

Senator DWORSHAK. How many patients do you have there now?

Mr. KELLY. The bed capacity is about 510, and all of those beds will have been activated by the end of this fiscal year, and then they will average about 80 to 85 percent occupancy.

Senator DWORSHAK. Do you need 6,000 employees to take care of 500 beds?

Secretary FOLSOM. No; that is not the correct impression. They do a considerable amount of research.

Senator DWORSHAK. I know they do, but that is the realistic, important, practical part of it. I appreciate that they do research.

Secretary FOLSOM. The research is not all done just on the patients.

Senator DWORSHAK. I know that. But you do use those people in the research program.

Secretary FOLSOM. That is just a supplement to the research work.

Senator DWORSHAK. What I am trying to find out is that 6,000 people are not employed by colleges or universities or institutions

receiving grants; that they are all directly employed by the National Institutes of Health in this area. Is that correct?

Secretary FOLSOM. Yes, sir.

HOUSE CUT IN PERSONNEL INCREASE

Senator DWORSHAK. You say the House cut out about 600 or 700 of your proposed personnel increase?

Mr. KELLY. Just a little more than that. The reduction was 1,269.

Senator DWORSHAK. And, if that is not restored, will you be back here before the end of the year to get a supplemental? Or will you try to readjust the operation so you can get along with the increase?

Mr. KELLY. The request, of course, which the Secretary is requesting today is for restoration of a limited number of those items, designed to set our program for the whole fiscal year 1958.

Senator DWORSHAK. In other words, the Secretary has recognized that it is not necessary to have this total increase of about 2,100 that you mentioned for the next year in addition to the implementation which has taken place this year on new legislation programs. Did you not say the figure was about 2,100?

Mr. KELLY. That is right.

Senator DWORSHAK. And you do not think it is necessary, Mr. Secretary?

Secretary FOLSOM. Yes; we still think our original budget was a sound one, but we will go along with the House on part of these reductions.

Of course, I might say, also, that we are making every effort all the way through the Department to cut down on personnel and increase efficiency. We have some rather startling figures to show what we do in the way of increasing efficiency.

IMPROVING EFFICIENCY

For instance, take the social security, where you have one big operation, where we can measure an outfit quite well. They have figures going back for a number of years. I recall from 1950 to 1956, a 6-year period, they have increased the output per man-hour by 35 percent, which is a very good record.

I think that we are having studies made of every department, every agency, to see if there are not ways in which we can cut down inefficiencies or improve efficiency and increase the output per man-hour. I think we can make progress.

The difficulty is with these new programs, of course, like in social security, where we have to add more people. We had 14 million people included in the social-security system only a short time ago.

Senator DWORSHAK. The personnel required in connection with that is not included in the 2,100?

Secretary FOLSOM. No. As I say, we have an expanding program. We also have the disability-insurance provision. So there is no way we can prevent some increase.

Senator DWORSHAK. You are, are you not, under a mandate by the Congress to administer these programs?

Secretary FOLSOM. We are trying to hold the increase at just a minimum figure, and, if we can, we are trying to cut down wherever possible. I assure you we are making every effort we can.

REEXAMINATION OF BUDGET ITEMS

Senator DWORSHAK. I understand that recently the President requested all the executive departments to reexamine their budgets for next year to determine whether any additional reductions can be made. Have you done that with this budget? Have you reexamined the various items to determine where additional cuts may be made?

Secretary FOLSOM. We did that before we prepared our statement here, to see whether we could, but we have not been able to find any place to cut them.

Senator DWORSHAK. If any cuts are made then it will evolve upon the Congress to make the reduction; is that correct?

Secretary FOLSOM. Yes.

Senator DWORSHAK. Thank you.

Senator HILL. Do you have any further questions, Senator Dworshak?

Senator DWORSHAK. No, Mr. Chairman. Thank you.

Senator HILL. Senator Potter.

EXPANSION OF VOCATIONAL REHABILITATION

Senator POTTER. I have just one question, Mr. Chairman. I will go further into it when Miss Switzer is here for the Office of Vocational Rehabilitation.

I was wondering about the result of the legislation that was passed, I think, 3 years ago, to greatly expand the program. I assume from your budget request for grants to States and other agencies that there is quite an increase over last year. I assume the States now are building up their programs to take advantage of the provisions of the law.

Secretary FOLSOM. We find there are still some States that are not putting up the full amount, but they are decreasing a number of States. There are only a few States that are not taking full advantage of the program.

How many are there, Mr. Miles?

Mr. MILES. It is much more than that that are not taking full advantage.

Secretary FOLSOM. We still have quite a long way to go then.

Mr. KELLY. It is interesting to note, though, that State funds exceeded our estimates of the amount of funds that would be available for this program. This afternoon we are appearing in the Senate for a deficiency to obtain additional \$1.5 million to match the funds that the States have put up in the last fiscal year.

TOTAL PERSONS REHABILITATED

Secretary FOLSOM. Last year 66,000 were rehabilitated, and this year we expect to reach 76,000, and we hope in 1958 to reach 90,000.

So it is progress. But we still have quite a long way to go.

Senator POTTER. I assume that Miss Switzer will have a breakdown as to your rehabilitations, the number that we have rehabilitated, as to whether they came from the relief rolls or other agencies?

Secretary FOLSOM. Yes. She has that information.

And, as I recall, the savings in public assistance alone, because of the number of people we have rehabilitated last year who were on the assistance rolls, more than paid for the program.

Senator POTTER. One of your Federal agencies?

Secretary FOLSOM. You can make an awfully good case of that. It is just surprising to me that all the States do not take advantage of it. One of Miss Switzer's main jobs is to try to get the States more interested in it.

Senator POTTER. That is all, Mr. Chairman.

OASI BUILDING

Senator HILL. Mr. Secretary, to go back just a minute to that building that is under consideration for Baltimore, they are paying a lot of rental there; are they not?

Secretary FOLSOM. Yes; they are. It is an economy move to put up the building.

Senator HILL. Certainly. That has been the testimony not once but several times before this committee, that economy dictated that that building be constructed.

The funds for the construction of that building will not come out of the Treasury. Is that right? They would come out of the special OASI trust fund?

Secretary FOLSOM. Yes.

Senator HILL. It would prove quite a saving in that you would not have to pay this huge amount in rent. Is that right?

Secretary FOLSOM. Yes; that is true.

Senator HILL. If Congress did see fit to give you the additional money that you need for this construction, could you go ahead and erect that building? Or would this freeze that we have been speaking about stop it?

Secretary FOLSOM. It would depend on whether we could get an exception made to the general policy, the general governmentwide policy.

I should also make the statement here that other agencies would also want an exception, and it would not be a general policy then.

Senator THYE. Mr. Chairman, might I make a remark here?

Senator HILL. Yes, Senator Thye.

Senator THYE. I do not think that the economic situation is the same now as it was 5 months ago. I do not think we have quite the same inflationary threat that was so apparent last fall.

Secretary FOLSOM. As I said, we could get the policy changed for this building before Congress adjourns, in which event we would request the additional money for it.

Senator HILL. You feel that the building should be constructed at the earliest possible date; do you not?

Secretary FOLSOM. Yes; I do. It is a poor arrangement over there.

Senator HILL. You would agree with me, would you not, that it is not the kind of arrangement that a businessman would want to keep very long?

Secretary FOLSOM. That is right.

Senator HILL. You would much prefer to go ahead and put up the building, would you not, because that would be, first and foremost, an economy move and, in addition, it would make for more efficient operation?

Secretary FOLSOM. I will say right now that we are not being delayed, because the plans are not quite ready yet.

Mr. PERKINS. They will not be ready until the 1st of July.

Secretary FOLSOM. We are not losing any ground.

Senator HILL. They will be ready the 1st of July?

Secretary FOLSOM. Yes.

Senator HILL. Then at that time you would go ahead with the construction of the building, would you not, if you had the additional funds you need?

Mr. PERKINS. By the way, we are keeping in touch with the Bureau of the Budget. They are waiting for a time when construction will be more favorable. We suggest that we might turn to them again in a month or so and see what the situation looks like.

Senator HILL. I would be interested to know how much the cost of this building has gone up since we first reached the conclusion that it should be constructed.

Secretary FOLSOM. Yes, sir; I understood it has been discussed for many years.

Senator HILL. It has been up before this committee before. I am sure Senator Thye recalls it has been here for a good many years, and we have heard about this uneconomical operation that we have over in Baltimore.

Certainly you do feel, do you not, that it should be constructed at the earliest possible date?

Secretary FOLSOM. Yes, sir.

Senator HILL. Are there any further questions, gentlemen?

Apparently there are not.

Mr. Secretary, we want to thank you for your appearance here this morning and for your presentation. We are happy to have you with us, sir. Thank you very much.

AMERICAN PRINTING HOUSE FOR THE BLIND

EDUCATION OF THE BLIND

STATEMENT OF JAMES F. KELLY, BUDGET OFFICER, DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

APPROPRIATION ESTIMATE

"Education of the blind: For carrying out the Act of [August 4, 1919] *March 3, 1879*, as amended (20 U. S. C. 101-105), [\$230,000] \$328,000."

CHANGE IN APPROPRIATION LANGUAGE

A change in the appropriation language with appropriate citations is requested to indicate more precisely the basic legislation authorizing the operations of the Printing House. The act of March 3, 1879 is the original authorizing act. All subsequent legislation has been amendments to that act. The more inclusive citation comprehends language setting forth the conditions under which the grants may be made by the Printing House as well as the actual appropriation authorization.

AUTHORIZING STATUTE

"20 U. S. C. 101: The sum of \$250,000, set apart as a perpetual trust fund for the purpose of aiding the education of the blind in the United States, through the American Printing House for the Blind, shall be credited on the books of the Treasury Department as a perpetual trust fund for that purpose, to be held by the Secretary of the Treasury; and the sum of \$10,000, being equivalent to 4 per centum on the principal of said trust fund, is appropriated, out of any moneys in the Treasury not otherwise appropriated, and such appropriation shall be

deemed a permanent annual appropriation and shall be expended in the manner and for the purposes authorized by sections 101, 102, and 104 of this title. In addition to the permanent appropriation of \$10,000, made in this section, there is authorized to be appropriated annually to the American Printing House for the Blind the sum of \$400,000, which sum shall be expended in accordance with the requirements of sections 101, 102, and 104 of this title. (March 3, 1879, 20 Stat. 468; June 25, 1906, 34 Stat. 460; August 4, 1919, 41 Stat. 272; February 8, 1927, 44 Stat. 1060; August 23, 1937, 50 Stat. 744; May 22, 1952, 66 Stat. 89; August 2, 1956, sec. 2, 70 Stat. 938.)"

American Printing House for the Blind

	Enrollment of blind children				Amount of quota		
	Actual, 1956	Esti- mated 1957	Enroll- ment, Jan. 7, 1957	Differ- ence	1957	Budget estimate, 1958	1958 revised estimate based on actual enroll- ment, Jan. 7, 1957
Alabama.....	175	211	181	-30	\$5,257	\$7,391	\$5,598
Arizona.....	58	70	60	-10	1,742	2,452	1,856
Arkansas.....	172	208	170	-38	5,167	7,286	5,258
California.....	587	711	717	+6	17,634	24,903	22,175
Colorado.....	63	76	99	+23	1,893	2,662	3,062
Connecticut.....	126	145	238	+93	3,785	5,079	7,361
Delaware ¹	25	30	14	-16	751	1,050	433
District of Columbia.....	35	43	44	+1	1,051	1,506	1,361
Florida.....	193	233	372	+139	5,798	8,161	11,505
Georgia.....	239	289	289	0	7,180	10,122	8,938
Hawaii.....	13	16	59	+43	391	560	1,825
Idaho.....	37	45	32	-13	1,112	1,576	990
Illinois.....	388	467	522	+55	11,656	16,357	16,144
Indiana.....	137	165	152	-13	4,116	5,780	4,701
Iowa.....	133	161	138	-23	3,996	5,640	4,268
Kansas.....	81	98	136	+38	2,433	3,432	4,206
Kentucky.....	131	158	165	+7	3,935	5,534	5,103
Louisiana.....	135	163	132	-31	4,056	5,710	³ 4,082
Maine ²			22	+22			680
Maryland.....	155	187	229	+42	4,656	6,550	7,082
Massachusetts.....	327	395	593	+198	9,824	13,835	18,340
Michigan.....	423	515	461	-54	12,708	18,039	14,257
Minnesota.....	188	225	270	+45	5,648	7,881	8,550
Mississippi.....	128	155	133	-22	3,845	5,429	4,113
Missouri.....	142	172	234	+62	4,266	6,025	7,236
Montana.....	32	39	75	+36	961	1,366	2,320
Nebraska.....	48	58	83	+25	1,442	2,031	2,567
Nevada ²			1	+1			31
New Hampshire ²			45	+45			1,392
New Jersey.....	256	310	339	+29	7,691	10,858	10,484
New Mexico.....	83	101	114	+13	2,493	3,537	3,526
New York.....	653	786	1,141	+355	19,617	27,531	35,287
North Carolina.....	371	448	390	-58	11,145	15,692	12,061
North Dakota.....	26	31	30	-1	781	1,086	928
Ohio.....	369	446	678	+232	11,085	15,622	20,968
Oklahoma.....	87	105	79	-26	2,614	3,677	2,443
Oregon.....	102	124	150	+26	3,064	4,343	4,639
Pennsylvania.....	510	617	598	-19	15,321	21,612	18,494
Rhode Island ¹			2	+2			62
South Carolina.....	103	125	125	0	3,094	4,378	3,866
South Dakota.....	42	51	43	-8	1,262	1,786	1,330
Tennessee.....	172	208	249	+41	5,167	7,286	7,701
Texas.....	291	352	394	+42	8,742	12,329	12,185
Utah.....	46	55	43	-12	1,382	1,926	1,330
Vermont ¹			26	+26			804
Virginia.....	202	244	300	+56	6,068	8,546	9,278
Washington.....	127	154	128	-26	3,815	5,393	³ 3,959
West Virginia.....	109	132	122	-10	3,275	4,623	3,773
Wisconsin.....	187	227	212	-15	5,618	7,951	6,556
Wyoming ¹			11	+11			340
Puerto Rico.....	82	99	79	-20	2,463	3,467	2,443
Virgin Islands.....			10	+10			309
	7,989	9,650	10,929	+1,279	240,000	338,000	338,000

¹ Children enrolled in special schools and classes for the blind above the primary level attend schools in other States.

² All children enrolled in special schools and classes for the blind attend schools in other States.

³ State estimates for 1957 not available. Actual figures for 1956 used.

Per capita: 1957 actual \$30.041; 1958 budget estimate \$35.025; 1958 revised \$30.927.

PREPARED STATEMENT

Senator HILL. Mr. Kelly, are you going to testify for us on the American Printing House for the Blind?

Mr. KELLY. Yes, Mr. Chairman.

First, I would like to submit, for the record, the statement of the Superintendent of the American Printing House for the Blind.

(The statement referred to follows:)

STATEMENT OF SUPERINTENDENT, AMERICAN PRINTING HOUSE FOR THE BLIND

PROGRAM OF THE AMERICAN PRINTING HOUSE

The American Printing House for the Blind is a nonprofit educational institution located in Louisville, Ky. Each year the Printing House receives Federal appropriations to be used to provide free Braille textbooks and other educational materials needed for the education of the Nation's blind children. The appropriation for the 1958 fiscal year will be the 79th annual provision of funds for this purpose. During the last session of Congress, the annual authorization for the Printing House was increased to \$400,000. This amount plus an additional permanent appropriation of \$10,000, makes a total authorization of \$410,000.

The Printing House serves two groups of blind schoolchildren. Educational materials are provided (1) to students who attend special schools and classes for the blind and (2) to blind students who attend regular public schools and classes. This latter group of students was brought within the program of the Printing House by the enactment of Public Law 922 in the last session of Congress.

1958 BUDGET ESTIMATE

The 1958 budget estimate of \$328,000 represents an increase of \$98,000 over the appropriation for fiscal year 1957.

It is estimated that a total enrollment of 9,650 will form the basis for distribution of materials under the 1958 appropriation. This enrollment includes 8,350 pupils attending specialized public schools and classes for the blind and 1,300 students enrolled in regular public schools and classes. The application of the total budget estimate to the total estimated enrollment will produce a \$35 per capita rate. Because of increased production costs, this \$35 rate will provide in 1958 only as many textbooks and educational materials as were supplied under the \$31 rate prevailing in fiscal year 1956.

FACTORS UNDERLYING THE REQUESTED INCREASES

There are two factors underlying the increased appropriation request for 1958. One is the anticipated increased enrollment of blind students and the other is the increased cost of producing books and educational materials for the blind.

INCREASED ENROLLMENT

Increased numbers of blind children are enrolled in the public school system each year due to:

1. The general increase in the school population at the primary level.
2. A decrease proportionately in the number of high school graduates because of low birthrates during the late 1930's and early 1940's.
3. The additional increase caused by the high incidence in recent years of congenital blindness resulting from retrolental fibroplasia. The causative factor of this disease has now been discovered, but the numbers of children affected by it who enroll in the public school systems have continued to increase and are expected to reach their peak in 1960.

Provision is made in the 1958 estimate for 360 more students in the specialized schools and classes for the blind. Provision is also made for 1,300 additional blind students enrolled in regular public schools and classes who are for the first time eligible to receive the books and materials distributed by the Printing House.

INCREASED PRODUCTION COSTS

The unit costs of specialized books and materials for the blind tend to be high even though the centralized facilities of the Printing House permit it to achieve many economies of production. These unit costs are expected to increase once

the enlarged program of the Printing House becomes operative. A greater variety of books and materials will be required by small numbers of schoolchildren scattered through many local jurisdictions. The provision of a wider selection of books will reduce total sales for individual titles; and original plate costs, which comprise 70 to 80 percent of the total production cost, will be spread over fewer copies of each published title.

Some increased costs of production have already taken effect. The cost of raw materials rose 15 percent on May 1, 1956; and, as a result of the amended national minimum wage law, labor costs have risen as much as 27 percent in some departments, particularly the Braille printing and binding departments.

In light of the above facts, it is estimated that the broadened program of the Printing House, together with the increased production costs, will require an appropriation of \$328,000, plus the permanent appropriation of \$10,000, for fiscal year 1958.

EXTENSION OF BRAILLE TEXTBOOKS AND SERVICES

Mr. KELLY. I would just like to call your attention to the fact that the request for appropriation goes up from \$230,000 made available this year to \$328,000, which is an increase of \$98,000. This is primarily occasioned by the fact that the law was modified to extend the services of Braille textbooks and the educational materials for the blind.

In addition to being available now for the students enrolled in the State schools for the blind and organized classes for the blind, it is now available to those who are blind who are attending regular classes in public schools.

The House approved the full estimate.

Senator HILL. Does this increase in cost include services for those attending public schools as well as those in special schools?

Mr. KELLY. That is correct. And the House approved the full estimate.

Senator HILL. Are there any questions, gentlemen?

We are very much obliged to you, Mr. Kelly. Thank you very much, sir.

FOOD AND DRUG ADMINISTRATION

STATEMENTS OF GEORGE P. LARRICK, COMMISSIONER, AND SIDNEY B. COHEN, ASSISTANT EXECUTIVE OFFICER

APPROPRIATION ESTIMATE

"Salaries and expenses: For necessary expenses for carrying out the Federal Food, Drug, and Cosmetic Act, as amended (21 U. S. C. 301-392); the Tea Importation Act, as amended (21 U. S. C. 41-50); the Import Milk Act (21 U. S. C. 141-149); the Federal Caustic Poison Act (15 U. S. C. 401-411); and the Filled Milk Act, as amended (21 U. S. C. 61-64); including purchase of not to exceed [eighty-seven] *eighty-nine* passenger motor vehicles of which [forty-seven] *fifty-one* are for replacement only; reporting and illustrating the results of investigations; purchase of chemicals, apparatus, and scientific equipment; payment in advance for special tests and analyses by contract; and payment of fees, travel, and per diem in connection with studies of new developments pertinent to food and drug enforcement operations; [\$6,779,000] *\$9,300,000.*"

Amounts available for obligation

	1957 appro- priation	1958 budget to Congress	1958 House allowance
Appropriation or estimate.....	\$6, 779, 000	\$9, 300, 000	\$9, 300, 000
Total available for obligation.....	6, 779, 000	9, 300, 000	9, 300, 000

Obligations by activities

Description	1957 estimate		1958 estimate		Increase or decrease	
	Posi- tions	Amount	Posi- tions	Amount	Posi- tions	Amount
1. Enforcement operations.....	944	\$6, 410, 800	1, 102	\$8, 879, 400	+158	+\$2, 468, 600
2. General administration.....	73	368, 200	77	420, 600	+4	+52, 400
Total obligations.....	1, 017	6, 779, 000	1, 179	9, 300, 000	+162	+2, 521, 000

Obligations by objects

	1957 estimate	1958 estimate
Total number of permanent positions.....	1, 017	1, 179
Full-time equivalent of all other positions.....	2	2
Average number of all employees.....	951	1, 104
Number of employees at end of year.....	1, 005	1, 152
Average salaries and grades:		
General schedule grades:		
Average salary.....	\$5, 935	\$6, 000
Average grade.....	GS-8.1	GS-8.2
01 Personal services:		
Permanent positions.....	\$5, 636, 900	\$6, 562, 400
Positions other than permanent.....	2, 700	3, 100
Regular pay above 52-week base.....		28, 000
Payment above basic rates.....	11, 000	11, 000
Other payments for personal services.....	11, 500	11, 500
Total personal services.....	5, 662, 100	6, 616, 000
02 Travel.....	328, 200	444, 300
03 Transportation of things.....	38, 250	45, 250
04 Communication services.....	72, 350	85, 800
05 Rents and utility services.....	1, 600	3, 500
06 Printing and reproduction.....	45, 375	50, 800
07 Other contractual services.....	121, 875	220, 500
Services performed by other agencies.....	34, 400	62, 200
08 Supplies and materials.....	178, 300	235, 400
Samples.....	83, 500	93, 600
09 Equipment.....	209, 450	1, 020, 050
11 Grants, subsidies, and contributions:		
Contribution to retirement fund.....		419, 000
13 Refunds, awards, and indemnities.....	2, 000	2, 000
15 Taxes and assessments.....	1, 600	1, 600
Total obligations.....	6, 779, 000	9, 300, 000

292 LABOR-HEALTH, EDUCATION, WELFARE APPROPRIATIONS

Summary of changes from 1957

1957 appropriations.....	\$6, 779, 000
1957 base.....	6, 779, 000
1958 appropriation request.....	9, 300, 000
Net change requested.....	2, 521, 000

	Estimate 1958	
	Positions	Amount
For mandatory items:		
Retirement contributions related to 1957 positions.....		\$364, 000
Annualization of new positions in 1957.....		191, 000
Extra day's pay for 1957 positions.....		23, 000
Subtotal.....		578, 000
For program items:		
New positions for three-fourths of a year.....	162	734, 900
Retirement contributions related to new positions.....		55, 000
Extra day's pay for new positions.....		5, 000
Auxiliary expenses, excluding capital equipment.....		248, 500
Capital equipment, new and replacement.....		639, 600
New district.....		260, 000
Subtotal.....	162	1, 943, 000
Grand total.....	162	2, 521, 000

Salaries and expenses, Food and Drug Administration—List of new positions for 1958

ENFORCEMENT OPERATIONS ACTIVITY

Title	GS grade	Number	Annual salary rate
Medical officer.....	15	3	\$12, 690
Veterinarian.....	15	1	11, 610
Director, Office of Information and Education.....	15	1	11, 610
Chief of branch.....	14	2	10, 320
Food and drug officer.....	14	1	10, 320
Bacteriologist.....	13	1	8, 990
Chemist.....	13	2	8, 990
Chief of branch.....	13	1	8, 990
Food and drug officer.....	13	4	8, 990
Biochemist.....	12	1	7, 570
Chemist.....	12	10	7, 570
Food and drug officer.....	12	3	7, 570
Information specialist.....	12	1	7, 570
Inspector.....	12	4	7, 570
Pharmacologist.....	12	2	7, 570
Chemist.....	11	17	7, 035
Inspector.....	11	24	6, 390
Pharmacologist.....	11	1	6, 390
Bacteriologist.....	9	1	5, 440
Chemist.....	9	12	6, 115
Inspector.....	9	20	5, 440
Microanalyst.....	9	2	5, 440
Pharmacologist.....	7	1	4, 525
Import examiner.....	6	2	4, 080
Clerk.....	5	24	3, 670
Laboratory aid.....	5	2	3, 670
Clerk.....	4	2	3, 415
Laboratory aid.....	4	13	3, 415
Total.....		158	

GENERAL ADMINISTRATION ACTIVITY

Position classifier.....	11	1	\$6, 390
Records officer.....	9	1	5, 440
Purchasing clerk.....	6	1	4, 080
Clerk.....	5	1	3, 670
Total.....		4	

APPROPRIATION ESTIMATE

"Salaries and expenses, certification, inspection, and other services: For expenses necessary for the certification or inspection of certain products, and for the establishment of tolerances for pesticides, in accordance with sections 406, 408, 504, 506, 507, 604, 702A, and 706 of the Federal Food, Drug, and Cosmetic Act, as amended (21 U. S. C. 346, [348] 346a, 354, 356, 357, 364, 372a, and 376), the aggregate of the advance deposits during the current fiscal year to cover payments of fees for services in connection with such certifications, inspections, or establishment of tolerances, to remain available until expended. The total amount herein appropriated shall be available for personal services; purchase of chemicals, apparatus, and scientific equipment; purchase of not to exceed four passenger motor vehicles for replacement only; expenses of advisory committees; and the refund of advance deposits for which no service has been rendered."

Amounts available for obligation

	1957 appropriation	1958 budget to Congress	1958 House allowance
Appropriation or estimate.....	\$1,200,000	\$1,254,500	\$1,254,500
Prior year balance available.....	639,863	545,863	545,863
Total available for obligation.....	1,839,863	1,800,363	1,800,363
Balance available in subsequent year.....	-545,863	-545,863	-545,863
Obligations incurred.....	1,294,000	1,254,500	1,254,500

Obligations by activities

	1957 estimate	1958 estimate
Program by activities:		
1. Certification services.....	\$1,224,900	\$1,188,700
2. Pesticides tolerances.....	22,100	17,500
3. Seafood inspection.....	20,700	22,000
4. Refunds.....	26,300	26,300
Total obligations.....	1,294,000	1,254,500

Summary of changes from 1957

1957 appropriation.....	\$1,200,000
Nonrecurring item: Decrease in pesticides tolerances activity.....	-5,650
Revised 1957 base.....	1,194,350
1958 appropriation request.....	1,254,500
Net change requested.....	60,150

ESTIMATE 1958

For mandatory items:	
Retirement contributions related to 1957 positions.....	56,500
Extra day's pay for 1957 positions.....	3,650
Subtotal.....	60,150
Grand total.....	60,150

Obligations by objects

	1957 estimate	1958 estimate
Total number of permanent positions.....	167	166
Full-time equivalent of all other positions.....	10	
Average number of all employees.....	169	158
Number of employees at end of year.....	165	164
Average salaries and grades:		
General schedule grades:		
Average salary.....	\$5, 489	\$5, 572
Average grade.....	GS-7.2	GS-7.3
01 Personal services:		
Permanent positions.....	\$871, 300	\$868, 150
Positions other than permanent.....	62, 000	500
Regular pay above 52-week base.....		3, 650
Payment above basic rates.....	15, 700	15, 700
Total personal services.....	949, 000	888, 000
02 Travel.....	25, 200	17, 900
03 Transportation of things.....	1, 400	1, 400
04 Communication services.....	8, 000	7, 800
05 Rents and utility services.....	300	300
06 Printing and reproduction.....	7, 700	7, 700
07 Other contractual services.....	16, 300	14, 100
Services performed by other agencies.....	55, 400	55, 400
08 Supplies and materials.....	116, 100	112, 800
Samples.....	4, 600	4, 600
09 Equipment.....	82, 600	69, 600
11 Grants, subsidies, and contributions:		
Contribution to retirement fund.....		56, 500
13 Refunds, awards, and indemnities.....	26, 500	26, 500
15 Taxes and assessments.....	900	900
Total obligations.....	1, 294, 000	1, 254, 500

PREPARED STATEMENT

Senator HILL. Mr. Larrick, we are glad to have you here, sir. I understand you have filed your statement for the record.

Mr. LARRICK. Yes, Mr. Chairman.

Senator HILL. That will be placed in the record in full, and you can proceed in your own way.

(The statement referred to follows:)

STATEMENT BY COMMISSIONER OF THE FOOD AND DRUG ADMINISTRATION

"Salaries and expenses (enforcement operations), Food and Drug Administration."

"Salaries and expenses, certification, inspection and other services (self-supporting, financed by fees)."

Mr. Chairman and members of the committee, since we appeared before you last January (1956), much has happened in the Food and Drug Administration which I shall report on later in my statement. First may I say that your favorable consideration of our budget for the current fiscal year has enabled us to initiate successfully the program of expansion recommended by the Citizens Advisory Committee. Our proposals before you now represent the second phase of the expansion in the fiscal year 1958.

TRENDS WHICH AFFECT RESPONSIBILITIES OF THE FDA

The Food and Drug Administration is the constituent of the Federal Government to which the people look for assurance as to the purity and wholesomeness of foods they are consuming and the drugs and cosmetics they use. Three important trends continue to affect the responsibilities of the Food and Drug Administration:

- (1) Growth of population and the volume of goods produced by the food, drug, and cosmetic industries;
- (2) Growing use of advanced technological processes and new ingredients;
- (3) Continuing shift in consumer buying to factory processed goods instead of foods prepared in the home and drugs from the local pharmacy.

THE WORK AND OBJECTIVES OF THE FDA

The principal job of the Food and Drug Administration is to administer the Federal Food, Drug, and Cosmetic Act and related acts and thereby carry out the purpose of Congress to insure that foods, drugs, therapeutic devices, and cosmetics are pure and wholesome, safe to use, made under sanitary conditions, and truthfully labeled. Effective enforcement guarantees public confidence in the quality of American foods, drugs, and cosmetics generally—they are the best in the world.

As a part of these important responsibilities the Food and Drug Administration (1) enforces the law against mislabeled, dangerous, or ineffective drugs and therapeutic devices; (2) enforces the law against the marketing of decomposed or filthy foods or food processed under insanitary conditions, and against use of poisonous and deleterious or filthy ingredients; (3) enforces the law against illegal sale of prescription drugs; (4) checks the manufacturers' evidence of the safety of all new drugs before they are put on sale to the public; (5) evaluates toxicity data and establishes tolerances for pesticide chemicals for use on raw agricultural commodities; (6) tests all batches of insulin and five of the most important antibiotic drugs for safety and efficacy before they are sold; (7) checks the safety of all batches of coal-tar dyes for use in foods, drugs, or cosmetics; (8) sets up standards which guarantee the composition and real value of food products in line with the congressional mandate that such standards shall "promote honesty and fair dealing in the interest of consumers"; (9) enforces the Caustic Poison Act, which requires a "Poison" label and antidote to appear on certain household size containers of corrosive chemicals; (10) checks imports of foods, drugs, and cosmetics to make sure they comply with the food, drugs, cosmetics, and other acts we enforce; (11) cooperates with State and local officials on mutual problems including the inspection of foods and drugs contaminated by disasters.

SCOPE AND GROWTH OF FDA ACTIVITIES

The last few decades have been revolutionary in the production and distribution techniques of foods and drugs in this country. Early in this century food and drug manufacturing and distribution were predominantly local. We understand that, in 1900, 9 farmers produced food for themselves and 1 city dweller. In 1957, 1 farmer produces food for himself and 14 people in the urban areas. Today foods and drugs are produced and distributed on a nationwide (and in fact international) basis. Of necessity, ingredients and processes are employed that will permit them to withstand prolonged transportation and storage unthought of in earlier years. Newer drugs, with their increased potential for dramatic therapeutic effects, are highly potent. The rapid development of completely processed, ready-to-serve foods is particularly convenient to the millions of employed women.

Since the enactment of the first food and drug law in the early 1900's, the population has increased from 90 million to 168 million Americans. A much greater proportion of the population is now dependent on food supplies which are processed and shipped considerable distances. This means that an increasing proportion of the food produced is under the jurisdiction of the Food and Drug Administration, so that today the great bulk is covered by Federal statutes.

COVERAGE INVOLVED IN FDA OPERATIONS

Regulation of foods, drugs, devices, and cosmetics under the Federal Food, Drug, and Cosmetic Act is not static, but a continuous, expanding, and complex responsibility. There are an estimated 600,000 manufacturers, distributors, and storers of foods, drugs, therapeutic devices, and cosmetics, plus an additional 525,000 public eating places and 55,000 drugstores. Of the first 600,000 establishments, it is estimated that somewhat less than 100,000 are substantially engaged in interstate commerce so that their operations should be inspected periodically and their products examined to insure that they are not adulterated, misbranded, or otherwise in violation. The 525,000 public eating places are subject to inspection to insure that consumers are properly notified when oleomargarine is served. The 55,000 drugstores (plus an unknown number of other miscellaneous outlets) are kept under surveillance to prevent the illicit sale of drugs which are so dangerous that they are required by law to be sold only upon prescription.

The total number of interstate shipments subject to the laws we enforce is not precisely known. An estimated 330,000 lots of foreign-produced foods, drugs, devices, and cosmetics are offered for importation each year. The annual retail value of all commodities subject to the statutes enforced by Food and Drug

Administration is currently estimated at about \$62 billion for domestic products and almost \$3 billion (invoice value) for importations.

METHOD OF OPERATIONS

The present enforcement program under the Federal Food, Drug, and Cosmetic Act is limited in scope, and based upon a priority selection according to the seriousness of probable violations in the following order:

- (1) Violations that endanger public health.
- (2) Violations having a hygienic or esthetic significance; e. g., filthy or decomposed foods, or foods produced under insanitary conditions.
- (3) Violations involving frauds or cheats.

FDA conducts planned and controlled inspections of factories, storage warehouses, carriers, and (in some phases of the work) retail establishments, with the collection and examination of samples from interstate and import shipments. Samples are examined in FDA district laboratories, with the exception of those requiring special skills or equipment possessed only by the Washington scientific divisions of the Bureau of Biological and Physical Sciences. Violations encountered on inspections or sample examinations involving adulterations, misbrandings, or other prohibitions are proceeded against in the Federal courts to remove violative products from the market and/or penalize offenders. Investigations of illegal traffic in dangerous prescription drugs are made of drugstores or other outlets only on the basis of significant leads suggesting violative practices.

Effective administration of the Food, Drug, and Cosmetic Act can be realized only to the extent that the operating programs and procedures are based upon sound scientific foundations. Extensive and continuous scientific investigations, many of which involve laboratory research of the highest order, are necessary. An experienced competent scientific staff, adequately equipped with instruments, apparatus, and facilities, is required to develop the scientific foundations that will enable realization of the full protection for consumers intended by the law and, at the same time, insure fairness to, and maintain confidence of, producers and distributors.

In a broad sense a higher proportion of the total scientific effort is necessary to develop scientific information with which to anticipate the effects on the national body of new chemicals, drugs, or food processes on prolonged use. A few examples are the addition of a new chemical to a staple item like bread; the use of hormones to stimulate growth in beef and poultry; residues of deadly organic insecticides on our fruits and vegetables whose biological effects are not easily recognized or evaluated by present methods; high energy radiation of our processed foods; the side effects of widely used potent new drugs on the populace.

The technical problems are complex and varied. The necessary research includes (a) development of methods of examination for foods, drugs, devices, and cosmetics; (b) toxicity studies on foods, drugs, and cosmetics; (c) nutritional studies, including nutritional effect of chemical additives in food and nutritional adequacy of foods; and (d) clinical investigation of drugs and devices to determine the truth or falsity of therapeutic claims. This activity is carried out largely by the Washington scientific divisions of the Bureau of Biological and Physical Sciences and the Bureau of Medicine. The scope of work in this field is limited by the size of the scientific staff and there are many areas in which basic scientific studies must be carried out before adequate consumer protection is possible.

All new drug applications are reviewed by Food and Drug Administration medical doctors, pharmacologists, chemists, and other scientists experienced in evaluating the safety of the drugs under the prescribed conditions of use. If it is concluded that the drugs are safe under the proposed conditions of use, the applications are "allowed to become effective," which means that the drugs may be legally marketed in interstate commerce.

Preventive measures and education are an important part of the total Food and Drug Administration enforcement program. These activities are designed to obtain consumer understanding of the laws administered by the FDA, through voluntary compliance with the requirements of the law to (a) reach a higher standard of public health and safety in this country, (b) enlist the cooperation and assistance of scientific groups (universities, foundations, pharmaceutical manufacturers, professional societies, etc.), and (c) enlist the cooperation of State and local enforcement officials in the interchange of information as an adjunct to the Federal inspection force. While these activities have been limited in scope, they are receiving increased emphasis in this and the next fiscal year.

PRETESTING CERTIFICATION AND OTHER SERVICES

Among the laws enforced by the Food and Drug Administration are those which require pretesting and certification of all batches of certain antibiotic drugs, insulin, or any derivatives thereof; also the listing of coal-tar colors which are harmless and suitable for use in foods, drugs, and cosmetics and the certification of batches of such colors. Continuous inspection of shrimp and oyster packing establishments is carried out for those firms who apply and pay for it. The Federal Food, Drug, and Cosmetic Act now requires that if poisonous pesticide chemicals are used on food crops so that they leave residues, the safety of the residues must be established and appropriate tolerances set before foods bearing the residues are shipped in interstate commerce. Applications for tolerances must be processed by the Food and Drug Administration. (Self-supporting, financed under appropriation for certification services.)

RECENT PROGRAM DEVELOPMENTS

I mentioned earlier that there have been several developments during the past year that are of significance to the Food and Drug Administration. I should like to highlight some of them for the committee. The 50th anniversary of the enactment of the Federal pure food and drug law last June received national and international attention, and furthered public understanding of the benefits and protection to the consumer and industry which result from effective enforcement of these laws. The revolutionary changes and progress of the food, drug, and cosmetic industries during this half century were stressed at public meetings and in articles, editorials, and radio and TV broadcasts. At the same time attention was focused on new problems of public protection arising from technological change as well as from the growth of the food and drug industries.

Among such problems in the inadequacy of present personnel and facilities for State as well as Federal regulation. Many States lack modern food and drug laws as well as the staff and facilities to enforce them. A nationwide study of that situation has been recommended by the Association of Food and Drug Officials of the United States and arrangements for this study are going forward.

The only major change in the substantive statutes was an amendment to simplify regulation-making, to eliminate the necessity of public hearings on non-controversial matters. Congressional hearings were held on legislation to require safety testing of chemical food additives, and to establish mandatory inspection of poultry, but no final action was taken. The pesticide amendment became fully effective in its application to all pesticide chemicals. Several new methods of analysis for detecting and measuring pesticide residues on food crops were developed by our scientists during the year.

In the 249 criminal actions terminated (or terminated for some defendants) in the Federal courts during 1956, the fines paid or assessed in cases pending on appeal, totaled \$197,067.80. The heaviest fine in a single case was \$12,000. In 66 actions the fines were \$1,000 or more. Jail sentences were imposed in 54 cases involving 68 individual defendants. The sentences ranged from 1 month to 6 years, and averaged 12 months and 3 days. Twenty-four individuals were required to serve the imposed sentences, and for 44 individuals the jail sentences were suspended, on condition that violative practices be discontinued. Records of actions terminated in the Federal courts were published in 1,240 notices of judgment issued during the year.

The last of 22 criminal prosecutions started in 1955 against illegal sale of amphetamine drugs to truck drivers was terminated with a plea of guilty. All of the 48 individual defendants pleaded guilty or nolo contendere. The largest fine in these cases was \$1,100; the smallest \$10.

The longest trial in 1956 was one involving the so-called Hoxsey treatment for internal cancer which was discussed when we appeared before the committee last year. The Government charged that half a million pills seized at the Hoxsey Clinic at Portage, Pa., were misbranded because they were of no value in the treatment of cancer. In the 6 weeks trial before a jury in the Federal District Court at Pittsburgh, 80 witnesses including some of the world's outstanding cancer experts, testified for the Government. The Government showed that persons who were claimed to have been cured by the Hoxsey medicines have since died of cancer; or did not have cancer at all, or received competent treatment by X-ray or surgery before taking the Hoxsey treatment. The Government's charges were sustained by the jury. The claimant has filed a motion for a new trial and has indicated that he will appeal the decision. In the meantime the clinics continue to operate at both Dallas, Tex., and Portage, Pa.

ADMINISTRATIVE ACTIVITIES

Since approval of the appropriation for fiscal year 1957, certain organizational improvements have been made, and a more effective program of statistical analyses and program appraisal has been started. The measurement and evaluation of the enforcement problem in a field as complex as that facing the Food and Drug Administration presents many difficulties. We are now conducting a nationwide survey to acquire information and data to determine the extent and scope of our ultimate workload, since the continued growth of the Food and Drug Administration is related directly to its ultimate workload.

Studies are underway to develop a broad plan, within the framework of the citizens advisory committees' recommendations for expansion which will best serve the interests of the American public under the provisions of the Food, Drug, and Cosmetic laws.

Despite the short supply of personnel in fields of science, recruiting is going forward reasonably well. Training programs, particularly for the new personnel have been initiated and are proving successful in acquainting the added staff with the responsibilities and performance of the Food and Drug Administration as rapidly as possible. We have undertaken the job of evaluating our equipment and facilities needs in this and succeeding years, which is a task of great magnitude, and is absolutely essential to insure that adequate and modern tools are available to the scientific and inspectional staffs to enable them to perfect methods and techniques for quicker detection of health and fraud hazards.

FOOD AND DRUG ADMINISTRATION BUILDING

The first big step in securing a new Washington headquarters building for the laboratories and administrative offices was approved by Congress for construction under the lease-purchase program. The General Services Administration is now in process of negotiating for land acquisition and the selection of an architect to draw specific plans for a building of this character. We are hopeful that the new building project will proceed as rapidly as possible to relieve the critical space shortage. At a later date when the building plans are far enough along, we shall develop the costs involved for equipping the new building in preparation for the submission of an appropriation request for that purpose.

ESTIMATES FOR FISCAL YEAR 1958

The budget estimates for the fiscal year 1958 as reflected in the President's budget total \$10,554,500, of which \$9,300,000 is for direct appropriation to provide for our enforcement operations, and \$1,254,500 represents the authorization to use fees received for the certification, inspection, and other services which are self-supporting; \$9,300,000 is designed to strengthen enforcement of the food and drug laws, by additional personnel increases in the inspectional, scientific, educational, and management activities, which the Congress approved in the appropriation for fiscal year 1957. Concurrently there is included funds for capital investment to improve and modernize the facilities of the Food and Drug Administration, establish a district office in Detroit, Mich., and provide funds for contribution to the civil-service retirement fund under legislation recently enacted.

INCREASES REQUESTED IN 1958

The estimates for enforcement activities propose an increase of \$2,521,000 in fiscal year 1958 (\$6,779,000 to \$9,300,000). Dollarwise this represents a 37 percent increase over appropriations for the current fiscal year. However, the components of the additional funds requested contain items of increase which have not heretofore been a part of the Food and Drug Administration's budget program. These latter items constitute \$1,194,000 of the increase requested, including funds for the (1) replacement and modernization of equipment, particularly scientific, because of age and obsolescence; (2) establishment of a new district office which will make a total of 17 field offices and laboratories; and (3) a substantial sum of money for payment to the civil-service retirement fund, as required under legislation recently approved. Thus there remains \$1,327,000 of the increase requested for an expansion of current operations, which represents about a 19 percent increase over the appropriations for the current fiscal year. The latter amount will allow a 16 percent increase in personnel or 162 new positions in fiscal year 1958 (45 departmental, 117 field) with funds sufficient to fill these positions for 122 man-years.

Our plans for 1958 emphasize the strengthening of our scientific activities in Washington and the field, since new problems of public protection cannot be properly evaluated and solved until basic scientific facts and methods have been provided. For example, peacetime application of atomic energy may create many problems for food and drug scientists in applications providing for radiation preservation of food and use of radioisotopes in medicine. The vast field of chemical additives including pesticide chemicals, poses a host of challenging problems to those responsible for protecting public safety and health. The rapid development of new and potent drugs (recent estimates indicate that from 50 to 90 percent of the drugs prescribed by doctors today were unknown 15 years ago) and the extensive production of ready-to-serve foods involve possibilities of contamination, debasement, and substitution that call for the highest type of scientific study and methodology.

Scientific research is contemplated for the development of more and better techniques for detecting and measuring residues of pesticide chemicals and food additives and evaluating their toxicity. The FDA scientists will seek better objective tests for detecting contamination and spoilage of foods. Precooked and prepackaged foods, fresh and frozen seafood and poultry, and pesticides on fruits and vegetables will receive high priorities in fiscal year 1958. Also the additional scientific and technical staff requested will be devoted to a reappraisal of some of our methods of drug analysis, and to expedite the clearance of new drugs.

The proposed program for 1958 includes more attention to food standards, which have received a proportionately small part of FDA time in recent years. Food manufacturers, as well as consumers, want standards for additional foods and more enforcement of standards. Likewise, more effort will be devoted to better pocketbook protection against fraudulent substitution of water and cheap ingredients for those stated on the label.

The additional inspection personnel requested will allow for more investigational work into the unique bacteriological and sanitary problems connected with rapidly expanding industry, where lack of good manufacturing practices becomes a real public-health problem and will increase our coverage in the number of establishments inspected by nearly 18 percent and the collection of more samples for analysis.

The estimate also proposes enlarging the informational and educational program consistent with one of the major recommendations of the Citizens Advisory Committee which stated that, "The purpose of the educational program should be to develop a better understanding of the objectives and requirements of the food and drug laws through a dissemination of better and more positive information to industry, certain professions, and the public. An informed industry or trade association will encourage self-compliance on the part of its members. An informed public will be a better protected one and will make FDA dollars go further."

The additional staff requested will be assigned to the implementation of this important field of work, where added facilities will give more impetus to preventive enforcement by educational work directed to producers and consumers, and professional people who use the products regulated by the Food, Drug, and Cosmetic Act. Meanwhile there can be no relaxing of our vigilance in the protection of the public health, for there still exist major problems which can only be solved by hard two-fisted fighting where the welfare of the American public is at stake.

Mr. Chairman, as I indicated previously, \$1,194,000 or 47 percent of the increased funds requested is assigned to essential needs which have heretofore not been included in our budget program, but which must be considered as vital elements in an orderly progression aimed at reaching the goals set forth in the recommendations of the Citizens Advisory Committee.

EQUIPMENT REPLACEMENT AND MODERNIZATION

Within the foregoing sum is \$515,000 for replacement and modernization of equipment, much of which is more than 12 years of age, and needs replacement because of age, poor condition, obsolescence, and being inadequate to meet present need. In too many instances our laboratory equipment is not comparable in quality and efficiency to that used in industry. We have analyzed the condition and usefulness of our equipment, and after a thorough screening and evaluation determined that certain items (primarily scientific) rank highest in a priority program of replacement and modernization for which funds are requested.

NEW DISTRICT OFFICE IN THE FIELD

Also, \$260,000 is included for the establishment of a new field district office in Detroit, Mich. The rapid expansion of the Detroit area as a producing, consuming, and importing area of food and drugs has resulted in the need for placing a laboratory at Detroit to facilitate handling of problems arising out of the enforcement of the Food, Drug, and Cosmetic Act in that area.

For several years our attention has been directed toward this need for a district office with laboratory facilities in the Detroit area, by interested individuals and groups, both from government, industry, and consumers. The Detroit area has the largest concentration of population and industries related to food, drug, and cosmetic activities of any area in the United States without a district office.

The entire purpose of the proposed new district is to enable the Food and Drug Administration to give the Detroit area a degree of coverage commensurate with its obligations in that area. It will permit more efficient and better enforcement in the area served by Detroit, and also materially increase the operational efficiency of the adjoining Chicago and Cincinnati districts. The funds requested provide only for the necessary alterations and equipment to establish the office before the end of the fiscal year 1958. Funds for personnel and operating expenses will be requested in the estimates for the fiscal year 1959.

CIVIL SERVICE RETIREMENT FUND COSTS

In accordance with the requirements of title IV of Public Law 854, approved July 31, 1956, there is included for the first time an estimate of \$419,000 for the civil service retirement fund, an amount equal to deductions from employees earnings for the fund, beginning with the first full pay period in fiscal year 1958

SERVICES FINANCED FROM FEES

The request for authorization to use fees paid by the affected industries for certification of antibiotics, insulin, and coal-tar colors, and the establishment of pesticide tolerances, as well as inspection of seafood-packing establishments, is to maintain these at about the same rate as the current fiscal year.

The Food, Drug, and Cosmetic Act and the Administrative Procedure Act require that many of our regulations be issued through formal rulemaking procedures which can be conducted only through a legal staff. We require legal assistance in preparing and issuing regulations and many other enforcement operations which require attorneys to enable us to fulfill our responsibilities under the basic statutes. Increased regulatory activities will have a substantial impact upon the workload of our General Counsel's staff located in the Office of the Secretary, which is requesting a small appropriation increase, elsewhere in the Department's budget. We hope you will give favorable consideration to their request.

ALBERT LASKER AWARD

Mr. Chairman, I feel that I would be remiss in my obligation to the Congress, and to the hard-working people in the Food and Drug Administration, if I failed to mention the fact that on November 15 last, the Food and Drug Administration received an Albert Lasker award given by the American Public Health Association each year to individuals and groups in recognition of outstanding achievement in those areas of disease and disability that affect many persons. The citation reads: "To the Food and Drug Administration, United States Department of Health, Education, and Welfare: Recognizing a half century of public service in safeguarding the American people against contaminated or misrepresented products, achieving a deserved public confidence."

In accepting the award on behalf of the Food and Drug Administration, it was most gratifying for me to hear credit bestowed upon the Food and Drug Administration: "Which with a minimum of fanfare and a maximum of economy, has moved quietly and efficiently in the performance of its duties * * * manned by a career service which enjoys a reputation for integrity that has stood unblemished for 50 years."

CITIZENS ADVISORY COMMITTEE PROGRAM

Mr. LARRICK. Mr. Chairman, the House of Representatives, in H. R. 6287, approved the full amount of the 1958 estimate, \$9,300,000,

for the Food and Drug Administration to implement the second stage of the expansion program recommended by the Citizens Advisory Committee.

To conserve the time of your committee I have, with your permission, filed for the record my complete statement covering the contents of the estimate, and address my remarks to two items in the bill which we believe should be amended by the Senate.

PURCHASE OF AUTOMOBILES

In approving the entire amount of the estimate, the House omitted from the appropriation language the authorization to purchase "passenger-carrying motor vehicles" contained in the budget request for additional cars needed by the increased inspectional force, and replacement of old cars which have reached the age or mileage warranting trade-in.

The Food and Drug Administration vehicles are used exclusively for law-enforcement work. Nearly all inspectional duties require the use of an automobile for the efficient performance of these duties. Motor vehicles are used to transport the inspector, his equipment, food, drug, and cosmetic samples, and for miscellaneous investigative assignments.

Many itineraries require the inspector to carry as much as 350 pounds of equipment in the automobile, which consists of balances, samples, triers, ultra-violet lights, photographic equipment, et cetera. The cost of this equipment is in excess of \$600. Quite frequently the samples collected are both heavy and bulky. A considerable portion of an inspector's time is spent in travel status away from headquarters.

Exclusive control and immediate availability of vehicles are essential to the performance of the duties assigned to all Food and Drug Administration inspectors. Moreover, the inspectors must conform their time and activities to the practices of industry. It is not uncommon for fruit and vegetable canners to pack in the evening and night hours, which requires an inspector to travel and be present during the night, or to inspect dairies at 5 o'clock in the morning at the time they start receiving milk from farmers. Also, due to the nature of the work performed in conducting undercover investigation, unmarked Government vehicles are used sometimes and may encompass traveling through one or more States before an investigation is completed.

In the absence of such authorization, it would be necessary to secure authority to rent motor vehicles for the new inspectors to augment the present fleet, or pay the inspector the current mileage rate for use of privately owned motor vehicle, which may require ownership of an automobile as one of the conditions of employment as a food and drug inspector. Either case appears to be administratively awkward and possibly more expensive. The replacement of old or worn automobiles in the present fleet is for purposes of efficiency and economy relating to car performance, and costs of maintenance and repair.

For the foregoing reasons we recommend the inclusion of the appropriation language proposed in the budget estimate.

NEW VEHICLES AND REPLACEMENTS

Senator HILL. How many vehicles do you wish to replace? Do you wish to have additional vehicles over and above the ones you are replacing?

Mr. COHEN. Mr. Chairman, we wish 38 new vehicles for the 50 new inspectors that have been approved in the estimate. And we wish to replace 51 vehicles that have reached the age or mileage warranting trade-in.

Senator HILL. What is that mileage?

Mr. COHEN. It is 60,000 miles or 6 years, sir.

Senator HILL. Either 60,000 miles or 6 years?

Mr. COHEN. Yes, sir.

Mr. LARRICK. Some of them meet both of those requirements.

Senator HILL. Both the 60,000 miles and the 6 years?

Mr. LARRICK. Yes.

Senator PASTORE. May I inquire here, Mr. Chairman?

Senator HILL. Certainly, Senator Pastore.

Senator PASTORE. Did the House leave the money in the budget for that?

Mr. LARRICK. Yes.

Senator PASTORE. They left the money in, but they took the language out?

Mr. LARRICK. Yes.

Senator PASTORE. As a matter of fact, if you do not put the language in, you have too much money, have you not?

Mr. LARRICK. We would have to have money to hire cars or pay the authorized mileage rate for use of privately owned cars.

Senator PASTORE. It probably would not cost as much to rent cars as it would if you had to buy new cars. You have taken into account that it might be a little more expensive in this fiscal year, but you would be better off in the long run.

Mr. LARRICK. To have the cars, I think, yes.

Senator PASTORE. Have you taken that into consideration in submitting your estimated figures?

Mr. COHEN. Yes, sir.

Senator PASTORE. I go along with what you said, but I was just trying to point out the inconsistency of it, that if you do not include the language you might have to revise the figures.

Mr. LARRICK. I think it is fair to say that, but over a 6-year period we have spent——

Senator PASTORE. I am not getting into that. I was not raising that question.

TRANSFER OF VEHICLES

Senator HILL. Mr. Downey has brought to my attention section 207 of the bill, on page 35, which reads as follows:

The Secretary is authorized to make such transfers of motor vehicles between bureaus and offices, without transfer of funds, as may be required in carrying out the operations of the Department.

Do you think any vehicles might be available to you under that section?

HEAVY EQUIPMENT CARRIED BY INSPECTORS

Mr. LARRICK. I do not know the action of that provision from the departmental standpoint, but I do know it is very important that the inspector have the car always assigned to him. Otherwise he has to go to the office and take out this 300 pounds of equipment and unload it for storage, and then take a half hour in the morning to load up again.

Senator HILL. You speak about 300 pounds of equipment. Can you give us some idea as to what this equipment is?

Mr. LARRICK. They carry this (exhibit of inspectors' equipment) all the time.

Senator THYE. Where would these inspectors be stationed?

Mr. LARRICK. Some of them in Minneapolis, some of them in—

Senator THYE. That is what I mean. It is not in Washington but all over the country, and then you could not transfer cars.

Mr. LARRICK. That is right.

Senator THYE. That is what I want to establish for the record.

Mr. LARRICK. You know from your own experience in the Agriculture Department that the inspectors have to have cars.

Senator THYE. I am very familiar with that situation. That is why I wanted the record to reflect the fact that you cannot have a pool operation for the reason that this man may be stationed in Milwaukee, Wis., or Madison, Wis., and he has all this equipment, which is just a part of the equipment necessary to do the actual work and the job that he is assigned.

Mr. LARRICK. That is right.

Senator THYE. It would just not be practical if he had to rely on a pool.

Mr. LARRICK. He would waste too much of his time.

Senator THYE. Absolutely. There is no question but what he needs a car if he is going to do food inspection.

Senator PASTORE. Do I get this story straight, that you do have cars now that are Government-owned and are used by your inspectors to such an extent that you want additional cars?

Mr. LARRICK. Yes. That would replace the old ones.

Senator THYE. And is it correct that you have the additional personnel who will use the cars, and that you already have an appropriation authorized to pay for those employees?

Mr. LARRICK. Yes.

Senator THYE. The dilemma is that unless the language is restored you would have to use the money, the appropriation already approved, to go out and rent cars, or you would have to have the inspectors use their own cars.

In the long run it would amount to a philosophy of being penny wise and pound foolish.

Mr. LARRICK. Yes.

LEASE-PURCHASE PROGRAM PROVISIO

There is one other matter I would like to bring to your attention. The House inserted a proviso in H. R. 6287, section 210, which prohibits participation by our staff in further planning of construction of buildings under the lease-purchase program. It is apparent from the committee report that it was their intent to effect the construction

of the Food and Drug Building by converting it from the lease-purchase program, which they do not think has been successful, to a building financed from appropriated funds.

We do not disagree with the recommendations of the House on this point. We feel that the Food and Drug Building is urgently needed and should be provided by the method which will assure planning and construction of the building in the quickest possible time. What concerns us about this limitation is the fear that it may result in a delay in the provision of the building rather than in a speedup.

The General Services Administration now has funds and has engaged architects for planning this building, and the plans that will be drawn for the building will be the same whether or not it is constructed under the lease-purchase program or by direct appropriations. We, therefore, request the Senate to remove this provision with the understanding that the removal will permit us to continue to work with the GSA in the completion of the plans for the building, and, in the event it cannot successfully proceed under lease-purchase, the Department will seek appropriations for the construction of the building. Our sole purpose in requesting the deletion is to prevent any delay in the development of this important building project.

That, gentlemen, completes my statement.

Senator HILL. In other words, under section 210 of the bill, you, of course, not only cannot go forward with any construction but you stop running your planning process?

Mr. LARRICK. That is right.

Senator PASTORE. I would like to ask a question at this point, Mr. Chairman.

Senator HILL. If I may proceed with one other question, Senator Pastore, I will be happy to let you go ahead.

How far is your planning advanced today on that, Mr. Larrick?

Mr. LARRICK. The architect has been hired recently by the General Services Administration.

Senator HILL. Then you do have the architect now and you have gotten into serious planning?

Mr. LARRICK. I understand they have taken over the land and have hired the architect.

Senator HILL. And you must have the building?

Mr. LARRICK. Yes, sir. They have obligated the first \$80,000 for the architect.

Senator HILL. They have obligated the first \$80,000 for the architect. And what was the meaning of this language stated in the bill? If that were deleted, that obligation of \$80,000, everything would have to stop in its tracks.

Mr. LARRICK. Exactly; the staff of the Food and Drug Administration and the Department would be unable to participate in the planning of the building.

Senator HILL. Thank you, Senator Pastore, and you may now proceed with your questioning.

Senator PASTORE. If you do make this shift over, will you not need the authorization?

Mr. KELLY. Do you mean if you shift from lease-purchase to appropriated funds?

Senator PASTORE. Yes. There is no existing authorization, is there, for the erection of this building?

Mr. KELLY. Other than by lease-purchase.

Senator PASTORE. And if you shift over, this comes before another committee, too.

Mr. KELLY. Yes.

Senator HILL. You would have to get legislative authorization.

Mr. LARRICK. That is correct.

Senator HILL. Gentlemen, are there further questions of Mr. Larrick?

Senator THYE. No.

Senator PASTORE. No.

Senator HILL. You have been with us a good many times in the past, Mr. Larrick, and we are always happy to see you.

Mr. LARRICK. It is always a privilege to come before the committee.

Senator HILL. Thank you. We appreciate your presence.

FREEDMEN'S HOSPITAL

SALARIES AND EXPENSES

STATEMENTS OF DR. CHARLES E. BURBRIDGE, SUPERINTENDENT, AND HENRY H. BAIRD, BUDGET AND FISCAL OFFICER, FREEDMEN'S HOSPITAL; DR. JOHN W. CRONIN, CHIEF, BUREAU OF MEDICAL SERVICES, PUBLIC HEALTH SERVICE, AND JAMES F. KELLY, BUDGET OFFICER, DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

APPROPRIATION ESTIMATE

"Salaries and expenses: For expenses necessary for operation and maintenance, including repairs; furnishing, repairing, and cleaning of wearing apparel used by employees in the performance of their official duties; transfer of funds to the appropriation "Salaries and expenses, Howard University" for salaries of technical and professional personnel detailed to the hospital; payments to the appropriation of Howard University for actual cost of heat, light, and power furnished by such university; **[\$2,755,000]** *\$3,032,000: Provided*, That no intern or resident physician receiving compensation from this appropriation on a full-time basis shall receive compensation in the form of wages or salary from any other appropriation in this title: *Provided further*, That the District of Columbia shall pay by check to Freedmen's Hospital, upon the Surgeon General's request, in advance at the beginning of each quarter, such amount as the Surgeon General calculates will be earned on the basis of rates approved by the Bureau of the Budget for the care of patients certified by the District of Columbia. Bills rendered by the Surgeon General on the basis of such calculations shall not be subject to audit or certification in advance of payment; but proper adjustment of amounts which have been paid in advance on the basis of such calculations shall be made at the end of each quarter: *Provided further*, That the Surgeon General may delegate the responsibilities imposed upon him by the foregoing proviso."

Amounts available for obligation

	1957 appropriation	1958 budget estimate	1958 House allowance
Appropriation or estimate.....	\$2,755,000	\$3,032,000	\$3,000,000
Supplemental estimate pending before Congress.....	60,200		
Reimbursements.....	1,090,000	1,121,000	1,121,000
Additions: None			
Deductions: None.			
Total obligations.....	3,905,200	4,153,000	4,121,000

Obligations by activities

	1957 appropriation		1958 budget estimate		1958 House allowance	
	Positions	Amount	Positions	Amount	Positions	Amount
1. Inpatient services:						
(a) General hospital.....	453	\$2, 281, 993	453	\$2, 442, 118	444	\$2, 410, 118
(b) Tuberculosis hospital.....	72	406, 605	72	408, 328	72	408, 328
2. Outpatient services.....	69	375, 580	69	391, 855	69	391, 855
3. Training program.....	31	467, 000	34	521, 149	34	521, 149
4. Administration.....	66	374, 022	66	389, 550	66	389, 550
Total obligations.....	691	3, 905, 200	694	4, 153, 000	685	4, 121, 000

New positions, fiscal year 1958

Activity	Grade	Annual salary	Number	Gross cost
General hospital:				
Staff nurse.....	GS-5.....	\$3, 670	7	\$25, 690
Nursing assistant.....	GS-3.....	3, 175	16	50, 800
Training program:				
Assistant nursing arts instructor.....	GS-7.....	4, 525	1	4, 525
Public health nurse.....	GS-7.....	4, 525	1	4, 525
Clerk-typist.....	GS-3.....	3, 175	1	3, 175

EFFECT OF HOUSE ACTION

Activity No. 1 (a). General Hospital

The House allowed an increase of \$94,631 for mandatory items and \$91,487 for program increases. Included in the program increases were 14 additional nursing positions to give partial relief to a critical nurse staffing situation. The House denied an additional \$32,000, the effect of which will be as follows:

The reduction of 9 nursing positions of the 23 additional requested in the General Hospital. The total increase requested was to provide partial relief to a critical staffing situation of nursing personnel in practically all patient areas of the hospital, especially in the newborn nurseries. During the current fiscal year there have been outbreaks of diarrhea in the newborn nurseries, which difficulty both medical and nursing personnel in the hospital have attributed to limited nursing staff.

Another area of pressing need is the postoperative recovery room. Freedmen's Hospital has established such a room, but has been unable to activate it because of lack of nurses and subsidiary nursing personnel.

However, since this action on Freedmen's budget, the House Committee on Appropriations handling the District of Columbia's estimate for 1958 has recommended a reimbursement rate of \$16 per day for inpatients and \$3 a visit for outpatients instead of the \$14 and the \$2.40 rates currently in effect. To finance the additional cost of this program the District Committee recommended an increase of \$59,500 over the \$300,000 originally requested. These changes in the District's appropriation would result in an average increase of 16 patients a day, therefore, adjusting the patient load in the Freedmen's Hospital 1958 estimates from 250 to 266. In order to support this additional patient load, the hospital will utilize the increased income to restore the 9 nursing positions mentioned above and to furnish the necessary supplies and material for these patients.

Activity No. 1 (b). Tuberculosis hospital

The full amount requested was allowed by the House, which represented an increase of \$33,203. The increase is to provide \$18,455 for mandatory items and \$14,748 for repairs to buildings.

Activity No. 2. Outpatient services

The increase of \$23,055 is to provide \$18,336 for mandatory items and \$4,719 for supplies and materials due to the higher patient load projected for 1958.

Activity No. 3. Training program

The full increase of \$64,374 was allowed by the House. This increase is to provide \$29,095 for mandatory items and \$35,279 for 3 additional staff positions in the nurse training program and 8 student trainee positions. The increase allowed will permit the hospital to provide training for a larger number of students and improve the educational program for student nurses.

Activity No. 4. Administration

The full increase of \$19,250 for this activity was allowed by the House. This increase is to provide \$18,060 for mandatory items and \$1,190 for office equipment and other small miscellaneous items.

SALARIES AND EXPENSES, FREEDMEN'S HOSPITAL

Obligations by objects

	1957 appro- priation	1958 budget estimate	1958 House allowance
Total number of permanent positions.....	691	694	685
Full-time equivalent of all other positions.....	176	184	184
Average number of all employees.....	802	834	825
Number of employees at end of year.....	823	835	825
01 Personal services.....	\$3,235,290	\$3,375,850	\$3,343,850
02 Travel.....	1,500	1,500	1,500
03 Transportation of things.....	350	400	400
04 Communication services.....	23,000	23,000	23,000
05 Rents and utilities.....	118,500	118,500	118,500
06 Printing and reproduction.....	3,650	3,650	3,650
07 Other contractual services.....	51,770	51,800	51,800
Services performed by other agencies.....	8,730	8,200	8,200
08 Supplies and materials.....	492,450	491,200	491,200
09 Equipment.....	63,205	53,000	53,000
11 Grants, subsidies and contributions: Contribution to re- tirement fund.....	0	137,500	137,500
15 Taxes and assessments.....	7,800	7,800	7,800
Subtotal.....	4,006,245	4,272,400	4,240,400
Deduct charges for quarters and subsistence.....	101,045	119,400	119,400
Total obligations.....	3,905,200	4,153,000	4,121,000

Summary of changes

1957 actual appropriation.....	\$2,755,000
Adjustments:	
Proposed supplemental 1957 appropriation.....	+60,200
Increased reimbursements from non-Federal sources.....	-81,000
Nonrecurring equipment and repair items.....	-46,400
Revised 1957 base.....	2,687,800
1958 appropriation request.....	3,032,000
Net change requested.....	+344,200

Summary of changes—Continued

	1958 budget estimate		1958 House allowance	
	Posi- tions	Amount	Posi- tions	Amount
For mandatory items:				
Extra day of pay.....		\$3,330		\$3,330
Annualization of positions (23 positions).....		71,665		71,665
Annualization of wage board salary increases (43 base positions).....		4,500		4,500
Within-grade promotions, reimbursable details.....		12,572		12,572
Enrollment adjustment, student nurses.....		2,200		2,200
Stipend adjustment, house officers.....		18,600		18,600
Retirement contribution (542 base positions).....		136,585		136,585
Total, mandatory items.....		+249,452		+249,452
For program items:				
To strengthen professional and administrative staff.....	3	14,600	3	14,600
Retirement contribution (3 new positions).....		915		915
To provide 10 additional trainee positions.....		23,784		23,784
2 additional employees on reimbursable detail.....		7,905		7,905
Increased costs in maintenance to physical plant.....		29,600		29,600
To purchase new and replacement equipment.....		27,250		27,250
Increased quarters and subsistence deductions and reduced supply requirements.....		-9,306		-9,306
Reduction in nursing program.....			-9	-32,000
Total, program items.....	3	+94,748	-6	+62,748
Total change requested.....	3	+344,200	-6	+312,200

HOUSE REDUCTION

Senator HILL. Next we have Dr. Charles E. Burbridge, Superintendent of Freedmen's Hospital.

We are glad to have you here, sir. We will be delighted to have any statement you wish to make.

First, the House cut you down \$32,000. Is that correct?

Dr. BURBRIDGE. Yes, sir; a cut of \$32,000.

Senator HILL. That is out of a budget of \$3,032,000?

Dr. BURBRIDGE. Yes.

Senator HILL. You have filed your statement for the record, and you may now make any observations you see fit to make, sir.

Dr. BURBRIDGE. All right, sir. I have a short statement, Senator Hill, that I would like to read here, if you do not mind.

Senator HILL. All right. Go ahead in your own way, Doctor.

DESCRIPTION OF FACILITIES

Dr. BURBRIDGE. Senator Hill and members of the committee, Freedmen's Hospital consists of a general hospital with a total of 320 beds and 50 bassinets, a 150-bed tuberculosis hospital, and an outpatient department composed of 36 organized clinics and 2 emergency operating rooms.

The hospital's physical plant consists of 8 buildings located on 11 acres near the downtown area of Washington, D. C. Its buildings include separate general and tuberculosis hospital units, an outpatient clinic building, 2 residences for nurses, a residence for interns, an auxiliary building, and a maintenance shop, all of which were constructed 25 to 50 years ago, with the exception of the tuberculosis hospital which was completed in 1940.

FUNCTIONS OF THE HOSPITAL

With the facilities described above the hospital conducts activities embracing four basic functions, namely:

1. Care of the sick and injured through the provision of medical services on an in- and out-patient basis for substantially all types of illnesses.

2. The education of physicians, nurses, and other adjunct professional and technical personnel in 20 separate training programs.

3. Coordination and integration of hospital programs with preventive medicine through the operation of outpatient clinics and cooperation with governmental and voluntary health and welfare agencies.

4. Fundamental research in medical sciences through the integration of the work of the preclinical scientist and the clinician.

SOURCE OF FINANCING

The financing of the programs at Freedmen's Hospital is made possible by funds received from the following sources:

1. Federal Government, through direct appropriation.

2. District of Columbia government and other legal jurisdictions for the care of their indigent patients.

3. Individuals, through direct payment or through third-party plans.

PROGRAM FOR FISCAL YEAR 1955

No program changes are proposed in these estimates for fiscal year 1958. In presenting this estimate for your consideration, we would like to mention, first, the request as included in the President's budget and, secondly, the effect of the House action on this proposal.

ESTIMATES AS INCLUDED IN PRESIDENT'S BUDGET

These estimates request an increase of \$277,000 in direct appropriation. The major item included in this increase is to finance contributions to the employees' retirement fund as required under provisions of legislation passed by the 84th Congress. The remaining portion of the increase is, for the most part, for personal services, including additional nursing personnel to give partial relief to a critical staffing problem.

Senator PASTORE. Do you have a breakdown on that, Doctor?

Dr. BURBRIDGE. Yes, sir.

Senator PASTORE. I mean a breakdown as between the two. Could you state it offhand?

Dr. BURBRIDGE. The number of nurses?

Senator PASTORE. No. The amount that goes in for the retirement fund as against the amount for nursing.

Dr. BURBRIDGE. We could give you that.

Senator PASTORE. Would you mind if they furnished that, Mr. Chairman?

Senator HILL. No.

RETIREMENT CONTRIBUTION

Mr. BAIRD. \$137,500 for the retirement contribution.

Senator PASTORE. And that is, is it not, a figure about which you can do nothing?

Mr. BAIRD. That is true.

Senator PASTORE. And then what?

Mr. BAIRD. Personal services.

Senator PASTORE. That would be the difference between that and the——

Mr. BAIRD. For the most part, yes. There are slight increases in equipment and other items.

Senator PASTORE. Can you give me the services?

Mr. BAIRD. It will take me a little time to add the figures.

Senator PASTORE. Never mind now.

Mr. BAIRD. We can give that to you.

Senator HILL. All right, Dr. Burbridge, you may proceed with your statement.

STAFFING PATTERN FOR NURSES

Dr. BURBRIDGE. In an effort to arrive at an adequate staffing pattern in nursing for fiscal year 1958, the nursing department at Freedmen's Hospital consulted with the nursing branch of the Division of Hospitals, Public Health Service. The staffing pattern which was developed in this manner took into consideration the coverage necessary to provide adequate nursing service in all areas for all three tours of duty.

In order to provide safe and acceptable care to patients, it was necessary to give recognition to the fact that an employee serves only an average of 1,808 hours a year after deducting days off for the 5-day week, annual, sick, and holiday leave. A factor was, therefore, applied to the daily staffing pattern in order to extend proper coverage throughout the year.

These estimates also reflect an increase of \$81,000 in estimated pay patients receipts, resulting from improved collection techniques, which amount will be used to offset a portion of the total requirement for additional appropriated funds.

EFFECT OF HOUSE ACTION ON 1958 APPROPRIATION

The \$32,000 reduction made by the House Committee on Appropriations on the 1958 estimate for Freedmen's Hospital would result in the reduction of 9 nursing positions of the 23 additional requested in the general hospital.

OUTBREAKS OF DIARRHEA

The total increase requested was to provide partial relief to a critical staffing situation of nursing personnel in practically all patient areas of the hospital, especially in the newborn nurseries. During the current fiscal year there have been outbreaks of diarrhea in the newborn nurseries, which difficulty both medical and nursing personnel in the hospital have attributed to limited nursing staff.

Another area of pressing need is the postoperative recovery room. Freedmen's Hospital has established such a room, but has been un-

able to activate it because of lack of nurses and subsidiary nursing personnel.

INCREASE IN REIMBURSEMENT RATES

However, since this action on Freedmen's budget, the House Committee on Appropriations handling the District of Columbia's estimate for 1958 has recommended a reimbursement rate of \$16 per day for inpatients and \$3 a visit for outpatients instead of the \$14 and the \$2.40 rates currently in effect.

Senator HILL. Can you give us those figures again, Doctor?

Dr. BURBRIDGE. The new reimbursement rate recommended by the House Committee on Appropriations handling the District of Columbia's estimate for 1958 is \$16 a day for inpatients as against the current rate of \$14. So there is a \$2 increase there. And there is a 60-cent increase for the outpatients.

Senator HILL. I just wanted to have that emphasized.

Dr. BURBRIDGE. To finance the additional cost of this program the District committee recommended an increase of \$59,500 over the \$300,000 originally requested. These changes in the District's appropriation would result in an average increase of 16 patients a day, therefore adjusting the patient load in the Freedmen's Hospital 1958 estimates from 250 to 266. In order to support this additional patient load, the hospital will utilize the increased income to restore the nine nursing positions mentioned above and to furnish the necessary supplies and materials for these patients.

PROPOSED TRANSFER OF FREEDMEN'S HOSPITAL

In fiscal year 1957 the administration proposed legislation to (1) transfer Freedmen's Hospital to Howard University, and (2) authorize the construction of a new general hospital. The 84th Congress adjourned without action being taken on this proposed legislation.

In the section of the President's budget for 1958, dealing with proposed legislation, request is again being made for this action. At such time as the legislation is approved, funds will be requested to effectuate the transfer.

Senator HILL. Do you now have that figure you were to furnish us, Mr. Baird?

Mr. BAIRD. All personal services amount to \$172,956.

Senator PASTORE. That is all personal services?

Mr. BAIRD. That is right.

Senator PASTORE. I am inquiring in connection with the increase which you have over last year, which is \$277,000. You said that a part of that, \$137,500, is to reimburse your pension fund.

Mr. BAIRD. That is right.

Senator PASTORE. That leaves a difference for equipment and personal services, does it not?

Mr. BAIRD. That is right.

BREAKDOWN OF BUDGET CHANGES

Mr. KELLY. I might enter here in evidence a list of the elements that make up the change in the budget.

They provide for an increase of 23 positions in nursing staff. The budget increase is \$80,615.

To strengthen the professional administrative staff by 3 positions there is an increase of \$14,600.

To provide additional trainee positions there is an increase of \$25,984.

To increase the medical and dental house officer stipends the increase is \$18,600.

The increase in uniform allowances for new employees is \$459.

The extra day's pay is \$3,330 for 1957.

Payment of the basic rates for the new positions, due to higher employment, is \$3,391.

The annual wages of wage labor board employee increases for this year amount to \$4,500.

Two additional employees and within-grade increases for employees on reimbursable details, \$20,477.

The maintenance of the physical plant goes up \$29,600.

The purchase and replacement of equipment is \$27,250.

The contributions to the civil service retirement fund amount to \$137,500.

The Federal employee insurance is \$4,993.

That adds up to more than the increase but it is offset by decreases of \$81,000 resulting from increased reimbursement from non-Federal sources for care of patients over what we received in 1957. We will also make a greater deduction for quarters and subsistence of \$8,306, and we will have lesser supplies in 1958 than in 1957 by \$5,993.

EFFECT OF REDUCTION

Senator PASTORE. Do I understand you correctly, Doctor, that this \$32,000 that has been reduced by the House action will merely mean that you will have to get along with 9 less nurses?

Dr. BURBRIDGE. That is right.

Mr. KELLY. Except that, as Dr. Burgridge points out, the District of Columbia appropriations bill, which provides funds for part of the patient care at Freedmen's Hospital, provides \$59,000 extra for 16 additional patients.

If that is approved by the Congress it will permit us to pay the increased cost resulting from those patients, and employ the nine positions.

Senator PASTORE. I am the chairman of that subcommittee, and that is the reason I am asking these questions. I do not want to confuse it at this time. But the mere fact that the reimbursement rates have been increased by \$2 per day, why do you say that that means 16 more patients? Do you mean patient hours or what do you mean?

Mr. KELLY. What happened was that the budget, as presented, held the amount of reimbursement from the District of Columbia to \$300,000 but proposed an increase in the patient day rate which had the effect of decreasing the number of patients which Freedmen's Hospital could handle.

The House Appropriations Committee, in considering this action, apparently came to the conclusion that this was an unwise move, that you should take care of the patients and increase the funds for continuing the same number of patients rather than decrease the number of patients, and hold the funds at the same rate.

Senator PASTORE. Thank you.

Senator THYE. Mr. Chairman, might I ask a question here?

Senator HILL. Yes.

Senator THYE. There is only one question in my mind, and I do not ask it for any other purpose but to have the answer when we get into committee and try to justify whatever action we may take as a subcommittee.

INCREASE IN PATIENT LOAD

My question has to do with your proposal to increase the number of nurses. If you do that how do we justify this increase in relation to the load which you carried in that hospital in the past year?

You are expecting the same load in the future as you had in the past; are you not? Your plant is the same, you have not made any addition to the physical plant; have you?

Dr. BURBRIDGE. The load will go up under these increases to 266 as against 250.

Senator THYE. Yes; I read that. I have page 4 of your statement right here before me. It states:

These changes in the District's appropriation would result in an average increase of 16 patients a day, therefore adjusting the patient load in the Freedmen's Hospital 1958 estimates from 250 to 266.

I am trying to get a clear mental picture of why you have an increase there.

Did you not, if my memory serves me correctly, tell us last year that you were running to full capacity of your plant?

Dr. BURBRIDGE. No, sir, I do not think we told you we were running to full capacity last year, Senator Thye.

Senator THYE. It has always been a question of the hospital having a capacity load there, if my memory serves me.

Dr. BURBRIDGE. It has been.

NEED FOR 23 ADDITIONAL NURSING POSITIONS

Mr. KELLY. It has been reasonably constant.

Senator, it might help to point out to you that we testified yesterday in the House on the supplemental appropriation bill, and one of the items included in that supplemental is a request for additional funds in 1957 to provide these 23 additional nursing positions because the experience this year has demonstrated that the staffing of the hospital is so inadequate that they have been unable to adequately staff the nursery, and have had two outbreaks of diarrhea.

Senator THYE. Now we are getting the record completed that permits us to justify what you are asking for here. That was all I wanted. I did not question it except that I did want to be able to justify it if we were challenged, so to speak, on this item.

Mr. KELLY. Dr. McGuinness, Special Assistant for Health and Medical Affairs, of the Department of Health, Education, and Welfare, went out to visit the hospital, and he strongly confirms the need for the 23 additional nurses there.

Senator THYE. In other words, you have a constant load there, and, as I understood, the Freedmen's Hospital had a load that was taxing the full capacity of your plant at all times. That was all I wanted to get clear here, how we would justify that you needed this additional help right within this same plant.

(The following report on average patient load was subsequently furnished:)

Freedmen's Hospital average patient load

	General hos- pital	TB hos- pital	New- born hos- pital	Total		General hos- pital	TB hos- pital	New- born hos- pital	Total
1956-January.....	231.4	102.4	30.4	364.2	1956-September..	269.7	54.3	22.5	346.5
February.....	254.6	105.3	33.6	393.5	October.....	273.5	56.6	29.3	359.4
March.....	230.7	102.7	21.6	355.0	November.....	264.2	57.9	29.8	351.9
April.....	230.6	103.2	25.5	359.3	December.....	249.6	52.7	33.1	335.4
May.....	256.7	93.5	30.8	381.0	1957-January.....	276.9	47.8	32.8	357.5
June.....	268.5	79.0	35.0	382.5	February.....	295.0	52.4	34.4	381.8
July.....	271.8	57.2	34.9	363.9	March.....	290.1	53.3	29.4	372.8
August.....	262.8	53.5	38.1	354.4	April.....	277.1	53.4	34.8	365.3

OPERATION OF NURSERY

Senator HILL. Dr. McGuinness, could you make a brief statement on this?

Dr. MCGUINNESS. Senator, if I may speak very briefly to this point, I will say, first, that, as far as the nursery is concerned, I will speak as former pediatrician in the Children's Hospital, of Philadelphia.

The policy of safety and operation of a newborn nursery depends substantially on the number of personnel you have to take care of those babies. They have an incredible load of babies at this hospital, and they desperately need additional personnel not only to operate an effective nursery but to operate a nursery that can be considered even remotely a safe nursery.

RECOVERY ROOM

With respect to the need for additional nurses, they have at that hospital a recovery room. Any well-operated hospital today, employing modern methods of anesthesia, requires, adjacent to its operating room, a recovery room, so that the anesthesiologist of the hospital can supervise the patients coming out of operation during their period of recovery as well as during the operation itself.

Dr. Burbridge has a completely equipped recovery room at his hospital, which room is lying idle because he has not enough funds to staff it.

From the position of a physician as well as a former hospital administrator, I would urge very strongly that, for reasons of safety if nothing else, this item be restored.

Thank you.

Senator HILL. Are there any questions, gentlemen?

Senator THYE. No questions, Mr. Chairman.

TUBERCULOSIS PAVILION

Senator HILL. Dr. Burbridge, let me ask you this: Your tuberculosis pavilion was opened in your hospital in 1940. Is that right?

Dr. BURBRIDGE. 1940. That is right.

Senator HILL. Is that pavilion kept pretty well filled up all the time?

Dr. BURBRIDGE. It is running about only one-third full at the present time, the tuberculosis section. The present load for 1958 is an average of only 52 patients a day.

Senator HILL. I might remark here that that is a 150-bed hospital.

I suppose you ascribe the fact of that one-third occupancy to several different reasons.

Dr. Cronin is sitting here representing the Public Health Service.

We have done much in the identification, detection, and treatment of tuberculosis. Is that right, Doctor?

Dr. CRONIN. That is right.

Senator HILL. At any rate, it is gratifying to have this report.

Senator PASTORE. Is that sort of a consistent situation with the national trend in a tuberculosis hospital? About one-third capacity?

Dr. CRONIN. It varies so much, Senator, from place to place.

Senator PASTORE. I notice back in my State that seems to be what is taking place now, and they are thinking about utilizing the hospital. It is a very fine sanitarium, and they are thinking of utilizing it for other purposes.

DISTRICT OF COLUMBIA TUBERCULOSIS CASES

Mr. KELLY. One of the things that has brought about this marked decrease is that a year or a year and a half ago we started to decrease the number of tuberculosis patients at Freedmen's. The District of Columbia was having budgetary difficulties and was endeavoring to hold down on the amount of money they paid to hospitals other than those which they operate. They reduced the sum of money which they could reimburse Freedmen's Hospital, to \$300,000. So a decision was made to not utilize that \$300,000 to take care of tuberculosis cases that were the responsibility of the District of Columbia in order that the cases which they did send to Freedmen's would be more helpful in the medical teaching program of Howard University. So all of their patients now are in the general hospital, and the District of Columbia is taking care of the tuberculosis cases in their own facilities.

Senator HILL. Where are they doing that?

Mr. KELLY. Glenn Dale is the treatment hospital.

Senator HILL. Then, with your explanation, this picture is not as good as it might appear on the face of it. You would agree with that, would you not?

Mr. KELLY. That is correct.

INCIDENCE OF TUBERCULOSIS

Senator HILL. I do not want to take the time of the committee to go into this too much, but one reason I asked the question is that I am going to Alabama over the weekend for the breaking of ground for a new tuberculosis sanitarium. I have been very much interested in that project down there. Dr. Cronin well knows that because he has watched this program. We still have a tremendous number of tuberculosis cases.

Is that right, Doctor?

Dr. CRONIN. The incidence of tuberculosis, of course, is dependent upon exposure to the tuberculous bacillus. In some States they have

been very forward and progressive and have done a great deal. In other States they have not.

This is tied in basically to two things: One is the economy of the State and its ability to produce money for these kinds of things, and the selection process as to what they will put the money into that they have. In some of the States their funds are limited, and they elect to put the money into other things. In other States, they have the fortunate combination of a good economy, larger amounts of State funds, and well-enlightened people in this overall field to help detect the disease and to prevent it.

HEALTH EDUCATION

I think the whole thing resolves itself down to health education. If you can get the populace of the States educated to know about tuberculosis and what can be done, and combine that with the assistance of the people in the health field, you can do a great deal about tuberculosis. Certainly, we have not reached the point when all the tuberculosis hospitals in the country can be closed. They will not be closed for a long time.

Senator HILL. Not only that but in some areas we have been building more hospitals and they are necessary.

Dr. CRONIN. That is correct.

Senator HILL. The matter of housing and that sort of thing also enters into it. Is that not correct? There are many factors that enter into the situation. Is not that right, Doctor?

Dr. CRONIN. Yes, sir. We are finding, too, Senator Hill, that tuberculosis and mental hospitals were previously built in areas of the State that were too far away from the urban areas. The problem, in the provision of medical care today, is not a simple one. It is not a one-man show. We need many kinds of specialists to adequately take care of tuberculosis and mental patients. If you can get the facilities placed in proximity to your professional medical sources you will do much better in the treatment program for the patient.

So there is a tendency today, with the dropping off in tuberculosis in some areas, to do away with the big, rambling institutions that are located out in the country. And get them closer to where there are medical facilities and resources.

Senator HILL. Are there any further questions?

Senator THYE. No.

Senator HILL. We certainly want to thank you very much, Doctor. We appreciate your appearance here.

GALLAUDET COLLEGE

SALARIES AND EXPENSES

STATEMENTS OF DR. LEONARD M. ELSTAD, PRESIDENT, GALLAUDET COLLEGE, AND JAMES F. KELLY, BUDGET OFFICER, DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

APPROPRIATION ESTIMATE

"Salaries and expenses: For the partial support of Gallaudet College, including personal services and miscellaneous expenses, and repairs and improvements, as authorized by the Act of June 18, 1954 (Public Law 420), [including purchase of

one passenger motor vehicle for replacement only, \$615,000] \$730,000: *Provided*, That Gallaudet College shall be paid by the District of Columbia, in advance at the beginning of each quarter, at the rate of \$1,295 per school year for each student attending and receiving instruction in elementary or secondary education pursuant to the Act of March 1, 1901 (31 D. C. Code 1008)."

Amounts available for obligation

	1957 appropriation	1958 budget estimate	House allowance
Appropriation.....	\$615,000	\$730,000	\$730,000
Advances and reimbursements from non-Federal sources.....	266,419	282,419	282,419
Total available for obligation.....	881,419	1,012,419	1,012,419

Obligations by activities

Description	1957 estimate		1958 estimate		Increase (+) or decrease (-)	
	Positions	Amount	Positions	Amount	Positions	Amount
1. Instruction and administration:						
(a) Gallaudet College.....	68	\$424,870	77	\$513,611	+9	+\$88,741
(b) Kendall School.....	22	105,145	22	117,038		+11,893
2. Auxiliary services and plant expense.....	63	351,404	67	381,770	+4	+30,366
Total obligations.....	153	881,419	166	1,012,419	+13	+131,000

Obligations by objects

	1957 appropriation	1958 budget estimate	House allowance
Non-Federal employees:			
Total number of permanent positions.....	153	166	166
Full-time equivalent of all other positions.....	4	4	4
Average number of all employees.....	153	166	166
01 Personal services.....	\$660,000	\$739,000	\$739,000
02 Travel.....	2,000	2,000	2,000
03 Transportation of things.....	100	100	100
04 Communication services.....	5,000	5,000	5,000
05 Rents and utility services.....	10,160	12,160	12,160
06 Printing and reproduction.....	250	250	250
07 Other contractual services.....	49,079	49,079	49,079
08 Supplies and materials.....	122,650	123,850	123,850
09 Equipment.....	52,490	55,290	55,290
11 Grants, subsidies, and contributions: Contributions to the retirement fund.....		46,000	46,000
15 Taxes and assessments.....	500	500	500
Subtotal.....	902,229	1,033,229	1,033,229
Deduct change for quarters and subsistence.....	20,810	20,810	20,810
Total obligations.....	881,419	1,012,419	1,012,419

Detailed list of new positions

Title	Number	Annual salary
1. Instruction and administration:		
Professor.....	2	\$13, 700
Structural linguist.....	1	6, 000
Assistant professor.....	1	4, 700
Instructor.....	2	7, 800
Secretary.....	2	7, 800
Switchboard operator.....	1	3, 500
Total.....	9	43, 500
2. Auxiliary services and plant expenses:		
Janitor.....	3	8, 100
Watchman.....	1	3, 400
Total.....	4	11, 500
Total new position for 1958, all activities.....	13	55, 000

APRIL 26, 1957.

Summary of changes from 1957

1957 actual appropriation.....	\$615, 000
Adjustments:	
Increased reimbursements from non-Federal sources.....	-16, 000
Nonrecurring equipment items.....	-16, 000
Program for new physics department.....	-10, 000
Revised 1957 base.....	573, 000
1958 appropriation request.....	730, 000
Net change requested.....	+157, 000

	1958 budget estimate	
	Position	Amount
For mandatory items: Retirement contribution (1953 base positions).....		\$42, 000
For program items:		
Extension of research program.....	4	36, 000
Strengthening of instructional program.....	4	21, 050
Increased auxiliary operating costs, including maintenance and operation of new building.....	5	18, 000
Equipment of "Little Theater".....		10, 000
Supplies, material, and equipment, Kendall School.....		1, 950
Increases comparable to within-grade increases for instructional staff.....		24, 000
Retirement contribution (13 new positions).....		4, 000
Net change requested.....	+13	157, 000

APPROPRIATION ESTIMATE

"Construction: For the construction and equipment of buildings and facilities on the grounds of Gallaudet College, as authorized by the Act of June 18, 1954 (Public Law 420), under the supervision of the General Services Administration, including planning, architectural, and engineering services, [\$2,547,000] \$1,690,000, to remain available until expended, as follows: For a [classroom and laboratory] cafeteria and service building and a men's dormitory, together with alterations, installations, and equipment in connection with such construction. For [a speech and hearing clinic, together with alterations, installations, and equipment in connection with such construction. For boiler and laundry equipment, and] beginning roads, walks, and grading in connection with such construction."

Amounts available for obligation

	1957 appropriation	1958 budget estimate	House allowance
Appropriation.....	\$2,547,000	\$1,690,000	\$1,690,000
Prior year balance available.....	2,130,772	1,927,772	1,927,772
Total available for obligation.....	4,677,772	3,617,772	3,617,772
Balance available in subsequent year.....	1,927,772	336,772	336,772
Total obligations incurred.....	2,750,000	3,281,000	3,281,000

Obligations by activities

	1957 appropriation	1958 budget estimate	House allowance
Design, supervision, etc.....	\$185,000	\$172,600	\$172,600
Construction.....	2,565,000	3,108,400	3,108,400
Total.....	2,750,000	3,281,000	3,281,000

Obligations by object

	1957 appropriation	1958 budget estimate	House allowance
Allocation to the Public Buildings Service, General Services Administration.....			
06 Printing and reproduction.....	\$7,500	\$12,500	\$12,500
07 Other contractual services.....	177,500	160,100	160,100
09 Equipment.....	35,000	219,000	219,000
10 Lands and structures.....	2,530,000	2,889,400	2,889,400
Total.....	2,750,000	3,281,000	3,281,000

Summary of changes from 1957

1957 actual appropriation.....	\$2,547,000
Adjustments:	
Nonrecurring construction:	
Classroom science building.....	-1,887,000
Speech and hearing center.....	-260,000
Additional bailer equipment, laundry equipment and outside services.....	-350,000
Roads, walks, and grading.....	-50,000
1957 revised base.....	0
1958 budget estimate.....	1,690,000
Net change requested.....	+1,690,000
For program items:	1958 budget estimate
Cafeteria and service building.....	\$990,000
Men's residence hall.....	600,000
Outside services, roads, walks, and grading.....	100,000
Net change requested.....	1,690,000

GENERAL STATEMENT

The present building program was developed at the request of the congressional Appropriations Committees. Original plans have been revised and refined by the Public Buildings Service of the General Services Administration. The complete construction, in four stages, is estimated to total \$8,802,000.

The 1958 budget request covers the third stage of the program.

It is anticipated that the progress already accomplished, the steps planned under the present appropriations, and the approval by Congress of the third and fourth stages of the construction program will assure a favorable decision after the coming survey by the accreditation committee.

Stage I:

Women's residence hall.....	\$625, 000
Physical activities: Heating plant building.....	1, 600, 000
Total.....	<u>2, 225, 000</u>

Stage II:

Classroom science building.....	1, 887, 000
Speech and hearing center.....	260, 000
Additional boiler equipment, laundry equipment, and outside services.....	350, 000
Roads, walks, and grading.....	50, 000
Total.....	<u>2, 547, 000</u>

Stage III:

Cafeteria and service building.....	990, 000
Men's residence hall.....	600, 000
Outside services, roads, walks, and grading.....	100, 000
Total.....	<u>1, 690, 000</u>

Stage IV:

Auditorium.....	355, 000
Classrooms and dormitories, Kendall School.....	1, 029, 000
Greenhouses.....	50, 000
Athletic field and stands.....	235, 000
Maintenance group building.....	60, 000
Maintenance group personnel apartments.....	30, 000
Outside services, roads, walks, and grading.....	581, 000
Total.....	<u>2, 340, 000</u>

Total, construction program stages I, II, III, and IV..... 8, 802, 000

JUSTIFICATION OF ESTIMATE

The physical development program is in the third stage of a well-developed plan to meet requirements for accreditation by the Middle States Association of Colleges and Secondary Schools, and to meet the desire of the congressional Appropriations Committees that the Department of Health, Education, and Welfare present a program for fulfillment of the needs of Gallaudet College. Buildings requested are listed in order of priority and conform to the new master priority plan of construction.

This request for construction funds covers:

1. Cafeteria and service building.....	\$990, 000
2. Men's residence hall.....	600, 000
3. Outside services, roads, walks, and grading.....	100, 000
Total.....	<u>1, 690, 000</u>

Cafeteria and service building, \$990,000

This building is designed to provide food-service facilities to a maximum enrollment of 700. There will be a main dining room for students and auxiliary dining rooms for the staff and for smaller groups. This building will contain many of the facilities common to the student union building so prevalent on college campuses today. There will be rooms for student recreation and for student offices. Present facilities for dining-room service are so overtaxed that consideration is being given to the possibility of using the college Chapel Hall as a dining hall until the new building is completed. Afterwards the chapel could be restored to its original use because of the tradition connected with it. For a time it will have value as an assembly hall for small gatherings and later as a museum con-

taining original furniture and pictures of famous personalities connected with the college. The present dining rooms are so small and inadequate that future plans include them only as additional meeting rooms for various college functions.

Men's residence hall, \$600,000

Present residence facilities for the college men are most inadequate and unsatisfactory. In the effort to accommodate all qualified students it became necessary to convert the frame and stucco building now known as Drake Hall, which was formerly used for two faculty residences, into a dormitory for the men in the preparatory class. Quarters are still greatly overcrowded. The new building will be a modern fireproof building which will provide accommodations for 180 men, with 2 men to a room. The present college hall will be remodeled and continue in use as a dormitory in a reduced capacity.

Outside services, roads, walks, and grading, \$100,000

Funds will be required for the connection with present services of proper heating and lighting services for these new buildings.

The quadrangle is planned to make an attractive and serviceable campus to facilitate foot travel as well as vehicular traffic on and about the campus. This will require an extensive system of grading of roads and walks, part of the cost of which is included as part of this budget estimate.

SUMMARY OF BUDGET REQUEST

Senator HILL. Now we have with us Dr. Leonard M. Elstad, president of Galludet College.

We are glad to have you with us, Doctor.

I believe the House made no cut in your appropriation.

Dr. ELSTAD. That is right.

Senator HILL. We will be glad to have you file your statement for the record, and you can make any observations you see fit to make, Doctor.

Dr. ELSTAD. I have here a summary of my request. Perhaps I can read that.

Senator HILL. All right.

Dr. ELSTAD. The request for salaries and expenses for 1958 is \$730,000, which is an increase of \$115,000 over that of 1957. This increase is largely composed of moneys for new positions and within-grade salary increases: 5 positions will be used to strengthen the faculty and the services needed as minimum addition for accreditation; 4 positions and \$21,000 in personal services funds will support research in fundamental problems of deafness, which will be available for nationwide use and will be helpful in the graduate teaching program; 4 additional positions will be necessary also to provide adequate maintenance and protective services for the growing physical plant of the College; \$24,000 is requested to provide within-grade increases. We desire to make it possible for the college to attract and retain qualified staff at a time when it is striving to improve its educational program.

Our request for construction will provide two additional buildings, which are a men's residence hall and a cafeteria or service building. These two additions are part of a master plan that has been provided. A building was dedicated recently, and we are proceeding to build a physical science building and a hearing and speech center.

ACCREDITATION TEAM VISIT

The accreditation visiting team for the Middle States Association of Colleges and Secondary Schools was on our campus in February.

The team comes at 6-month intervals to each of the universities and colleges. The results of this study will be available the first week in May.

Senator HILL. Senator Thyne, I believe you had a question about insurance to ask Dr. Elstad.

INSURANCE ITEM

Senator THYNE. Yes; I do. I want to ask about the item of \$10,000 on the insurance.

Dr. ELSTAD. Up until this year all buildings have been provided by Congress, but this year there was partial support from the alumni association to the extent of \$100,000 on the library. So somebody other than the Government is furnishing funds.

The Washington Post also gave us \$10,000 for that building. Delta Zeta gave us \$10,000 for furnishing it.

So for those outside additions, we felt that there should be insurance. Then the question came up whether there should be insurance for all the buildings out there, as Howard University has for its buildings. That was why this came in at this time, as an extra.

Senator THYNE. It is actually \$10,100.

Dr. ELSTAD. Yes.

Senator THYNE. And it came to my mind that we should explore it here to determine just what will be done with it.

FIRE IN THIRD FLOOR DORMITORY

Dr. ELSTAD. We did have a fire out there 20 years ago in the third floor dormitory, and the Government immediately repaired that. But we just do not want to be criticized. If the insurance is necessary, we ought to have it.

Senator THYNE. And in the event that a fire did occur, and if you had not brought the question up, you did not have insurance, you might well be criticized by Congress for having neglected that phase of your administrative responsibilities.

That is the reason I bring it up, Mr. Chairman, because I knew of it, and thought we should discuss it.

Senator PASTORE. May I interrupt at this point?

Do I understand they had no insurance?

Mr. KELLY. That is correct, sir. They have not insured the buildings because they considered them as having been built with Federal funds, and the policy of the Federal Government is not to insure its buildings, serving in effect as a self-insurer. They have not insured these buildings.

Recently Dr. Elstad wrote to the Department asking what the policy would be on this. Because it is a university, we do not tell them what they should do. But we gave them the pros and cons of it. We said certainly there will be no objection to insuring the buildings, and the Board of Trustees could consider this to be good business.

This item had not come up in time for consideration for inclusion in the 1958 budget, but we recommended that they consider it for inclusion in the 1959 budget.

Senator THYNE. There is a little money here other than Federal-State funds involved in the one building?

Dr. ELSTAD. That is right, \$120,000.

Senator HILL. If you need insurance you need it now, and not July 1, 1958 or 1959, is that not right, Mr. Kelly?

Mr. KELLY. Yes, sir.

Senator HILL. In other words if there should be insurance, you need it now. You have your buildings.

What is your question on the insurance, Senator.

Senator THYE. In other words, you have never carried insurance?

Mr. KELLY. No, sir.

Senator THYE. But you raise the matter here in order to make certain that you yourselves, as administrators, would not be held negligent in your administrative responsibility if you should suffer a fire loss. And the fact is that you have some money from private sources, other funds than public funds, invested in one of the buildings of this group.

Dr. ELSTAD. That has never happened before, Mr. Chairman.

Senator THYE. Therefore, if you are to carry insurance, you would need \$10,000 in order to carry out the insurance costs that would be involved.

Now the question is: Does Congress insure or permit an appropriation to insure those buildings, or does Congress recognize that we will carry it as a Federal property and not carry insurance as we do not carry insurance on any other governmental building? That is the whole question.

Mr. KELLY. That is right.

Senator THYE. So that the decision is here before us, in order to relieve the college of the responsibility of making the decision. That is why I raise the question.

Mr. KELLY. That is correct, sir.

Senator HILL. What was the amount of the funds beyond the Federal funds?

OUTSIDE CONTRIBUTIONS

Dr. ELSTAD. The alumni contributed \$100,000 to this new library, the Agnes Meyer Foundation of the Washington Post contributed \$10,000 and the Delta Zeta Sorority gave \$10,000 for furnishing the library in the building.

Senator HILL. So they contributed about \$125,000?

Dr. ELSTAD. That is right.

Senator HILL. The building, of course, would cost more than \$120,000, would it not?

Dr. ELSTAD. \$350,000.

Senator HILL. So if you are going to carry insurance, I take it you would carry it to protect the building, the whole building, would you not?

Mr. KELLY. The question Senator Thye raises is with respect to all buildings, not just this one.

Senator HILL. That would represent all buildings to be occupied or used by Gallaudet College; is that right?

Dr. ELSTAD. That is right; not including those we are going to tear down when the new building is constructed.

INSURANCE PROGRAM

Senator HILL. The subcommittee has been supplied a memorandum, in accordance with its request, on this question of insurance, and I think it should be included in the hearings.

(The material referred to follows:)

INSURANCE PROGRAM, GALLAUDET COLLEGE

The 1958 budget estimate for Gallaudet College contains \$1,900 in object class 07 to pay for insurance premiums for the following types of insurance:

1. General liability (\$50,000-\$100,000)
2. Automobiles
3. Money and surety bonds
4. Limited workmen's compensation
5. Theft and damage to cameras and microscopes

On January 29, 1957, a policy on the library was purchased for fire coverage of the library as follows:

Building-----	\$350, 000
Contents-----	30, 000
Premium cost, per year-----	400

On March 20, 1957, after receiving the attached memorandum from the Department of Health, Education, and Welfare, the college purchased blanket coverage as follows:

	<i>Estimated yearly cost</i>
Theft and damage to cameras and microscopes-----	\$76. 24
General liability (\$500,000-\$1,000,000)-----	437. 11
Automobiles-----	1, 536. 75
Limited workmen's compensation-----	193. 00
Money and surety bonds-----	548. 40
Printing department fire insurance on contents-----	151. 90
Library fire insurance on contents-----	87. 60
All other buildings fire insurance on contents-----	270. 00
Fire insurance on all buildings-----	6, 700. 00
Total-----	10, 001. 00

The policy on the library purchased on January 29, 1957, was canceled on March 20, 1957, and no premiums have been or are to be paid. The cost on the coverage purchased March 20 is \$10,001, of which \$1,900 is included in the 1957 appropriation and \$8,101 will be paid in the 1958 fiscal year, but for which there is a budget estimate for only \$1,900, leaving a deficit of \$6,200 or \$5,100 if a 3-year policy is taken as shown below.

Cost of blanket coverage insurance purchased by Gallaudet College, Mar. 20, 1957

Type of insurance	Estimated annual cost	3 years prepaid	Saving for 3 years over 3-year annual cost	3 years on yearly in- stallments	Saving for 3 years over 3-year annual cost
Theft and damage to cameras and microscopes-----	\$76. 24	\$193. 10	\$35. 62	\$199. 38	\$29. 34
General liability (\$500,000-\$1,000,000)-----	437. 11	1, 080. 20	231. 13	1, 311. 33	0
Automobiles-----	1, 536. 75	4, 610. 25	0	4, 610. 25	0
Limited workmen's compensation-----	193. 00	579. 00	0	579. 00	0
Money and surety bonds-----	548. 40	1, 371. 00	274. 20	1, 410. 00	235. 20
Printing Department fire insurance on contents-----	151. 90	379. 75	75. 95	440. 50	15. 20
Library fire insurance on contents-----	87. 60	219. 00	43. 80	254. 01	8. 76
All other buildings fire insurance on contents-----	270. 00	675. 00	135. 00	783. 00	27. 00
Fire insurance on all buildings-----	6, 700. 00	16, 750. 00	3, 350. 00	17, 152. 00	2, 948. 00
Total-----	10, 001. 00	25, 857. 30	4, 145. 70	26, 739. 50	3, 263. 50

See the following:

One-third of 3-year premium-----	\$8, 913
Less budgeted amounts for 1957 and 1958 (\$1,900, respectively)-----	3, 800
Balance needed-----	5, 113

GALLAUDET COLLEGE,
Washington, D. C., January 17, 1957.

OFFICE OF THE GENERAL COUNSEL,
Department of Health, Education, and Welfare,
Washington, D. C.
(Attention: Mr. Reginald G. Conley.)

DEAR MR. CONLEY: In connection with the building program of Gallaudet College, and in order to supply requested information to the board of directors of the college, we are seeking an opinion from the Department in the matter of fire insurance on all of the improved property at Gallaudet College.

The records show that apparently since the first buildings were erected in the early 1860's, there has been no fire protection. The present girls' dormitory, Fowler Hall, was erected in 1918, and, while no records are available, it appears that this building replaced a girls' dormitory which was destroyed by fire. The present Fowler Hall was built by funds appropriated by Congress as well as have all the buildings on the campus, with the exception of our new library, \$100,000 of a total cost of \$350,000 being supplied by board funds.

There has been the general understanding that insofar as fire insurance is concerned, our buildings are classified the same as any other Government buildings. Any premium payments necessary to acquire this type of protection would naturally have to be included in our Federal budget and additional funds asked of the Congress to supplement our tuition in order to cover this expense.

By the same token there has never been, to the writer's knowledge, records available of either fire or accident insurance on our two large steam-heating boilers.

Fortunately, during the past 16 years no major accident has occurred to the personnel of the college which would require claim from or payment by employment compensation insurance either under the Longshoremen's Act or from any other act. However, it has never been made specific and clear that the personnel of the college are covered by this protection. During Dr. Hall's regime as president, in the early thirties, a laundry worker had her hand crushed in a mangle and Dr. Hall made the statement that she was paid compensation insurance by the Government during her absence from duty.

We have had minor accidents from time to time and reports have immediately been sent to the United States Department of Labor, Bureau of Employees Compensation Commission. No loss of pay has resulted and no permanent injuries have been sustained.

The board of directors of the college have authorized a survey and review of the insurance policies now being carried by this institution. These are principally public liability, automobile fleet liability and property damage, burglary and theft, property floater on instruments, and surety policies on officers and employees.

We would like to be advised of any statutes which may be in existence that would clearly indicate the Government as an insurer of the buildings of Gallaudet College, and would define the institution as being within the protection afforded by Government compensation insurance. Therefore, we respectfully request that any information you may have or any opinions which may be arrived at be furnished the college.

On Wednesday, January 23, 1957, there is a meeting of one of the board committees on this matter, and facts are sought for the regular meeting of the board on February 12, 1957.

We would ask that you kindly expedite our request, if possible.

Very truly yours,

L. H. JOHNSON, *Business Manager.*

FEDERAL SECURITY AGENCY,
Washington, March 11, 1957.

MR. L. H. JOHNSON,
Business Manager, Gallaudet College,
Washington, D. C.

DEAR MR. JOHNSON: This is with reference to your letter of January 17, 1957, addressed to Mr. Reginald G. Conley.

Insofar as the question of fire insurance is concerned, although the buildings are clearly owned by Gallaudet College, nevertheless, the Federal Government has undertaken to support the college. From this it would follow that if a building constructed with Federal funds was destroyed by fire and was not covered by insurance, the Congress might well appropriate funds for its replacement not

because the building involved was a Federal building but because the Congress was desirous of not having the college's functions impaired and of continuing its support of the college.

If the board of directors adopts the policy of not providing insurance coverage for buildings constructed with Federal funds, the college would be in the position of being entirely dependent, however, upon favorable congressional action after the contingency arose. On the other hand, since the college is a private institution capable of making its own policies, it can elect to carry insurance on buildings which it owns irrespective of the source of the funds with which they were constructed. In the event that a fire occurred in the building covered by insurance, the college could count on having the proceeds of the insurance policy available for a replacement.

We would therefore recommend that the college adopt the practice being followed at Howard University of insuring all its facilities.

Sincerely yours,

RUFUS E. MILES, Jr.,
Director of Administration.

Senator HILL. Do you have anything else you would like to add, Doctor?

Dr. ELSTAD. No; that is all.

Senator HILL. Are there any further questions, gentlemen?

Senator THYE. I have none.

Senator HILL. Gentlemen, we are very much obliged to both of you.

Dr. ELSTAD. Thank you.

HOWARD UNIVERSITY
STATEMENT OF MORDECAI W. JOHNSON, PRESIDENT

APPROPRIATION ESTIMATE

"Salaries and expenses: For the partial support of Howard University, including personal services and miscellaneous expenses and repairs to buildings and grounds, **[\$3,300,000] \$4,000,000.**"

Amounts available for obligation

	1957 appro- priation	1958 budget estimate	1958 House allowance
Appropriation or estimate.....	\$3, 300, 000	\$4, 000, 000	\$3, 800, 000
Advances and reimbursements from other accounts.....	293, 030	313, 507	313, 507
Non-Federal sources.....	2, 514, 697	2, 670, 928	2, 670, 928
Total available for obligations.....	6, 107, 727	6, 984, 435	6, 784, 435

Description	1957 appropria- tion		1958 budget estimate		1958 House allowance	
	Posi- tions	Amount	Posi- tions	Amount	Posi- tions	Amount
PROGRAM BY ACTIVITIES						
1. General administration.....	99	\$633, 537	110	\$676, 537	99	\$633, 537
2. Resident instruction and departmental research.....	608	3, 528, 931	704	4, 194, 639	704	4, 096, 960
3. General library.....	22	129, 895	26	187, 895	22	129, 895
4. Operation and maintenance of physical plant.....	159	841, 743	167	951, 743	167	950, 422
5. Auxiliary enterprises and noneducational expense.....	125	973, 621	125	973, 621	125	973, 621
Total obligations.....	1, 013	6, 107, 727	1, 132	6, 984, 435	1, 117	6, 784, 435

EFFECT OF HOUSE ACTION

Activity No. 1. General administration

The total request for this activity was \$676,537 covering 110 positions and other expenses, making a minimum adequate increase over 1957 estimates of \$43,000 for 11 new positions. The House disallowed the entire amount of \$43,000 and all of the new positions requested. This program reduction will force the university to handle financial accounting, admissions, student records, and graduate placement for from 553 to 874 new students (an increase of from 17.4 to 27 percent) without any increase whatsoever, when the accrediting agencies considered this area short of personnel at the time of their evaluation of the university program in 1954.

The urgently needed positions disallowed are as follows:

	Number	Amount
General administrative offices:		
Internal auditor.....	1	\$4, 525
Inventory and property clerk.....	1	3, 670
Personnel assistants.....	2	7, 340
Stenographer-clerks.....	2	6, 830
Total.....	6	22, 365
Student services:		
Director of admissions.....	1	6, 390
Recording and graduate placement clerks.....	3	10, 830
Admissions clerk.....	1	3, 415
Total.....	5	20, 635

Activity No. 2. Resident instruction and departmental research

The university requested an increase of \$645,231 for 4 items as follows: (1) 65 new teaching positions, \$377,000; (2) 29 nonteaching positions in support of the instructional program, \$103,552; (3) \$97,679 for instructional supplies, expense, and equipment; and (4) \$67,000 in salary increases for the instructional staff.

The House allowed \$450,000 to be applied mandatorily toward 3 items, distributed as follows: (1) 65 new teaching positions, \$377,000; (2) 2 nonteaching positions in support of instructional program, \$6,000; and (3) the entire amount of \$67,000 requested to support salary increases for the instructional staff.

The House disallowed the entire amount of \$97,679 for educational supplies, expenses and equipment, and \$97,552 of the \$103,552 required for 29 supporting positions in instruction.

Non-Federal funds resulting from increase in income from increased student enrollment can be found, and must be used, for the 27 disallowed supporting positions at a cost of \$97,679, but no funds at all are available to replace the \$97,552 disallowed for educational supplies, expenses, and equipment. The increase in these items, made mandatory by the specifically expressed concern of the accrediting agencies, must be abandoned entirely.

Activity No. 3. General library

The full increase of \$58,000 requested for 1958 for general library improvement was disallowed by the House. This program reduction will prevent the university from meeting the minimum requirements of the regional accrediting association for expenditures in specifically stated areas, namely, (1) staffing of the several libraries on a minimum level so that they may serve the students acceptably; and (2) building up the book collection in the general and professional libraries, which were found to be distressingly inadequate.

Activity No. 4. Operation and maintenance of physical plant

The House allowance provided in full for increase of \$50,000 requested to eliminate backlog of accumulated deterioration in the physical plant. This increase, together with reappropriation of similar amount in the 1957 appropriation will provide \$100,000 toward this purpose.

The increase of \$60,000 requested for the operation and maintenance of new Preclinical Medical Building was disallowed altogether. This action by the House will require the operation of this large new building, with a net increased square footage of 80,437, without any increase in funds at all, at a time when the official accrediting agency has called specific attention to the grave inadequacies of the operation and maintenance staff for the present group of buildings.

If this item is not restored, the university will be required to take away \$60,000¹ in non-Federal funds from instruction and devote it to operation and maintenance of the new Preclinical Medical Building.

Activity No. 5, Auxiliary enterprises and noneducational expense

No change was made in this activity by the House allowance.

Obligations by objects

	1957 appropriation	1958 budget estimate	1958 House allowance
SUMMARY OF PERSONAL SERVICES			
Non-Federal employees:			
Total number of permanent positions.....	828	947	932 ¹
Full-time equivalent of all other positions.....	185	185	185
Average number of all employees.....	1,013	1,132	1,117
Number of employees at end of year.....	1,245	1,366	1,351
Objects:			
01 Personal services:			
Permanent positions.....	\$3,725,418	\$4,376,625	\$4,317,305
Positions other than permanent.....	652,662	652,662	652,662
Payments above basic rates.....	6,000	7,300	7,300
Total personal services.....	4,384,080	5,036,587	4,977,267
02 Travel.....	49,825	56,759	49,825
03 Transportation of things.....	2,326	2,615	2,326
04 Communication services.....	44,588	45,933	44,588
05 Rents and utility services.....	97,415	119,828	118,094
06 Printing and reproduction.....	56,312	62,123	56,312
07 Other contractual services.....	260,524	327,346	317,094
08 Supplies and materials.....	649,965	678,869	655,470
09 Equipment.....	129,060	195,520	129,060
11 Grants, subsidies, and contributions.....	340,322	355,562	340,322
12 Pensions, annuities, and insurance claims.....	21,363	21,363	21,363
15 Taxes and assessments.....	71,947	81,930	72,714
Total obligations.....	6,107,727	6,984,435	6,784,435 ¹

Summary of changes

1957 actual appropriation.....	\$3,300,000 ¹
Nonrecurring items: Repairs to physical plant.....	— 50,000 ¹
Revised 1957 base.....	3,250,000
1958 appropriation request.....	4,000,000
Net change requested.....	+ 750,000

For program items	Estimate		House allowance	
	Positions	Amount	Positions	Amount
1. The improvement of instruction and the accommodation of increased enrollment:				
Estimate: \$645,231 (94 positions) less \$156,231 (27 positions) from non-Federal sources.....	94	\$489,000		
House allowance: \$547,552 (94 positions) less \$97,552 (27 positions) from non-Federal sources.....			94	\$450,000 ¹
2. The improvement of general administrative services.....	11	43,000	0	0 ¹
3. The improvement of university library book collection and services.....	4	58,000	0	0 ¹
4. The improvement of operation and maintenance of physical plant—the new pre-clinical medical building.....	8	60,000	8	0 ¹
5. Partial elimination of accumulated deterioration of physical plant.....		100,000		100,000
Total change requested.....	¹ 117	750,000	¹ 102	550,000 ¹

¹ 2 additional positions are included in Freedmen's Hospital reimbursements.

Summary of new positions

Activity	Number of positions	Full-time equivalent	Amount
I. General administration.....	11	11	\$43,000
II. Resident instruction and departmental research:			
Teaching personnel.....	65	65	377,000
Salary increases to teaching personnel.....			67,000
Supporting personnel.....	29	28.8	103,552
Personnel, reimbursable, Freedmen's Hospital.....	2	2	7,750
Ingrade increases, personnel reimbursable Freedmen's Hospital.....			11,960
Total.....	96	95.8	567,262
III. General library.....	4	4	16,320
IV. Operation and maintenance of physical plant.....	8	8	24,625
Wages, night differential.....			1,300
Total.....	8	8	25,925
Total.....	119	118.8	652,507
New positions:			
Direct appropriation.....	117	116.8	564,497
Reimbursable, Freedmen's Hospital.....	2	2	7,750
Salary increases to teaching personnel.....			67,000
Ingrade increases, personnel reimbursable, Freedmen's Hospital.....			11,960
Wages, night differential.....			1,300
Total.....	119	118.8	652,507

Detailed list of new positions by activity, 1958

Title and grade	Number of positions	Full-time equivalent	Annual salary	Amount
I. General administration:				
Treasurer's office:				
Internal auditor (GS-7).....	1	1	\$4,525	\$4,525
Inventory and property clerk (GS-5).....	1	1	3,670	3,670
Business manager's office: Stenographer-clerk (GS-4).....	1	1	3,415	3,415
Personnel office:				
Assistants, personnel and employment (GS-5).....	2	2	3,670	7,340
Stenographer-clerk (GS-4).....	1	1	3,415	3,415
Student services:				
Admissions office:				
Director of admissions (GS-11).....	1	1	6,390	6,390
Clerk (GS-4).....	1	1	3,415	3,415
Recording office: Chief clerk (GS-5).....	2	2	3,670	7,160
Student employment and graduate placement: Placement clerk (GS-5).....	1	1	3,670	3,670
Total, general administration.....	11	11		43,000
II. Resident instruction and departmental research:				
Professor:				
Liberal arts.....	6	6	7,411	44,466
Dentistry.....	1	1	9,475	9,475
Salary increases.....				25,490
Associate professor:				
Liberal arts.....	10	10	6,046	60,460
Dentistry.....	5	5	8,050	40,250
Salary increases.....				22,800
Assistant professor:				
Liberal arts.....	13	13	5,168	67,184
Medicine.....	1	1	7,303	7,303
Dentistry.....	6	6	7,303	43,818
Salary increases.....				18,710
Instructor:				
Liberal arts.....	18	18	4,144	74,592
Dentistry.....	5	5	5,832	29,452
Total teaching personnel.....	65	65		444,000

Detailed list of new positions by activity, 1958—Continued

Title and grade	Number of positions	Full-time equivalent	Annual salary	Amount
II. Resident instruction and departmental research—Continued				
Supporting personnel to instruction:				
Remedial program:				
Counselor (GS-9).....	1	1	\$5,575	\$5,575
Counselor (GS-8).....	1	1	4,970	4,970
Counselor-faculty (GS-5).....	2	1.8	3,805	6,846
Reading clinician (GS-9).....	1	1	5,575	5,575
General supervisor and research assistant (GS-6).....	1	1	4,080	4,080
Reader (GS-5).....	1	1	3,670	3,670
Clerk-typist (GS-3).....	2	2	3,175	6,350
Total.....	9	8.8		37,066
Liberal arts:				
Laboratory assistants and technicians (GS-3).....	6	6	3,175	19,050
Clerical assistants (GS-3).....	4	4	3,175	12,700
Total.....	10	10		31,750
Engineering and architecture:				
Laboratory assistant (GS-6).....	2	2	4,080	8,160
Stenographer-clerk (GS-4).....	1	1	3,415	3,415
Clerical assistant (GS-3).....	1	1	3,175	3,175
Total.....	4	4		14,750
Pharmacy: Technician (GS-3).....	1	1	3,175	3,175
Medicine: Assistants and medical technicians (GS-4).....	5	5	3,415	16,811
Total supporting personnel resident instruction (direct appropriation).....	29	28.8		103,552
Increase in reimbursements from other accounts:				
Freedmen's Hospital:				
Chemist (GS-6).....	1	1	4,080	4,080
Technician (GS-5).....	1	1	3,670	3,670
In-grade increases.....				11,960
Total increases in reimbursements.....	2	2		19,710
Total supporting personnel resident instruction and departmental research.....	31	30.8		123,262
III. General library:				
Librarians:				
Chemistry (GS-6).....	1	1	4,080	4,080
Engineering and architecture (GS-6).....	1	1	4,080	4,080
Pharmacy (GS-6).....	1	1	4,080	4,080
Social work (GS-6).....	1	1	4,080	4,080
Total general library.....	4	4		16,320
IV. Operation and maintenance of physical plant:				
Engineer (GS-9).....	1	1	5,440	5,440
Plumber (CPC-6).....	1	1	3,440	3,440
Utility worker (CPC-3).....	1	1	2,745	2,745
Janitor, maid (CPC-2).....	5	5	2,600	13,000
Total.....	8	8		24,625
Wages, night differential.....				1,300
Total operation and maintenance, buildings and grounds.....	8	8		25,925
Total.....	119	118.8		652,507

APPROPRIATION ESTIMATE

"Plans and specifications: For the preparation of plans and specifications for construction, under the supervision of the General Services Administration, on the grounds of Howard University, of a physical education building and a home economics building, \$150,000, to remain available until expended."

Amount available for obligation

	1957 appro- priation	1958 budget estimate	1958 House allowance
Appropriation or estimate.....		\$150,000	\$150,000
Prior year balance brought forward.....	\$41,432	17,394	17,394
Total available for obligation.....	41,432	167,394	167,394

Summary of changes from 1957

1957 actual appropriation.....	0
1958 budget estimate.....	\$150,000
Net change requested.....	+150,000
For program items:	<i>1958 budget estimate</i>
Military science building (partial plans).....	\$80,000
Home economics building (complete plans).....	70,000
Net change requested.....	+150,000

APPROPRIATION ESTIMATE

"Construction of buildings: For equipping the dental school building under the supervision of General Services Administration, **[\$100,000]** \$262,000, to remain available until expended, and such amount shall be in addition to the limitation of cost established by Public Law 452, Eighty-second Congress."

Amounts available for obligation

	1957 appro- priations	1958 budget estimate	1958 House allowance
Appropriation or estimate.....	\$100,000	\$262,000	\$262,000
Prior year balance brought forward.....	1,923,335	1,160,047	1,160,047
Total available for obligation.....	2,023,335	1,422,047	1,422,047
Balance available in subsequent year.....	1,160,047	1,103,333	1,103,333
Total obligations incurred.....	\$63,288	318,714	318,714

April 26, 1957

Summary of changes from 1957

1957 actual appropriation.....	\$100,000
Adjustments:	
Nonrecurring equipment for dental building.....	-100,000
Revised 1957 base.....	0
1958 budget estimate.....	262,000
Net change requested.....	+262,000
For program items:	<i>1958 budget estimate</i>
For completion of equipping dental school building.....	\$262,000
Net change requested.....	+262,000

HISTORICAL STATEMENT

Senator HILL. We will hear you now, Dr. Johnson. It is nice to have you here, sir.

All right, Doctor, we will be very happy to have you proceed in your own way, sir.

Dr. JOHNSON. If you please, Mr. Chairman and members of the committee, I would like to submit for the record this historical statement which it seems to be needful always to keep before the members of the Senate.

Senator HILL. We will be glad to have that for the record, Doctor. (The statement referred to follows:)

STATEMENT BY MORDECAI W. JOHNSON, PRESIDENT OF HOWARD UNIVERSITY

Mr. Chairman and members of the committee, the requested appropriation, now pending before the Senate, calls for a total sum of \$4,412,000 in 3 appropriation categories as follows:

I. Salaries and expenses	\$4, 000, 000
II. Plans and specifications	150, 000
III. Construction of buildings	262, 000

This opening statement is respectfully submitted for two purposes: (1) To set forth in brief the program objectives and underlying reasons for the estimates in these three appropriations, and (2) to describe the effect of the action taken by the House of Representatives.

I. SALARIES AND EXPENSES, \$4,000,000

A. Program objectives and underlying reasons for the estimate as submitted

1. The requested appropriation of \$4 million for salaries and expenses for Howard University represents an increase of \$700,000 over the appropriation of \$3,300,000 for the year 1957.

2. This increase of \$700,000 is recommended for the sole purpose of improving the quality of instruction in the several directions demanded by the accrediting agencies in 1954 and requested by them to be complied with by March 1, 1957, so as to justify their voted accreditation of Howard University, as a whole, in April 1957.

3. This will be the first vote ever taken on the accreditation of the work of Howard University as a whole. It is greatly desirable that this vote of accreditation be favorable. If it is attained, it will represent a crowning high-water mark in the history of this institution. If the vote is unfavorable, it will have a distressing and humiliating effect upon the university and will hurt its work in America and its influence all over the world.

4. A favorable vote of accreditation depends decisively upon whether Howard University can give the commission on higher institutions assurance of more adequate financial support for its program of instruction than was in evidence during 1954-55, when the evaluating committee examined the institution.

5. During the first semester of the year 1954 an evaluating team of nearly 40 scientists and scholars, representing the commission on institutions of higher education of the Association of Colleges and Secondary Schools of the Middle States and Maryland, visited the university in order to appraise its work in every area, so as to determine whether the university had achieved a state of growth deserving accreditation as a whole, by all relevant accrediting agencies. The evaluation team found many evidences of progress at Howard University deserving great praise, but it found certain deficiencies in the institution which it considered to be mandatory to correct. Among them were certain outstanding deficiencies in the financial support of the university. The commission arrived at the general and overall conclusion that the instructional program of Howard University was inadequately financed and gave the following index of deficiencies required to be corrected: (1) The inadequacy and overloaded condition of the teaching staff; (2) the inadequate and dangerously low salaries of teachers; (3) the lack of resources for within-grade and merit increases for teachers and nonteaching personnel; (4) the distressingly low availability of needed teaching aids such as technical and clerical assistants, supplies, and equipment; (5) the inadequacy of funds for books and trained library personnel, both in the general library and in the professional schools; (6) the grave inadequacy in the number of skilled workmen required for the operation and maintenance of the physical plant; (7) the inadequacy of funds for the proper development of (a) a recruitment program for increasing the number and percentage of able students, (b) for the development of

a placement and followup service for graduates, (c) for the development of a competent organization for the raising of funds from graduates and other private sources, (d) and for the proper expansion of personnel counseling and remedial services needed by a large number and percentage of students.

6. The commission on institutions of higher education of the Middle States and Maryland expressed its strong concern over these deficiencies discovered by its evaluating team and voted to postpone the accreditation of Howard University until April 1957, pending a report of progress from the university on the matters of major concern expressed by them.

7. The report and conclusions of the evaluating team became available only 25 days before our askings for 1956-57 were to be made. The full impact of the findings, therefore, could not be brought before the Government earlier than the appropriation presentations for the year 1957-58. By that time, however, the difficulty of meeting the requirements had become greatly increased for 3 reasons: (1) The increase of 472 in the enrollment, (2) the expected mandatory increase of 81 students in 1958 in the most expensive fields of medicine and dentistry, and (3) with a clearly possible increase of full-time students to a total of 4,036 for that year. The task confronting us, therefore, in the 1958 estimate was threefold: (1) To go as far as possible toward increasing the quality of instruction in the several directions demanded by the commission to remedy the situation as it appeared in 1954-55, (2) to provide adequate instruction on the improved basis for the greatly increased number of students (472) already on the grounds of Howard University in 1957, (3) to provide instructional facilities of the same improved quality for 81 medical and dental students now ready to enter the new premedical building in 1958 and for as many as possible of the total expected student body of 4,036 in all the schools and colleges.

8. Howard University wishes here to express its great appreciation for the painstaking manner with which this situation was measured by the Secretary of Health, Education, and Welfare and his associates and by the officers of the Bureau of the Budget. The increase of \$700,000 recommended in this appropriation is their considered measurement of the minimum increase required to meet the specific demands of the accrediting agencies.

9. The Bureau of the Budget has indicated its own awareness of the fact that this \$700,000 increase is the minimum sum required by stating to the Office of the Secretary of Health, Education, and Welfare for transmission to Howard University, that this increase of \$700,000 is but 1 of 2 steps by which the Bureau of the Budget proposes to carry Howard University toward the level of support which it considers desirable.

10. It is understood by all of us, the committee of officers of Howard University, the officers of Health, Education, and Welfare, and the officers of the Bureau of the Budget, that a favorable vote of accreditation depends decisively upon whether this proposed appropriation by Howard University, with the statement of the Bureau of the Budget, can give the commission on higher education assurance of the more adequate financial support for the program of instruction at Howard University, which they discovered to be necessary in 1954-55 when the evaluating team examined the institution.

11. Howard University's report to the commission on higher education institutions of the Middle States and Maryland has been based heavily upon this assumption. In our report we have exhibited our reliance upon this proposed increase of \$700,000, showing its application to every area of instruction, the general library, the operation and maintenance of the physical plant, and to the general administration; and we have taken pains to show that in each and every one of these areas the increase is not only adequate to show a qualitative per capita increase as applied to 1954-55, but that it carries through a qualitative per capita increase in each area clear through 1958; and that this increase is focused heavily upon the items of resident instruction and a strong and determinative increase in the general library; the increases in the operation and maintenance of the physical plant and the general administration having been confined to the lowest possible amount and percentage consistent with urgent necessity.

12. Since the submission of this report on March 1, 1957, the university has received word, through authoritative sources connected with the accrediting agencies, namely, the commission on higher institutions of the Middle States Association of Colleges and Secondary Schools, representing all the relevant agencies "that these budget requests are warranted and are urgently required to accomplish the purposes of Howard University and the new plans proposed by that institution" to meet the requirements of the accrediting association.

The effect of House action

13. The House of Representatives has cut the recommended increase by \$200,000 or 28.6 percent. In doing so it has statedly confined the applicability of its appropriation to only 4 of the 8 objectives considered to be essential as exhibited in the following table:

Salaries and expenses—The House action and its effect

Program objective	Recommended sum	Approved by House	Deficiency remaining
I. Resident instruction:			
1. Additional teachers.....	\$377,000	\$377,000	-----
2. Supporting personnel.....	103,552	6,000	\$97,552
3. Supplies and equipment.....	97,679	-----	97,679
4. Teachers' salary increases.....	67,000	67,000	-----
II. General library:			
5. Personnel, books, and binding.....	58,000	-----	58,000
III. Operation and maintenance:			
6. Operation and maintenance new medical building.....	60,000	-----	60,000
7. Backlog of accumulated repairs.....	50,000	50,000	-----
IV. General administration:			
8. Additional personnel for increased enrollment.....	43,000	-----	43,000
Total increase.....	856,231	500,000	356,231
Total increase Howard University private funds.....	156,231	-----	156,231
Total Government appropriation increase.....	700,000	500,000	200,000

Three of the four items touched by the House appropriation are handled in full, namely; increased teachers, increased teachers' salaries, and the \$50,000 sum for the overcoming of accumulated deterioration in the physical plant. Four of the necessary items the House appropriation does not touch at all, namely (1) supplies and equipment, (2) personnel and books for the library, (3) operation and maintenance of the new medical building, and (4) personnel for the general administration. The fifth, supporting personnel, it touches by less than 6 percent. The House appropriation thus leaves unsupported, in effect, 5 major items of the requested increase considered by us all to be necessary to deserve accreditation, amounting to \$356,231. Howard University is able to command a maximum of \$156,231 of this sum, and that we will be able to do only because since the visit of the evaluating team we have been able to increase our endowment by \$1,120,000 in addition to the increases in income for student fees. Any way in which we apply this sum of \$156,231 will leave 3 of the 5 objectives unsupported in any way at all.

14. We know what those will be. We shall be able to do nothing at all toward the improvement of the general library situation in the university which was a matter of extensive and urgent concern to the accrediting agencies. We shall be able to do nothing in the area of \$97,679 required as a minimum for supplies and equipment; and we shall be able to do nothing at all to support the minimum but urgent increases required in the amount of \$43,000 for general administration. Moreover, the reduction of \$200,000 will cut the necessary overall qualitative per capita increase since 1954-55 almost in half.

15. If the appropriation is allowed to stand at \$3,800,000, therefore, as established by the House an ominous possibility appears, namely, that Howard University after 27 years of support by the Federal Government according to a declared plan to make it a first-class institution, will fail to secure accreditation on the ground that the amount of support available has not been adequate to make a first-class institution possible. Such a result would be deeply hurtful to Howard University, and it would injure its influence all over America and all over the world.

16. We know that the Senate and the House do not wish this injury to take place and that they do not wish to leave Howard University in a position where this injurious result lies within the range of probability or possibility. It is with confident hope, therefore, that we respectfully request that the entire recommended sum of \$4 million, be approved.

II. PLANS AND SPECIFICATIONS

Program objective

1. The sum of \$150,000 requested toward the amount needed for preparing the plans and specifications for two new buildings is intended to break the deadlock in advanced planning which has existed for 5 years and to move as rapidly as possible toward the erection of 2 of the 3 remaining buildings now required for the planned increase of enrollment which is now already rolling in upon us.

Effect of House action

2. The House of Representatives has approved the entire amount.

III. CONSTRUCTION OF BUILDINGS

Program objective

1. The sum of \$262,000 requested for construction of buildings is intended to complete the equipment of our new dental building so that it will be ready for the doubled enrollment of dentists and dental hygienists which will begin in the year 1958.

Effect of House action

2. The House of Representatives has approved the entire amount.

SUMMARY OF OPENING STATEMENT BY MORDECAI W. JOHNSON, PRESIDENT OF HOWARD UNIVERSITY

SALARIES AND EXPENSES

1. The requested appropriation of \$4 million carries a recommended increase of \$700,000 intended for an urgently important purpose. In April 1957—this very present month—the final vote will be taken on the accreditation of Howard University as a whole by the commission of higher institutions of the Middle States Association of Colleges and Secondary schools, representing all the 10 relevant accrediting agencies which have to do with Howard University. This will be the first vote ever taken on the accreditation of the work of the university as a whole. It is greatly desirable that this vote of accreditation be favorable. If it is attained, it will represent a crowning high-water mark in the history of this institution. If the vote is unfavorable, it will have a distressing and humiliating effect upon the university and will hurt its work in America and its influence all over the world.

2. The Bureau of the Budget is aware of the pending vote of accreditation and has sought to place Howard University in the needed favorable position by (1) increasing the appropriations for salaries and expenses by \$700,000 and (2) by stating that this increased appropriation is but 1 of 2 steps by which the Bureau of the Budget proposes to carry Howard University above the median of support available to institutions of similar complex organization.

3. In making its formal report to the Commission on Higher Education, Howard University has relied decisively upon this increase of \$700,000 and this statement of the Bureau of the Budget supported by a similarly strong statement by the chairman of the House committee.

4. The chairman of the commission on higher institutions of the Middle States Association, after reading the report has stated that "these budget requests are warranted and are urgently required."

5. The House has cut the recommended increase by \$200,000 or 28.6 percent. Under all circumstances set forth above, this recommendation is hurtful in the first degree, and can be hurtful in a decisive manner.

6. The president of the university speaks in deliberate and measured language when he says that the full appropriation of \$4 million for salaries and expenses, including the full increase of \$700,000 is necessary to support the voted accreditation of the university.

PLANS AND SPECIFICATIONS

7. The sum of \$150,000 requested for plans and specifications is intended to provide (1) complete plans and specifications for a home economics building, \$70,000; and (2) partial plans and specifications for a physical education building, \$80,000. The House of Representatives has approved the entire amount.

CONSTRUCTION OF BUILDINGS

8. The sum of \$262,000 requested for construction of buildings is intended to complete the equipment of our new dental building so that it will be ready for the doubled enrollment of dentists and dental hygienists which will begin in the year 1958. The House of Representatives has approved the entire amount.

HOWARD UNIVERSITY

EFFECT OF HOUSE ACTION

Activity No. 1. General administration

The total request for this activity was \$676,537 covering 110 positions and other expenses, making a minimum adequate increase over 1957 estimates of \$43,000 for 11 new positions. The House disallowed the entire amount of \$43,000 and all of the new positions requested. This program reduction will force the university to handle financial accounting, admissions, student records, and graduate placement for from 553 to 874 new students (an increase of from 17.4 to 27 percent) without any increase whatsoever, when the accrediting agencies considered this area short of personnel at the time of their evaluation of the university program in 1954.

The urgently needed positions disallowed are as follows:

	Number	Amount
General administrative offices:		
Internal auditor.....	1	\$4,525
Inventory and property clerk.....	1	3,670
Personnel assistants.....	2	7,340
Stenographer-clerks.....	2	6,830
Total.....	6	122,375
Student services:		
Director of Admissions.....	1	6,390
Recording and graduate placement clerks.....	3	10,830
Admissions clerk.....	1	3,415
Total.....	5	20,635

Activity No. 2. Resident instruction and departmental research

The university requested an increase of \$645,231 for 4 items as follows: (1) 65 new teaching positions, \$377,000; (2) 29 nonteaching positions in support of the instructional program, \$103,552; (3) \$97,679 for instructional supplies, expense and equipment; and (4) \$67,000 in salary increases for the instructional staff.

The House allowed \$450,000 to be applied mandatorily toward 3 items, distributed as follows: (1) 65 new teaching positions, \$377,000; (2) 2 nonteaching positions in support of instructional program, \$6,000; and (3) the entire amount of \$67,000 requested to support salary increases for the instructional staff.

The House disallowed the entire amount of \$97,679 for educational supplies, expenses and equipment, and \$97,552 of the \$103,552 required for 29 supporting positions in instruction.

Non-Federal funds resulting from increase in income from increased student enrollment can be found, and must be used, for the 27 disallowed supporting positions at a cost of \$97,679, but no funds at all are available to replace the \$97,552 disallowed for educational supplies, expenses and equipment. The increase in these items, made mandatory by the specifically expressed concern of the accrediting agencies, must be abandoned entirely.

Activity No. 3. General library

The full increase of \$58,000 requested for 1958 for general library improvement was disallowed by the House. This program reduction will prevent the university from meeting the minimum requirements of the regional accrediting association for expenditures in specifically stated areas, namely (1) staffing of the several libraries on a minimum level so that they may serve the students acceptably; and (2) building up the book collection in the general and professional libraries, which were found to be distressingly inadequate.

Activity No. 4. Operation and maintenance of physical plant

The House allowance provided in full for increase of \$50,000 requested to eliminate backlog of accumulated deterioration in the physical plant. This increase, together with reappropriation of similar amount in the 1957 appropriation will provide \$100,000 toward this purpose.

The increase of \$60,000 requested for the operation and maintenance of new preclinical medical building was disallowed altogether. This action by the House will require the operation of this large new building, with a net increased square footage of 80,437, without any increase in funds at all, at a time when the official accrediting agency has called specific attention to the grave inadequacies of the operation and maintenance staff for the present group of buildings.

If this item is not restored, the university will be required to take away \$60,000 in non-Federal funds from instruction and devote it to operation and maintenance of the new preclinical medical building.

Activity No. 5. Auxiliary enterprises and noneducational expense

No change was made in this activity by the House allowance.

1957 appropriation, 1958 estimate, and House allowances

Description	1957 appropriation		1958 budget estimate		1958 House allowances	
	Positions	Amount	Positions	Amount	Positions	Amount
PROGRAM BY ACTIVITIES						
1. General administration.....	99	\$633, 537	110	\$676, 537	99	\$633, 537
2. Resident instruction and departmental research.....	608	3, 528, 931	704	4, 194, 639	704	4, 096, 960
3. General library.....	22	129, 895	26	187, 895	22	129, 895
4. Operation and maintenance of physical plant.....	159	841, 743	167	951, 743	167	950, 422
5. Auxiliary enterprises and noneducational expense.....	125	973, 621	125	973, 621	125	973, 621
Total obligations.....	1, 013	6, 107, 727	1, 132	6, 984, 435	1, 117	6, 784, 435
FINANCING						
Advances and reimbursements from other accounts.....		293, 030		313, 507		313, 507
Reimbursements from non-Federal sources.....		2, 514, 697		2, 670, 928		2, 670, 928
Appropriation.....		3, 300, 000		4, 000, 000		3, 800, 000

Obligations by objects

	1957 appropriation	1958 budget estimate	1958 House allowances
SUMMARY OF PERSONAL SERVICES			
Non-Federal employees:			
Total number of permanent positions.....	828	947	932
Full-time equivalent of all other positions.....	185	185	185
Average number of all employees.....	1, 013	1, 132	1, 117
Number of employees at end of year.....	1, 245	1, 366	1, 351
Objects:			
01 Personal services:			
Permanent positions.....	\$3, 725, 418	\$4, 376, 625	\$4, 317, 305
Positions other than permanent.....	652, 662	652, 662	652, 662
Payments above basic rates.....	6, 000	7, 300	7, 300
Total personal services.....	4, 384, 080	5, 036, 587	4, 977, 267
02 Travel.....	49, 825	56, 759	49, 825
03 Transportation of things.....	2, 326	2, 615	2, 326
04 Communication services.....	44, 588	45, 933	44, 588
05 Rents and utility services.....	97, 415	119, 828	118, 094
06 Printing and reproduction.....	56, 312	62, 123	56, 312
07 Other contractual services.....	260, 524	327, 346	317, 094
08 Supplies and materials.....	649, 965	678, 869	655, 470
09 Equipment.....	129, 060	195, 520	129, 060
11 Grants, subsidies, and contributions.....	340, 322	355, 562	340, 322
12 Pensions, annuities, and insurance claims.....	21, 363	21, 363	21, 363
15 Taxes and assessments.....	71, 947	81, 930	72, 714
Total obligations.....	6, 107, 727	6, 984, 435	6, 784, 435

Summary of changes

1957 actual appropriation.....	\$3, 300, 000
Nonrecurring items: Repairs to physical plant.....	—50, 000
Revised 1957 base.....	3, 250, 000
1958 appropriation request.....	4, 000, 000
Net change requested.....	+750, 000

	Estimate		House allowance	
	Positions	Amount	Positions	Amount
FOR PROGRAM ITEMS				
1. The improvement of instruction and the accommodation of increased enrollment: Estimate: \$645,231 (94 positions) less \$156,231 (27 positions) from non-Federal sources..... House allowance: \$547,552 (94 positions) less \$97,552 (27 positions) from non-Federal sources.....	94	\$489,000		
2. The improvement of general administrative services.....	11	43,000	94 0	\$450,000 0
3. The improvement of University library book collection and services.....	4	58,000	0	0
4. The improvement of operation and maintenance of physical plant, the new preclinical medical building.....	8	60,000	8	0
5. Partial elimination of accumulated deterioration of physical plant.....		100,000		100,000
Total change requested.....	¹ 117	750,000	¹ 102	550,000

¹ 2 additional positions are included in Freedmen's Hospital reimbursements.

**GENERAL HISTORICAL AND BACKGROUND STATEMENT BY MORDECAI W. JOHNSON,
PRESIDENT, HOWARD UNIVERSITY, BEFORE COMMITTEE ON APPROPRIATIONS
1958 ESTIMATE FOR HOWARD UNIVERSITY**

Mr. Chairman and members of the committee, I have the honor to present herewith an historical and background statement on behalf of Howard University which it is hoped will serve to set before you (a) the Nature of Howard University and Its Place in American Higher Education; (b) the Special Relationship of the United States Government to Howard University; and (c) the Present Status of the University.

A. THE NATURE OF HOWARD UNIVERSITY AND ITS PLACE IN AMERICAN HIGHER EDUCATION

1. Howard University was chartered by act of Congress on March 2, 1867. It was the purpose of the founders to admit students of both sexes, and of every race, creed, color, and national origin. But it was one of the major purposes of the founders to admit Negro youth, among others, to all of its educational offerings. The institution had pioneered in the offering of professional training to Negro youth in medicine, dentistry, pharmacy, engineering, architecture, law, music, and social work, as well as in the teaching profession and religion. During the school year 1955-56, the university served 5,055 students in its 10 major schools and colleges and in the summer school.

2. During the period of 90 years between 1867 and 1957 Howard University has been the only university of public support in the Southern States which freely and substantially admitted Negro youth to any approximation of the wide scope of undergraduate, graduate, and professional opportunities characteristic of the American State university.

3. During the entire 90 years of its history Howard University has graduated a larger body of Negro physicians, dentists, pharmacists, engineers, architects, musicians, lawyers, and social workers than all other universities of public support combined, in all the Southern States.

4. From the beginning of its work until the end of 1956, Howard University has graduated a total of 19,263 persons. By far the large majority of these graduates have been Negroes. These graduates are at work in 43 States and 27 foreign countries. In every population center in the United States they constitute the largest and most diversified group of trained Negro public servants related to any single institution in the world.

5. Since 1948 public institutions in 12 Southern States, hitherto closed to Negroes have little by little, opened their doors to Negro youth but in the year 1956 Howard University still enrolled a larger number of Negro students in medicine, dentistry, pharmacy, music, engineering, architecture, and social work than in all other public universities and colleges together in the entire area of the Southern States.

6. The national importance of Howard University as a trainer of Negro professional students is nowhere better illustrated than by reference to medicine and dentistry. If Meharry Medical College at Nashville, Tenn., alone be excluded, the enrollment of medical and dental students at Howard University in 1956 exceeded the enrollment of Negro students in all the other medical and dental schools in the United States. Howard University and Meharry Medical College have been the responsible pioneers in the development of medical education among Negroes and, today, they constitute, by far, the major source of Negro physicians, surgeons, and dentists in America and in the world. The urgent importance of the work of these two institutions is further emphasized by the fact that even now the total annual output of Negro physicians in the United States hardly exceeds the number required to replace those who annually die.

7. From the beginning of our work in 1867, the founders invited to the faculties of the university learned and able men and women, on the basis of their ability and character as individuals and without discrimination as to sex, race, creed, color, or national origin. But it was a major purpose of the founders of Howard University to employ Negro teachers, among others, on every faculty. Today the Negro members of the professional faculties of Howard University, exclusive of the School of Religion, constitute together a group of Negro professional teachers larger by far than all the Negroes so employed in all other American universities combined. The existence of this group of Negro university teachers at Howard University has been a standing inspiration to the Negro people for more than three-quarters of a century, and membership on one of these faculties has been the first employment of many of the outstanding Negroes in the public life of America. From them came the founder and operator of the first blood plasma bank in the world, the most distinguished Negro industrial chemist in America, the first Negro governor of an American possession, the first Negro in the Secretariat of the United Nations (Nobel Prize Winner), the first Negro member of the bench of the United States Court of Appeals, the first Negro cultural attaché in the diplomatic service of the United States to a major European nation.

8. *Service to foreign students and in foreign countries.*—Howard University has developed a far-reaching service to foreign students. In 1956 it served 379 foreign students from 36 foreign countries in Asia, Africa, Europe, North, Central and South America, 9 island possessions of the British Indies, and 4 possessions of the United States. The university ranks second among all American universities in the percentage of foreign students enrolled.

9. Howard University students and teachers have associated daily with teachers and students representative of every race and color and all the major creeds of the world. They have learned by experience that the common country of the trustable human heart crosses and transcends all these boundaries of difference, and they are habituated to a friendly interest in human beings everywhere. In recent years many of these teachers and students, as individuals and in groups, have traveled on governmental missions to many countries in Europe, Asia, and Africa. Wherever they have gone, they have imparted good will and friendship and they have found good will and friendship in return.

10. Again and again the responsible leaders of government and the friends of our country have acknowledged their services as being of the highest value to their country and to the cause of democracy in the world.

11. Just this October the professor and the head of the department of classics returned to Howard University from a 2-year period of service as cultural attaché of the United States Embassy in Italy. The university has received a letter from Government officers which speaks of his service in the highest terms of appreciation as follows:

"Prof. Frank M. Snowden leaves Italy shortly to resume his duties at Howard University. During the 2 years that Professor Snowden has served at this post, he proved himself an outstanding member of this mission and has come to be considered as an outstanding and distinguished American by the Italian intellectual, academic, and Government groups with whom he has come in contact. The United States Information Service in Italy has looked upon Professor Snowden's contribution to its program as a personal triumph.

"I do not believe that any one person in the history of USIS operations in Italy has received the acclaim and the attention rendered Professor Snowden.

Many more requests than could ever be fulfilled were received by the mission for his appearances before groups in his specialized field of activity. Wherever and whenever he lectured, the audiences—who broke all previous records for numbers—requested his return. His discussions on modern education will have long-term impact on the renovation of the Italian educational system. The modernization of the Italian educational system already is underway due in no little part to Professor Snowden's efforts. We have looked upon Professor Snowden as a medium unto himself, so successful was he in the assignments given him.

"The Italian Government has constantly sought Professor Snowden's advice and counsel in matters pertaining to education, and in recognition of his services are presenting him with the Gold Medal, the highest award offered a foreigner by this country.

"I offer these observations and these highlights regarding Professor Snowden's value to the USIS program in Italy because I am certain you will feel proud to know that a member of your faculty has distinguished himself so well in the service of his country. I wish to thank you for releasing Professor Snowden to handle the important assignment entrusted to him these last 2 years."

B. THE SPECIAL RELATIONSHIP OF THE UNITED STATES GOVERNMENT TO HOWARD UNIVERSITY

1. Howard University was chartered by an act of Congress on March 2, 1867. Funds of the Federal Government available through the Freedmen's Bureau, were contributed toward the purchase of the first land and the erection of the first building.

2. Almost immediately the institution became associated with the hospital work which the Federal Government was undertaking to do for the emancipated slaves at Freedmen's Hospital and has continued that relationship until this day. The present Freedmen's Hospital stands on valuable grounds owned by Howard University and leased to the Federal Government at the rate of \$1 per year. Howard University renders all professional services in this hospital, and the combined work of Howard University and the Freedmen's Hospital constitute the most valuable training facilities for the substantial medical education of Negro physicians and surgeons to be found anywhere in the world.

3. On March 3, 1879, the Congress made the first Government appropriation for the support of the university in the amount of \$10,000. Since that time the Congress has made continuous and increasing appropriations to the university, year by year, being more and more confirmed in the conviction that it was thereby rendering a greatly needed service to the colored people in ways not otherwise provided. Until the year 1928, these appropriations were made in the form of voted gratuities, without the support of a substantive law. During this period of 49 years, from March 3, 1879, to December 13, 1928, the current annual appropriations from the Congress to Howard University rose from \$10,000 to \$218,000, enabling the university to survive as the only one of many heroic endeavors which began in this field after the emancipation.

4. Under date of March 15, 1928, the United States Office of Education called nationwide attention to the necessity of making Howard University into a first-class institution, showing that the possibility of a first-class university available substantially to the Negro people did not exist anywhere else in the United States. At that time there was nowhere in existence in the Southern States, a single approximation of a State university available to Negroes, and there was nowhere manifest a vigorous will to give adequate support to such an undertaking, either in private philanthropy or in government.

5. On December 13, 1928, both Houses of Congress passed and the President of the United States signed a bill amending the act incorporating Howard University, so as to provide substantive law for annual appropriations thereto, in the following language:

"Sec. 8. Annual appropriations are hereby authorized to aid in the construction, development, improvement and maintenance of the university, no part of which shall be used for religious instruction." (45 Stat. 1021, approved Dec. 13, 1928.)

6. The passage of this substantive law in 1928 was followed by a conference called by Secretary of the Interior, the Honorable Roy O. West on February 11, 1929, and attended by representatives of all divisions of the Government including the Bureau of the Budget, the Appropriations Committee of the House of Representatives, the Finance Committee of the Senate, the Department of the Interior, and the United States Bureau of Education, together with leaders of philanthropy and the trustees of Howard University. At this conference it was unanimously

agreed that the time had come to establish Howard University on a first-class basis and the United States Office of Education was authorized to study and to prepare a plan for the development of the university along these lines.

7. Following this important conference, a study of all aspects of the educational program of Howard University was made by the officers thereof, under the supervision of the Office of Education. As a result of this study a definite program to establish Howard University on a first-class basis was worked out in every detail and a formula of financial support based upon the experience of State and Federal Governments with land-grant colleges and universities, was established and agreed upon by the educational leaders in the Office of Education, by the United States Commissioner of Education, by the Secretary of the Interior (the Honorable Ray Lyman Wilbur), and by the Subcommittee on Appropriations of the House of Representatives, dealing with the Interior bill, under the leadership of the Honorable Louis C. Cramton. This bill was commended to the Congress by the action of the entire Appropriations Committee of the House of Representatives.

8. The Congress swiftly and vigorously supported the agreed-upon program. By successive steps it raised the current appropriation from \$218,000 in 1928 to \$675,000 in 1932, and made substantial appropriations for buildings and physical plant improvements. Then came the depression years which halted the growth in current appropriations and brought the building program to a stop.

9. Increased appropriations for current support began again, however, after 1941 and steadily rose to \$1,115,701 in 1946; thence to \$1,588,635 in 1947 and to a peak of \$3,300,000 in 1957.

10. Physical plant: The 71st Congress which prepared the first 20-year program for the development of Howard University recognized that the university was in distressing need of a new plant and equipment for the important work which it was undertaking to do. In the 20-year program of development which it approved, therefore, it provided for a rapid development of the physical plant of the university including the acquisition of nearly 460,000 additional square feet of land and more than 30 new buildings, within a period of 10 years. The Congress in sessions between May 7, 1929, and March 4, 1933, appropriated \$3,264,000 toward the construction of 8 of these building projects as follows: (1), (2), (3), 3 dormitories for women, (4) an educational classroom building, (5), a heat, light, and powerplant, (6) a tunnel for the transmission of heat, light, and power, (7) a chemistry building, (8) a general library building. These buildings were all constructed thereafter and further appropriations of \$1,397,700 were made for a ninth building project—a group of men's dormitories—and for landscaping and repair of buildings. The needed land for all these projects was acquired through the gifts of private foundations.

11. After the beginning of the year 1936, however, the appropriations for funds for buildings ceased until after the United States had ended the Second World War.

12. In 1946 and thereafter over 2,600 returning soldiers from this war, being deeply impressed by the advantages which Howard University offered, flooded the 10 schools and colleges and overflowed its buildings to the extent that the Government was constrained to provide Howard University with 13 temporary wooden buildings and to turn over for their use 2 permanent dormitory buildings, originally acquired for the housing of Government employees. During this period the physical plant of the university was placed under the utmost strain; its current budget for maintenance of the plant was exhausted to provide foundations, water, electric and heating services for the temporary wooden buildings; and the current maintenance of the plant was so far reduced in efficiency that heavy deterioration set in and accumulated rapidly.

13. The Members of Congress were so greatly impressed by the distressing inadequacy of the plant of Howard University in 1946-48, that they determined to give the matter of an adequate plant their most thorough consideration. On June 14, 1948, therefore, they appropriated a sum of \$50,000 to provide for a careful restudy of the 20-year plan of 1930 and a considered readaptation of that plan by the Public Buildings Administration to meet the present-day needs of the university. As this study proceeded the Congress made one appropriation after another, designing to bring about an adequate plant at the earliest possible time. Between June 14, 1948, and August 31, 1951, the Congress thus appropriated and authorized funds for 12 major building projects at an authorized cost of \$18,439,221 and authorized further the funds for the planning of a new pre-clinical medical building. This was the first sustained movement toward the provision of an adequate plant for the university since the initial series of appro-

priations by the Members of Congress in the years 1927 and 1933, immediately succeeding upon their determination upon the 20-year program to make Howard University a first-class institution.

14. To this group, Congress in 1954 added an appropriation of \$4,436,000 for the construction of the preclinical medical building.

C. THE PRESENT STATUS OF THE UNIVERSITY

1. THE STUDENT BODY

1. Howard University is being built to serve 5,200 full-time day students and as many additional evening and summer school students as may be accommodated by the plant so constructed. During the school year 1955-56 the institution served a net total of 5,055 students excluding all duplications, of whom 3,046 were full-time students in the 10 regular schools and colleges. The total enrollment is expected to rise as high as 5,666 in 1958, of whom 4,036 will be full-time students in the 10 regular schools and colleges, and to increase by as much as 10 percent each year thereafter.

2. THE PHYSICAL PLANT

2. While the project is nearing completion, it is not finished; and the day of increased enrollment is already upon us. There was a net increase of 284 full-time students in the regular schools and colleges in 1956. Already an additional increase of 148 has appeared, toward an expectation of 280 in 1957; and another addition of 311 is expected in 1958, with a steady increase thereafter.

3. About two-thirds of the physical plant has been completed. In 1956 the new biology building was finished and occupied. The physical space contemplated for the full enrollment in the physical and biological sciences, was thus completed.

4. The new preclinical medical building, now under construction, will be finished and ready for occupancy in 1958. The full space for the preclinical instruction of 1,000 students in dentistry, medicine, and nursing will then be ready.

5. New buildings for instruction in dentistry and pharmacy are already completed. The new teaching hospital for Howard, now being recommended by the President of the United States, points toward the last major item of physical space required to bring the entire program for instruction in medicine, dentistry, pharmacy, and nursing to the stage of complete physical plant readiness.

6. A new building for the general administrative offices is finished and occupied. Plans and specifications will be completed in 3 months for the greatly needed general auditorium building which will also accommodate the school of music and the departments of drama and fine arts, but the President of the United States has found it necessary to postpone the erection of this building and to withhold from use, for the present, the entire sum of \$1,610,905 appropriated by the Congress for the erection of this building.

7. There are still unfinished and urgent physical needs affecting the teaching of other undergraduate and graduate fields; namely, a classroom building for home economics, a new and adequate plant for physical education for men, an additional classroom building for the humanities, social sciences, education and business instruction, a student and faculty union building, and an adequate warehouse.

8. All dormitories in the university, both for men and women, are filled; and there is an eager waiting list and a pressing enrollment. The contract has been let for a new dormitory for 300 men. It is hoped that by opening of the school year 1959-60 this building may be ready for occupancy so as to relieve this stress, in part, on the men's side; but the relief will not touch the pressure for new dormitories for women and will relieve only in part the need for additional space for men.

9. In brief, if the original plans of the development of this institution are to be completed, a minimum of 3 additional educational buildings, 3 additional service buildings, and 3 additional dormitory buildings must be erected. No planning money for these buildings is now available and none has been available toward these projects for a period of 5 years. In view of the delayed schedule of construction thus resulting, wisdom would suggest that planning moneys for the entire group should be available as soon as possible.

3. THE QUALITY OF INSTRUCTION

10. At the present time, all the schools and colleges of the university are accredited by their individual national accrediting agencies. In 1954, however,

the university was thoroughly surveyed by a team of nearly 40 visiting scientists and scholars representing all the national and regional academic associations which have to do with the accreditation of the 10 schools and colleges of the university. For the first time in the history of the university, the university underwent an appraisal of its work as a whole.

11. The team of scientists and scholars noted with approval the very great progress which had been made; but they drew attention also to certain deficiencies in the operation of the university which gave them grave concern. Outstanding among them were the following: (1) the inadequacy and overloaded condition of the teaching staff in preclinical and clinical medicine, in engineering, pharmacy, social work, and music, and the areas of graduate study. (2) The inadequate and dangerously low salary scale of teachers. (3) The lack of resources for within grade and merit increases for teachers and nonteaching personnel. (4) The distressingly low availability of needed teaching aids such as technical and clerical assistants, supplies and equipment. (5) The inadequacy of funds for books and trained library personnel, both in the general library and in the professional schools. (6) Grave inadequacy in the number of skilled workmen required for the operation and maintenance of the physical plant. (7) The inadequacy of funds for the proper development of (a) a recruitment program for increasing the number of percentage of able students, (b) for the development of a placement and followup service for graduates, (c) for the development of a competent organization for the raising of funds from graduates and other private sources, (d) and for the proper expansion of personnel counseling and remedial services needed by a large number and percentage of students.

12. It was the overall judgment of the team of survey that while the physical plant of Howard University was developing admirably, in its current educational work the university was in need of substantially increased support.

13. I ask that the Members of the Congress allow me to express the hope that the Congress will not falter in the great purpose which it has thus far so inspiringly pursued regarding Howard University, but that the Congress will go on until it has completed the physical plant as planned, and until every area of the educational program is supported at a level which makes possible first-class competence in instruction and research.

14. The State universities in 12 Southern States have of late, and little by little, opened their doors to Negro students. This is a great beginning, of high significance to the Negro people and to our Nation. In the course of time it will come to have quantitative significance in the training of high grade professional and graduate leadership for the Negro people; and after the expiration of many years, it will, I am sure, come to have the crowning inspiration of a substantial number of Negro scholars, working in the faculties of these universities, side by side with their brothers of the majority.

15. Until that time comes, however, there is one place in this Nation where the people of the United States have come near to an unequivocal and substantial expression of their highest will toward the Negro minority—that is in the comprehensive undergraduate, graduate, and professional program of Howard University and in the substantial representation of Negro personnel on the faculties of that university.

16. Every unfinished element in the life of this project which leaves it short of first-class resourcefulness and functioning should be rapidly overcome without hesitancy in order that the Negro people themselves, the citizens of our country from every State and the diplomatic and cultural representatives of all the peoples of the world may see here on this spot in the National Capital an expression of our American and democratic purpose toward race, color, and minority status, so clear, so substantial and so adequate as to be inspiring beyond question. The hour is late, and the world needs this inspiration more than it needs bread.

BREAKDOWN OF BUDGET REQUESTS

Dr. JOHNSON. If I may, I would like to read the statement I have here.

Senator HILL. You may proceed in your own way, sir.

Dr. JOHNSON. Mr. Chairman and members of the committee: The requested appropriation, now pending before the Senate, calls for a total sum of \$4,412,000 in 3 appropriation categories:

First, salaries and expenses amounting to \$4 million.

Secondly, plans and specifications, in the amount of \$150,000, and Thirdly, construction of buildings, \$262,000.

This opening statement is respectfully submitted for two purposes:

First, to set forth, in brief, the program objectives and underlying reasons for the estimates in these three appropriations, and, secondly, to describe the effect of the action taken by the House of Representatives.

SALARIES AND EXPENSES

The following are the program objectives and underlying reasons for the estimate, as submitted:

1. The requested appropriation of \$4 million for salaries and expenses for Howard University represents an increase of \$700,000 over the appropriation of \$3,300,000 for the 1957 fiscal year.

INFLUENCE ON VOTE FOR ACCREDITMENT

2. This increase of \$700,000 is recommended for the sole purpose of improving the quality of instruction in the several directions demanded by the accrediting agencies in 1954 and requested by them to be complied with by March 1, 1957, so as to justify their voted accreditation of Howard University, as a whole, in April 1957.

3. This will be the first vote ever taken on the accreditation of the work of Howard University as a whole. It is greatly desirable that this vote of accreditation be favorable. If it is obtained, it will represent a crowning high-water mark in the history of this institution.

I might say here that this is the first time since the Emancipation that an institution of this kind predominantly attended by Negroes, will ever have been accredited in the history of the United States.

Senator HILL. You say "as a whole." You may have had different schools of the university accredited, but not the university as a whole, with all of its schools?

Mr. JOHNSON. That is right.

If the vote is unfavorable, it will have a distressing and humiliating effect upon the university and will hurt its work in America and its influence all over the world.

4. A favorable vote of accreditation depends decisively upon whether Howard University can give the Commission on Higher Institutions assurance of more adequate financial support for its program of instruction than was in evidence during 1954-55 when the evaluating committee examined the institution.

ACCREDITING TEAM VISIT

5. During the first semester of the year 1954 an evaluating team of nearly 40 scientists and scholars, representing the Commission on Institutions of Higher Education of the Association of Colleges and Secondary Schools of the Middle States and Maryland, visited the university in order to appraise its work in every area, so as to determine whether the university had achieved a state of growth deserving accreditation as a whole, by all relevant accrediting agencies.

The evaluation team found many evidences of progress at Howard University deserving great praise, but it found certain deficiencies in the institution which it considered to be mandatory to correct.

Among them were certain outstanding deficiencies in the financial support of the university.

DEFICIENCIES NOTED

The commission arrived at the general and overall conclusion that the instructional program of Howard University was inadequately financed and gave the following index of deficiencies required to be corrected:

- (1) The inadequacy and overloaded condition of the teaching staff;
- (2) the inadequate and dangerously low salaries of teachers;
- (3) the lack of resources for within-grade and merit increases for teachers and nonteaching personnel;
- (4) the distressingly low availability of needed teaching aids such as technical and clerical assistants, supplies and equipment;
- (5) the inadequacy of funds for books and trained library personnel, both in the general library and in the professional schools;
- (6) the grave inadequacy in the number of skilled workmen required for the operation and maintenance of the physical plant;
- (7) the inadequacy of funds for the proper development of (a) a recruitment program for increasing the number and percentage of able students, (b) for the development of a placement and followup service for graduates, (c) for the development of a competent organization for the raising of funds from graduates and other private sources, (d) and for the proper expansion of personnel counseling and remedial services needed by a large number and percentage of students.

6. The Commission on Institutions of Higher Education of the Middle States and Maryland expressed its strong concern over these deficiencies discovered by its evaluating team and voted to postpone the accreditation of Howard University until April 1957—that is, this month—pending a report of progress from the university on the matters of major concern expressed by them.

TIMING OF ACCREDITATION REPORT

7. The report and conclusions of the evaluating team became available only 25 days before our askings for 1956-57 were to be made. The full impact of the findings, therefore, could not be brought before the Government earlier than the appropriation presentations for the year 1957-58. By that time, however, the difficulty of meeting the requirements had become greatly increased for three reasons:

- (1) The increase of 472 in the enrollment.
- (2) The expected mandatory increase of 81 students in 1958 in the most expensive fields of medicine and dentistry.
- (3) With a clearly possible increase of full-time students to a total of 4,036 for that year.

The task confronting us, therefore in the 1958 estimate was three-fold:

- (1) To go as far as possible toward increasing the quality of instruction in the several directions demanded by the Commission to remedy the situation as it appeared in 1954-55.
- (2) To provide adequate instruction on the improved basis for the greatly increased number of students (472) already on the grounds of Howard University in 1957.

(3) To provide instructional facilities of the same improved quality for 81 medical and dental students now ready to enter the new pre-medical building in 1958 and for as many as possible for the total expected student body of 4,036 in all the schools and colleges.

EVALUATION BY HEW AND BUDGET BUREAU

8. Howard University wishes here to express its great appreciation for the painstaking manner with which this situation was measured by the Secretary of Health, Education, and Welfare and his associates and by the officers of the Bureau of the Budget.

I want to say here, Mr. Chairman, that the Secretary of Health, Education, and Welfare had his whole staff go over this matter twice.

The increase of \$700,000 recommended in this appropriation is their considered measurement of the minimum increase required to meet the specific demands of the accrediting agencies.

BUREAU OF THE BUDGET APPROVAL

9. The Bureau of the Budget has indicated its own awareness of the fact that this \$700,000 increase is the minimum sum required by stating to the Office of the Secretary of Health, Education, and Welfare for transmission to Howard University, that this increase of \$700,000 is but 1 of 2 steps by which the Bureau of the Budget proposes to carry Howard University toward the level of support which it considers desirable.

10. It is understood by all of us, the committee of officers of Howard University, the officers of Health, Education, and Welfare, and the officers of the Bureau of the Budget, that a favorable vote of accreditation depends decisively upon whether this proposed appropriation to Howard University with the statement of the Bureau of the Budget can give the commission on higher education assurance of the more adequate financial support for the program of instruction at Howard University, which they discovered to be necessary in 1954-55 when the evaluating team examined the institution.

11. Howard University's report to the Commission on Higher Education Institutions of the Middle States and Maryland has been based heavily upon this assumption. In our report we have exhibited our reliance upon this proposed increase of \$700,000, showing its application to every area of instruction, the general library, the operation and maintenance of the physical plant, and to the general administration; and we have taken pains to show that in each and every one of these areas the increase is not only adequate to show a qualitative per capita increase as applied to 1954-55, but that it carries a qualitative per capita increase in each area clear through 1958; and that this increase is focused heavily upon the items of resident instruction and a strong and determinative increase in the general library; the increases in the operation and maintenance of the physical plant and the general administration having been confined to the lowest possible amount and percentage consistent with urgent necessity.

I might point out that that "qualitative per capita increase in each area through 1958" is overall, a 9.6 percent qualitative increase.

12. Since the submission of this report on March 1, 1957, the university has received word, through authoritative sources connected

with the accrediting agencies, namely, the commission on higher institutions of the Middle States Association of Colleges and Secondary Schools, representing all the relevant agencies—

that these budget requests are warranted and are urgently required to accomplish the purposes of Howard University and the new plans proposed by that institution—

to meet the requirements of the accrediting association.

EFFECT OF HOUSE ACTION

13. The House of Representatives has cut the recommended increase by \$200,000 or 28.6 percent. In so doing it has statedly confined the applicability of its appropriation to only 4 of the 8 objectives considered to be essential as exhibited in the table that I have presented to the committee. I hope you have a copy of it.

Senator HILL. We have it here, and it may go into the record at this point, without objection.

(The table referred to follows:)

SALARIES AND EXPENSES

The House action and its effect

Program objective	Recommended sum	Approved by House	Deficiency remaining
I. Resident instruction:			
1. Additional teachers.....	\$377,000	\$377,000	-----
2. Supporting personnel.....	103,552	6,000	\$97,552
3. Supplies and equipment.....	97,679	-----	97,679
4. Teachers' salary increases.....	67,000	67,000	-----
II. General library:			
5. Personnel, books, and binding.....	58,000	-----	58,000
III. Operation and maintenance:			
6. Operation and maintenance new medical building.....	60,000	-----	60,000
7. Backlog of accumulated repairs.....	50,000	50,000	-----
IV. General administration:			
8. Additional personnel for increased enrollment.....	43,000	-----	43,000
Total increase.....	856,231	500,000	356,231
Total increase, Howard University private funds.....	156,231	-----	156,231
Total Government appropriation increase.....	700,000	500,000	200,000

CERTAIN REQUESTS GRANTED IN FULL

Dr. JOHNSON. Three of the four items touched by the House appropriation are handled in full, namely: Increased teachers, increased teachers' salaries, and the \$50,000 sum for the overcoming of accumulated deterioration in the physical plant. If the House had to select four items, these are those they should select.

Four of the necessary items the House appropriation does not touch at all, namely: (1) Supplies and equipment, (2) personnel and books for the library, (3) operation and maintenance of the new medical building, and (4) personnel for the general administration. The fifth, supporting personnel, it touches by less than 6 percent.

The House appropriation thus leaves unsupported, in effect, 5 major items of the requested increase considered by us all to be necessary to deserve accreditation, amounting to \$356,231. Howard University is able to command a maximum of \$156,231 of this sum, and that we will be able to do only because since the visit of the evaluating team we have been able to increase our endowment by \$1,120,000 in

addition to the increases in income for student fees. Any way in which we apply this sum of \$156,231 will leave 3 of the 5 objectives unsupported in any way at all.

LIBRARY SITUATION

14. We know what those will be. We shall be able to do nothing at all toward the improvement of the general library situation in the university, which was a matter of extensive and urgent concern to the accrediting agencies. We shall be able to do nothing in the area of \$97,679 required as a minimum for supplies and equipment; we shall be able to do nothing at all to support the minimum but urgent increases required in the amount of \$43,000 for general administration. Moreover, the reduction of \$200,000 will cut the necessary overall qualitative per capita increase since 1954-55 almost in half, that is, cut it down.

The resulting situation will be that we can have only a 5.4 percent qualitative increase since 1954-55, and that we will omit to attend at all to 3 major areas of concern to the accrediting agencies.

15. If the appropriation is allowed to stand at \$3,800,000, therefore, as established by the House, an ominous possibility appears, namely, that Howard University after 27 years of support by the Federal Government according to a declared plan to make it a first-class institution, will fail to secure accreditation on the ground that the amount of support available has not been adequate to make a first-class institution possible. Such a result would be deeply hurtful to Howard University, and it would injure its influence all over America and all over the world.

16. We know that the Senate and the House do not wish this injury to take place and that they do not wish to leave Howard University in a position where this injurious result lies within the range of probability or possibility. It is with confident hope, therefore, that we respectfully request that the entire recommended sum of \$4 million be approved, Mr. Chairman.

EXCERPT FROM HOUSE REPORT

Senator HILL. Doctor, let me ask you this question:

The House in its report on your appropriation made the following statement, on which I would like to have your comment:

The committee is convinced of the desirability of maintaining Howard University as a first-class school and is happy to recommend a substantial increase in funds as it has for each of the last 2 years. However, it is a little disturbed at the lack of corresponding increases in income from non-Federal sources.

Do you have any comment you would like to make on that?

Dr. JOHNSON. Yes, sir, Mr. Chairman.

I appreciate the concern of the House there. I have studied the matter with great care, Mr. Chairman, and I am prepared to make a statement which I know will be helpful.

In the first place, we need to keep in mind what it is we have been trying to do. We have been trying to make available in the United States for the first time since the emancipation a complex university, offering undergraduate, graduate, and professional training, over a wide area, of the sort that is available in the land-grant colleges and State universities.

BASIC PRINCIPLE OF LAND-GRANT COLLEGES

The basic principle of these land-grant colleges and State universities is that as good an education as can be had in the university is to be available to the children of the people, at the lowest possible tuition rates. These schools have been in existence since the sixties, and you will see that their tuition rates are in general very low. It is on this basis that they have been able to do what American democratic education intends to do: to see to it that intellectual maturity and competent professional services are available to the children of all the people, and shall not be confined to a minority that can pay for it.

Senator PASTORE. Could I ask a question at that point?

Dr. JOHNSON. Yes.

TUITION IN MEDICAL SCHOOL

Senator PASTORE. What is the tuition in the Medical School?

Dr. JOHNSON. \$500, plus about \$111.75 in fees. It amounts to about \$611.75 in the medical school.

Senator PASTORE. Are you familiar with what the tuition is in the University of Vermont in the medical school?

Dr. JOHNSON. We have examined the tuition. In Vermont it is \$550 for residents of the State.

Senator PASTORE. I am not quarreling with you, but I am wondering whether or not this similarity in figures that you state is a philosophy.

I quite agree with you, as a general philosophy I think you are right in that expression.

Dr. JOHNSON. I would say I think the University of Vermont is hardly a good example, because it is the smallest of the 15 land-grant colleges having medical schools, and it is an old institution which has succeeded in securing a very heavy proportion of its support from private funds.

It is not a typical institution, but the typical institution you need to look at about the needs would be like the University of Maryland, the University of Virginia, or the University of Arkansas.

Senator PASTORE. And then do you feel that yours is more or less in line with it?

Dr. JOHNSON. I do feel, sir, that the average percentage available from Howard University from student fees is substantially above the average student fees in all such land-grant colleges and universities.

Senator PASTORE. You state that in a fashion that would indicate to me that apparently you have been making a study of this subject.

Dr. JOHNSON. I have, sir.

Senator PASTORE. Do you have any documentation on that that could be put into the record? I think this is a very important point.

It strikes me that I have been reading the same thing, and I was going to ask the same question the chairman asked.

If you have been thinking about this, it might be fair rebuttal to the position taken that these statistics be made part of the record, because I think that is the question that is raised.

Senator HILL. I will have our clerk see that a table containing the proper information is supplied.

(The table referred to follows:)

Current income for educational and general purposes at Howard University compared with 7 complex institutions for year ending June 30, 1956

Source	Howard University		University of Minnesota		University of Tennessee		University of Arkansas		Louisiana State University		West Virginia University ¹		University of Vermont and State Agriculture College		University of Maryland	
	Amount	Per-cent	Amount	Per-cent	Amount	Per-cent	Amount	Per-cent	Amount	Per-cent	Amount	Per-cent	Amount	Per-cent	Amount	Per-cent
1. Student tuition and fees.....	\$959,956	20.58	\$5,789,996	12.67	\$2,566,662	16.98	\$1,062,122	9.88	\$907,522	4.98	\$745,448	7.12	\$1,592,667	32.31	\$3,313,332	14.88
2. Federal Government.....	27,819	.60	160,090	.35	40,986	.27	38,874	.36	16,473	.09	9,172	.09	13,303	.28	97,710	.44
(a) From VA for tuition and fees.....																
(b) Regular appropriation to land-grant institutions:																
1. Morrell and Bankhead-Jones Acts.....			99,751	.22	86,341	.57	64,761	.60	94,772	.52	72,005	.69	73,768	1.53	77,873	.35
2. Agricultural and engineering experiment stations, etc.....			1,694,441	3.71	2,077,571	13.75	1,911,129	17.77	1,570,993	8.62	1,284,253	12.27	439,278	9.08	825,088	3.71
(c) Federal grants for contractual research.....	246,676	5.29	6,606,877	14.46	842,897	5.58	730,650	6.79	581,657	3.19	131,981	1.26	174,157	3.60	1,361,779	6.11
(d) Other Federal grants.....	4,663	.09	49,544	.11	2,356	.01	75,983	.71	13,426	.08	11,999	.11	82,863	1.71	258,573	1.16
3. State government.....	23,163,204	67.83	20,918,886	45.79	7,407,367	49.01	5,697,537	52.98	13,505,290	74.07	7,776,337	74.29	1,763,315	36.46	10,916,619	49.03
4. Endowment earnings.....	^a 64,227	1.38	^a 1,718,370	3.76	^b 19,467	.13	^c 6,633	.06	^b 14,555	.08	^c 3,622	.03	^b 123,115	2.55	^a 103,419	.46
5. Private benefactions.....	^b 104,567	2.24	^a 3,037,629	6.65	^a 1,094,349	7.24	^c 455,122	4.23	^b 327,025	1.79	^c 76,173	.73	^b 171,134	3.54	^b 559,600	2.51
6. Sales and services of organized activities related to instructional departments.....																
7. Other sources.....	78,934	1.69	5,285,143	11.57	917,540	6.07	535,154	4.98	215,773	1.18	298,133	2.85	217,266	4.49	4,333,961	19.46
	13,749	.30	322,839	.71	59,102	.39	176,606	1.64	985,348	5.40	58,913	.56	215,376	4.45	420,669	1.89
Total income educational and general.....	4,663,795	100.00	45,683,566	100.00	15,114,638	100.00	10,754,571	100.00	18,234,834	100.00	10,468,036	100.00	4,836,242	100.00	22,270,623	100.00
Full-time enrollment.....	3,446		23,393		6,967		4,730		8,281		5,204		2,730		10,343	
Student per capita State support.....	917.93		894.23		1,063.21		1,204.55		1,630.87		1,494.30		645.90		1,055.65	

¹ Does not include Potomac State College branch.² Federal appropriation to Howard University for operating expenses shown here for comparative purposes.³ Endowment earnings.^a Indicates that full amount earned is reported as income.^b Indicates that portion of earnings spent is reported as income.

Private benefactions:

^a Indicates that total gifts and grants received reported as income.^b Indicates that portion of gifts and grants expended reported as income.^c No method reported in data.⁴ Financial date secured from U. S. Office of Education.⁵ Includes income from local government except in case of Howard University.⁶ Enrollment data for Howard University taken from registrar's report for 7 complex institution from School and Society, Dec. 10, 1955.

Full-time equivalent enrollment by schools and colleges for years 1954 to 1958

	1954 actual	1955 actual	1956 actual	1957 esti- mate	1958 esti- mate
UNDERGRADUATE AND GRADUATE					
1. Graduate school.....	202	187	235	256	289
2. Liberal arts.....	1,589	1,544	1,730	1,896	2,040
Total.....	1,791	1,731	1,965	2,152	2,329
PROFESSIONAL SCHOOLS					
3. Engineering and architecture.....	344	391	497	500	500
4. Music.....	138	139	137	150	160
5. Social work.....	76	98	96	107	117
6. Medicine.....	298	296	288	297	325
7. Dentistry.....	208	225	229	229	278
8. Pharmacy.....	160	153	119	148	168
9. Law.....	116	91	86	105	115
10. Religion.....	44	38	29	37	44
Total professional schools.....	1,384	1,431	1,481	1,573	1,707
Total 10 regular schools and colleges.....	3,175	3,162	3,446	3,725	4,036

DETAILED STUDY OF LAND-GRANT COLLEGES

Dr. JOHNSON. And you will find, sir, that the amount of support is as we have shown it here. Here is a detailed study of 15 land-grant-college universities, the latest statistics available for 1956, and these have not been published. I have secured them from the United States Office of Education's records not yet publicly available.

Now let me show you what happens.

Senator PASTORE. Am I taking too long on that subject, Mr. Chairman?

Senator HILL. No.

Dr. JOHNSON. Take the total of Government support. Let me give you a sweeping statement that, except for the University of Vermont, the amount of funds available to Howard University from all Government sources is less than half the funds available from Government sources to any land-grant college with a medical school.

Howard University funds from Federal sources, the latest figures, \$3,456,111.

The University of Minnesota, which is a large-sized university, \$29-million plus.

The University of Tennessee, at \$10.5 million.

The University of Arkansas, \$8,695,000.

Louisiana State University, \$16,769,000.

West Virginia University, \$9,344,000.

The University of Illinois is \$48 million.

The University of California is way up, \$148 million.

Ohio State University is \$23 million.

The University of Wisconsin is \$19 million.

The University of Maryland is \$13,960,000.

The University of Missouri is \$13,369,548.

The University of Michigan is \$9,656,000.

Cornell University is \$14 million.

The University of Puerto Rico is \$14,221,530.

So that Howard University's support from all Government sources is less than half the support available to any comparable institution among the land-grant colleges in the United States.

SIZE OF STUDENT BODY

Senator PASTORE. How do you compare in student body?

Dr. JOHNSON. We are slightly above 5,000, and we are therefore relatively small as compared with these institutions. But there are institutions in this group who have twice as much money as we have, who are approximately the same size as we.

Now, take another test. Take the percentage of Government funds. If you take every dollar that goes to Howard University from governmental sources, including our contract funds for research, we get 74.1 percent.

Louisiana State University gets 91.96 percent from governmental sources. All private sources there put in only 8 percent.

The University of West Virginia gets 89.26 percent.

The University of Illinois gets 84 percent.

The University of California gets 88.6 percent from Government funds.

Senator PASTORE. When you refer to "other sources," do you mean tuition collections?

Dr. JOHNSON. I mean from all private sources.

Senator PASTORE. The bulk of that would be tuition?

Dr. JOHNSON. Yes.

Senator PASTORE. What is your percentage now?

Dr. JOHNSON. 74.1.

And the University of Puerto Rico is 85.8 percent.

REASON FOR HEAVY PER CAPITA COST

Keep this in remembrance about Howard University, that the younger the complex institution like this and the smaller its enrollment, the heavier will be the per capita cost. Of Howard University it may be said that the complexity of Howard University is comparatively more intense than the average institution here, by far, because of the high percentage of the high cost enrollment in education at Howard University, namely for medicine and dentistry, and in that area. It is three times as great as it is in a normal institution which is teaching this high cost enrollment.

So if you are ever going to get an unusual percentage of support from Government to an institution such as this, you would do it in its formative stages, where it is now.

There is another test. I can go at it in 6 or 7 different ways.

PER CAPITA SUPPORT

Take the Medical School of Howard University. At the last report available, the per capita support of the Medical School of Howard University was at the very bottom of State-supported medical schools. There is only one State-supported medical school in the United States that has poorer support than Howard University, and that was the University of Tennessee. And I am afraid that was an accident in the record, because when you look at the total amount available for the University of Tennessee, you would not suspect that.

But the median of State-supported medical schools had run up to around \$4,200 per capita in 1956. At Howard it was \$1,860.

If you take the per capita, which is the best possible measure of protection, we must remember that Howard University is being accredited in the Middle States and Maryland. The Middle States contain among the best complex institutions in the United States, such as the University of Pennsylvania, Cornell University, the University of Pittsburgh, Johns Hopkins. Their standards, therefore, of what constitutes first-class education must come from what they have experienced in these institutions.

At Johns Hopkins, the per capita expenditure was over \$4,000 in 1956. The median in the Middle States, the median institution, not the middle figure, in the Middle States for that year was \$1,611 for resident instruction, exclusive of research.

Howard's figure was \$1,234. If you give us all of this money it will still be, at best, about \$1,472 in 1958. So where are we? We are among the poorest third of institutions in the Middle States area, and we would be in the same position if I take these 15 States because I am prepared to give those figures regarding these 15 land-grant university States. We are in the same position.

Now, here is a thought which I wish the Senators would consider carefully. We are at a certain point in history. This is the one place in this country where we can show really what we mean. The United States Government cannot afford to leave the support of Howard University in that position. It must get that support up above the median, or its purposes for supporting this institution at all will be morally defeated.

Senator PASTORE. I agree with that statement a hundred percent.

SIZE OF MEDICAL FRESHMEN CLASS

Senator HILL. Doctor, let me ask you about your medical school. How large a freshman class do you have now?

Dr. JOHNSON. We have now, Mr. Chairman, about 75, sometimes we take 80. We really should not take but 60, because our facilities are for that number only.

But this committee, by its wise farsightedness, has seen fit to give us a new preclinical medical building which will enable us to take 100 or 105 students, and that is to turn out 100 medical men a year. Keep in mind how important that is. That will be more medical graduates than will be turned out by all of the other medical schools in the United States, except Meharry, at Nashville.

MEDICAL SCHOOLS RECEIVING NEGROES

There are only two medical schools in the United States in which Negroes are received substantially; they are at Howard and Meharry. Either one of those institutions will educate more Negro physicians than all the other medical schools in the United States together.

The position in which we both find ourselves is something that all thoughtful men in the United States must consider. We both stand at the very bottom of the area of support. If it had not been for this committee and the Appropriations Committee of the House, there would not be today in existence anywhere a State-supported medical school available to Negroes substantially.

When you are dealing with Howard University, you are not only dealing with the only approximation of a first-class university that

has come into existence since the emancipation, but you are dealing with an institution which turns out annually, through its training, more Negroes in the professions of medicine, dentistry, law, engineering, et cetera, than all the other universities combined in the area where they live.

That is due to historical circumstances which are not within the control of individuals. That is the reason why some of the Senators and Representatives from some States have found themselves happy beyond measure to have found this avenue to do what they would like to do in every State, but that they cannot do anywhere else now, except here.

I have spent 30 years, here, Mr. Chairman, trying to bring this into existence. It has been a work of love for my own people. But the longer I have done it, it has seemed to me to be a work of the utmost importance for our Nation.

Let me tell you what happened, if I may.

REPUTATION OF HOWARD UNIVERSITY ABROAD

Last year I had the board of directors of the International Association of Universities at lunch at Howard. When we got through lunch, they invited me to Harvard to sit with them. I was a deputy member of the board. When we were at lunch, the ancient rector of the University of Istanbul, Turkey, took me off and said to me, "Dr. Johnson, as you know the Ford Foundation has given us money so that we have seen a great deal of America. But I want to tell you that the greatest thing I have seen in the United States I saw at Howard University." He said, "When I got through looking at the work on that campus, I said, 'I am now prepared to say to the people of Turkey that the United States of America believes in the inherent dignity and high possibilities of the human individual as such.'"

He said, "Doctor, do not fail when the next meeting of the association comes in Turkey, to be there. I want to introduce you," he said, "to every educator in Turkey, because when I introduce you next spring and what you stand for, they will understand your country."

Now, sir, for some reason I do not know, we have next to the largest percentage of foreign students in any institution of America. They come from every continent in the world, but they come especially from those countries where the people have been hurt by the colonial system, and are looking with their hearts eagerly in this direction to see what we may mean for them.

When they come to Howard University they soon find themselves at home. They know what that institution means.

So that again and again we are invited all over the world.

I have just come from Ghana, at the invitation of the Prime Minister of Ghana. I have been to India at the invitation and expense of the Indian Government. The head of my home economics department is founding the first school of home economics ever to be founded in India. We are trusted around the world. We have 47 graduates that work in Liberia.

So I say that this Government has on that hill a lighthouse of the utmost moral significance. It is the only place in this country where

you have an institution substantially attended by Negroes, with a substantial number of Negroes on the faculty, the very sight of which tells the world what America means.

It seems to me, Mr. Chairman, that every reason which has made the Senators and the Members of this Congress set aside technical and legal considerations and precedents to bring this institution into existence, tells us that we ought not to allow a small sum like \$200,000 to muddy up and impair the great undertaking which we are here carrying on.

I hope that the distinguished members of this committee, who have hitherto shown the highest consideration for this project, will give it that support at this time.

Senator HILL. Thank you, Dr. Johnson. We very much appreciate your appearance here this morning. You have always been most able and eloquent, and I think you have been particularly able and eloquent this morning. We certainly appreciate your being here.

Thank you very much.

Senator PASTORE. Thank you, Doctor.

Senator HILL. The subcommittee will stand in recess until 10 o'clock Monday morning.

(Whereupon, at 12:30 p. m., Thursday, April 11, 1957, the subcommittee recessed, to reconvene at 10 a. m., Monday, April 15, 1957.)

LABOR-HEALTH, EDUCATION, AND WELFARE APPROPRIATIONS, 1958

MONDAY, APRIL 15, 1957

UNITED STATES SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, D. C.

The subcommittee met at 10 a. m., pursuant to recess, in room F-82, the Capitol, Hon. Lister Hill (chairman of the subcommittee) presiding.

Present: Senators Hill, Pastore, Smith, Dworshak, and Potter.

CONTRIBUTIONS TO CIVIL SERVICE RETIREMENT FUND

Senator HILL. We had for insertion in the hearings yesterday to follow the testimony of Secretary Folsom a tabulation with appropriate notes regarding the additional obligations for the Department's share of contributions to the civil-service retirement fund. It was overlooked and I shall at the outset of our hearings today place in the hearings an excerpt from the authorizing legislation together with a tabulation showing the amounts needed in each of the appropriation accounts for the purpose.

(The material referred to follows:)

CIVIL SERVICE RETIREMENT ACT AMENDMENT OF 1956

(Public Law 854, 84th Congress)

DEDUCTIONS AND DEPOSITS—70 STAT. 747

Section 401:

"SEC. 4. (a) From and after the first day of the first pay period which begins on or after the effective date of the Civil Service Retirement Act Amendments of 1956, there shall be deducted and withheld from each employee's basic salary an amount equal to 6½ per centum of such basic salary and from each Member's basic salary an amount equal to 7½ per centum of such basic salary. From and after the first day of the first pay period which begins after June 30, 1957, an equal sum shall also be contributed from the respective appropriation or fund which is used for payment of his salary, pay or compensation, or in the case of an elected official, from such appropriation or fund as may be available for payment of other salaries of the same office or establishment. The amounts so deducted and withheld by each department or agency, together with the amounts so contributed, shall, in accordance with such procedures as may be prescribed by the Comptroller General of the United States, be deposited by the department or agency in the Treasury of the United States to the credit of the fund. There shall also be so credited all deposits made by employees or Members under this section. Amounts contributed under this subsection from appropriations of the Post Office Department shall not be considered as costs of providing postal service for the purpose of establishing postal rates."

In order to meet the requirements of the above quoted section of the Civil Service Retirement Act, as amended, the following indicates amounts reflected in the 1958 budget, and adjusted estimates to reflect subsequent revisions in the estimates, for the Department of Health, Education, and Welfare:

	Amount in budget	Revised amount
Food and Drug Administration:		
Salaries and expenses.....	\$419,000	\$410,699
Salaries and expenses, certification, inspection, and other services.....	56,500	52,227
Freedmen's Hospital: Salaries and expenses.....	137,500	140,069
Gallaudet College: Salaries and expenses.....	46,000	45,243
Office of Education:		
Salaries and expenses.....	248,000	241,600
Salaries and expenses, President's Committee on Education Beyond the High School.....	6,300	7,181
Office of Vocational Rehabilitation: Salaries and expenses.....	66,910	61,900
Public Health Service:		
Assistance to States, general.....	200,600	183,393
Grants and special studies, Territory of Alaska.....	15,950	13,909
Control of venereal diseases.....	117,100	119,061
Control of tuberculosis.....	60,400	60,953
Control of communicable diseases.....	195,800	197,215
Sanitary engineering activities.....	223,500	228,153
Salaries and expenses, hospital construction services.....	62,525	62,525
Hospital and medical care.....	1,529,800	1,548,500
Foreign quarantine service.....	140,400	143,643
Indian health activities.....	1,137,200	1,163,590
Construction of Indian health facilities.....	8,775	8,471
General research and services, National Institutes of Health.....	827,500	835,700
Salaries, expenses, and grants, National Cancer Institute.....	251,400	267,760
Mental-health activities.....	191,000	192,756
Salaries, expenses, and grants, National Heart Institute.....	132,200	139,943
Dental-health activities.....	57,500	57,611
Arthritis and metabolic disease activities.....	121,800	132,784
Allergy and infectious disease activities.....	142,900	144,376
Neurology and blindness activities.....	80,000	83,392
Operations, National Library of Medicine.....	58,500	58,902
Salaries and expenses.....	176,600	176,323
St. Elizabeths Hospital: Salaries and expenses.....	678,000	685,247
Social Security Administration:		
Salaries and expenses, Bureau of Old-Age and Survivors Insurance.....	(6,037,606)	(5,828,612)
Salaries and expenses, Bureau of Public Assistance.....	114,000	111,431
Salaries and expenses, Children's Bureau.....	104,529	100,847
Cooperative research or demonstration projects in social security.....	3,187	3,066
Salaries and expenses, Office of the Commissioner.....	29,400	28,532
Office of the Secretary:		
Salaries and expenses.....	121,500	113,956
Salaries and expenses, Office of Field Administration.....	158,700	150,772
Salaries and expenses, Office of the General Counsel.....	60,900	54,626
Surplus-property utilization.....	27,000	26,030
Total, Department of Health, Education, and Welfare.....	8,008,876	8,052,383

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

OFFICE OF EDUCATION

STATEMENT OF L. G. DERTHICK, COMMISSIONER; DONALD W. McKONE, EXECUTIVE OFFICER; AND JAMES F. KELLY, DEPARTMENT BUDGET OFFICER

PREPARED STATEMENT

Senator HILL. The subcommittee will kindly come to order.

Dr. Derthick, we are happy to have you here this morning.

Mr. DERTHICK. Thank you, sir.

Senator HILL. You have filed a statement with us; have you, sir?

Mr. DERTHICK. Yes, sir.

Senator HILL. That is fine. We will be glad to have you proceed now in your own way, sir.

EFFECT OF HOUSE ACTION

Mr. DERTHICK. I have some very condensed statements summarizing the highlights which will take but little time, if I may present

the opening statement. Then I would like to call on my assistants.

Senator HILL. Very well, sir.

Mr. DERTHICK. Mr. Chairman and members of the committee, this is my first appearance before you to present the program and budget of the Office of Education.

With your permission, I would like to discuss the effect of the House action on the President's budget for education.

PROMOTION AND FURTHER DEVELOPMENT OF VOCATIONAL EDUCATION

The President's budget provided \$228,000 for training in fishery trades and industry, and \$80,000 to support a vocational-education program for Guam.

Authorities in Guam have indicated their need for a program of vocational education, and have in preparation an acceptance act and a plan for such a program.

The effect of the House action is to eliminate training in fishery trades and industry and any support for vocational-education program in Guam.

The House also eliminated language which provided for reappropriation of funds.

The House approved \$5 million for the grants for library services, which is an increase of \$2 million over the President's budget. The President's budget, which the Office of Education, of course, supports, did not overlook the merits of this important program. In fact, the amount budgeted represented an approximate increase of 45 percent over the 1957 appropriation. Overall fiscal considerations were the principal factor in determining the original budget prepared last fall.

Now under "Payments to school districts" the President's budget for fiscal year 1958 provides for an increase of \$13,950,000, which is requested to provide full entitlements to school districts based on new provisions of law. The House approved the full amount budgeted on the premise that school districts should have 100 percent of their entitlement in accordance with the formula prescribed in the act.

The President's budget called for an appropriation of \$41,800,000 to provide for the completion of the extended programs of school construction; \$800,000 was included to cover technical services rendered this program by the Housing and Home Finance Agency. The House action decreased this figure by \$100,000. This will require certain economies in services from this Agency which will be explained by its representative who is present.

SALARIES AND EXPENSES

The House reduced the budget for salaries and expenses, which includes cooperative research in education, from \$7.5 million to \$7 million. This reduction would eliminate all but 8 of the 75 additional positions planned for fiscal 1958.

In its report on last year's appropriation the Congress urged that an Office of Education of which the Nation could be proud be built. Citizens groups have strongly supported this recommendation. The budget for fiscal 1958 was prepared in recognition of the increased demands for facts, information, and opinions from Congress, the

public, and the educational profession. These demands are at an alltime high, and we are not adequately meeting them.

More bills dealing with education have been introduced in Congress than in any previous year. Congress naturally looks to the Office of Education for factual information. We are behind in supplying this information.

Plans have been made to meet demands for service and studies in fiscal 1958 in the areas of uniform records and reports, school finance, school housing, education of handicapped children, and adult education.

Services and studies were to be strengthened in the fields of teacher education, professional education, college and university organization, and State and regional organization of higher education.

Special attention was being given to developments in higher education to seek solutions to housing, staff, and financing problems which will be acute in the next few years.

The Office of Education had hoped that remedial action could be taken before the problem assumed crisis proportions. The House action will permit cooperative research in education to proceed as planned; but, for all practical purposes, the direct operations of the Office of Education will be held at the 1957 level.

TRAVEL EXPENSE REIMBURSEMENT AUTHORITY

For more than 10 years the Office has had authority in its appropriation act to accept reimbursement for travel expenses of its staff performing advisory functions to non-Federal agencies. Only those invitations are accepted which directly relate to the work of the Office of Education. This authority represents an economy in operation and has been used judiciously.

The House eliminated travel expense reimbursement authority. I urge that it be restored.

It is well accepted by our clientele, and will work a hardship if suddenly withdrawn.

Now, Mr. Chairman, that is my opening statement. I have statements on each section of the budget as the time comes.

Senator HILL. Then suppose we take up these items individually, sir.

Mr. DERTHICK. All right, Mr. Chairman.

PROMOTION AND FURTHER DEVELOPMENT OF VOCATIONAL EDUCATION

APPROPRIATION ESTIMATE

"Promotion and further development of vocational education: For carrying out the provisions of section 3 of the Vocational Education Act of 1946, *as amended* (20 U. S. C. [15h], ch. 2; 70 Stat. 1126), and section 202 of said Act (70 Stat. 925), section 4 of the Act of March 10, 1924 (20 U. S. C. 29), section 1 of the Act of March 3, 1931 (20 U. S. C. 30), [and] the Act of March 18, 1950 (20 U. S. C. 31) [, \$31,442,081], and section 9 of the Act of August 1, 1956 (70 Stat. 909), including \$4,000,000 for extension and improvement of practical nurse training, and \$228,000 for vocational education in the fishery trades and industry including distributive occupations therein, \$33,750,081: *Provided*, That the apportionment to the States under section 3 (a), (1), (2), (3), and (4) of the Vocational Education Act of 1946 shall be computed on the basis of not to exceed \$29,267,081 for the current fiscal year: *Provided further*, That the amount of allotment which States and Territories are not prepared to use may be reapportioned among other States and Territories applying therefor for use in the programs for which the funds were originally apportioned."

CHANGE IN LANGUAGE

A number of changes in language are necessitated by the passage of several laws which amend the Vocational Education Act of 1946.

The first change adds "as amended," provides appropriate code and statutory references, and authorization for funds for vocational education in the fishery trades and industry and practical nurse training.

The second change adds "and section 9 of the act of August 1, 1956 (70 Stat. 909)", which authorizes funds for Guam.

The third change provides specific reference to amounts requested for grants for practical nurse training and vocational education in the fishery trades and industry, in order that it will be clearly understood for what purpose funds will be available. This is important as there are varying bases for allotment of funds for the several purposes.

The fourth change inserts "section 3 (a), (1), (2), (3), and (4) of" in the first proviso to provide continuity of allotments to the States for vocational education in agriculture, home economics, trades and industry, and distributive occupations.

Amounts available for obligation

Description	1957 appropriation		1958 estimate		House allowance	
	Posi- tions	Amount	Posi- tions	Amount	Posi- tions	Amount
Appropriation or estimate (total obligations)-----	-----	\$31,442,081	-----	\$33,750,081	-----	\$33,442,081

Obligations by activities

Description	1957 appropriation		1958 estimate		House allowance	
	Posi- tions	Amount	Posi- tions	Amount	Posi- tions	Amount
1. Grants to States and Territories under George-Barden Act.....	-----	\$31,267,081	-----	\$33,575,081	-----	\$33,267,081
2. Other grants to Territories.....	-----	175,000	-----	175,000	-----	175,000
Total obligations.....	-----	31,442,081	-----	33,750,081	-----	33,442,081

EFFECT OF HOUSE ACTION

Activity 1. Grants to States and Territories under George-Barden Act

The House allowance of \$33,267,081 for this activity provides the total amount requested for vocational education in agriculture, trades and industry, home economics, distributive education, and practical nurse training.

The reduction of \$308,000, and the changes in proposed appropriating language, eliminate \$228,000 which prevents the initiation of the program for training in the fishery trades and industry, and \$80,000 which prevents the initiation of a program of vocational education in Guam. Authorizations for these programs were contained in amendments to the basic George-Barden Act enacted by the 84th Congress.

Activity 2. Other grants to Territories

The House allowance makes provision for the total amount requested of \$175,000 for vocational education in Hawaii, Puerto Rico, and the Virgin Islands.

Language change

House action deleted from the appropriating language the following: "Provided further, That the amount of allotment which States and Territories are not prepared to use may be reapportioned among other States and Territories applying therefor for use in the programs for which the funds were originally apportioned." This deletion prevents the reapportionment of funds which will otherwise remain unobligated.

Summary of changes

1957 actual appropriation-----	\$31, 442, 081
1958 appropriation request-----	33, 750, 081
Net change requested-----	+2, 308,000

	1958 estimate	House allowance
For program items:		
Grants to States and Territories under George-Barden Act:		
Practical nurse training (Public Law 911)-----	\$2, 000, 000	\$2, 000, 000
Guam (Public Law 896)-----	80, 000	-----
Fishery trades and industry (Public Law 1027)-----	228, 000	-----
Total change requested-----	+2, 308, 000	+2, 000, 000

STATEMENT OF JAMES H. PEARSON, ASSISTANT COMMISSIONER FOR VOCATIONAL EDUCATION

PREPARED STATEMENT

STATEMENT OF JAMES H. PEARSON, ASSISTANT COMMISSIONER FOR VOCATIONAL EDUCATION ON PROMOTION AND FURTHER DEVELOPMENT OF VOCATIONAL EDUCATION

The following statement will first discuss the budget estimate presented to Congress and will then detail the effect of House action on vocational education programs.

The George-Barden Act of 1946 authorized an appropriation of \$29,267,081 for vocational education in agriculture, distributive education, home economics, and trades and industry. For the fiscal year 1957 the Congress appropriated the full amount of the authorization. The 84th Congress, 2d session, authorized appropriations for (1) practical nurse training in the amount of \$5 million and appropriated \$2 million for that purpose; (2) vocational education in the fishing trades in the amount of \$375,000 but made no appropriation for that purpose; (3) vocational training in Guam in the amount of \$80,000 but made no appropriation for that purpose. Additional legislation authorizes appropriations in the amount of \$175,000 for Hawaii, Puerto Rico, and the Virgin Islands and that amount was appropriated for 1957.

The Smith-Hughes Act of 1917 provides an appropriation of \$7,138,331 which is in addition to the amount requested under provisions of the George-Barden Act and the supplementary acts.

Programs of vocational education continue to be in popular demand. Enrollments in 1956 reached an alltime high and it is expected that the enrollment in the current fiscal year will approach 4 million. The demand for vocational training is a result of (a) technological advances and the demand for skilled workers; (b) the increase in the number of persons in the labor force; and (c) shortages of trained personnel in many occupations.

The budget estimate for fiscal year 1958 provided a total of \$33,750,081, including an increase of \$2,308,000, distributed as follows: \$2 million for increasing the practical nurse training program; \$228,000 for the fishing trades; and \$80,000 for the initiation of a program of vocational education for Guam.

As a result of the 1957 appropriation for practical nurse training under Public Law 911 (84th Cong.) 45 States and Territories have developed State plans for the extension and improvement of practical nurse training and the Office of Education has certified payment of funds to these States. All States and Territories excepting Alaska and the Virgin Islands have submitted plans for practical nurse training to the Office of Education. Most of the States have initiated programs in communities not now served and enlarged programs started previously. Some States started new programs in anticipation of the Federal appropriation.

Trained practical nurses are in great demand not only for service in hospitals but in homes for the aged, mental institutions, and other health agencies. The steady increase in the number of aged in our population is one factor in this

demand. At the present time 61,000 trained practical nurses are employed in hospitals. Many more are needed and the demand is increasing. This program was justified on the basis that it was one of the most effective and quick ways to alleviate the shortage of nursing services.

Most persons entering practical nurse training are widows and other women between the ages of 30 and 40 who need employment. Very few of these trainees are in a position to pay the high tuition charges for training by private agencies. Of the 9,332 practical nurses graduated in 1956, 86 percent were trained in the federally aided program conducted by the public vocational schools.

EFFECT OF HOUSE ACTION

The entire amount requested for the programs authorized by the basic George-Barden Act of 1946, and the supplementary acts for Hawaii, Puerto Rico, and the Virgin Islands is allowed by House action, as well as the \$4 million requested for the practical nurse training program.

The budget request of \$228,000 for training in the fishing trade, was deleted. This means little if any expansion in training in this field unless it comes as a result of State anticipation of a Federal appropriation.

The request for an appropriation of \$80,000 for initiating the program in Guam was deleted. This leaves Guam as the only part of the United States without the benefit of Federal funds for vocational training. Public Law 896 of the 84th Congress authorized such an appropriation. Guam has been preparing an acceptance act and a plan for vocational education and taken other steps in anticipation of Federal funds for vocational education.

The provision for reapportionment of funds which was included in the 1957 Appropriation Act, was eliminated by House action.

Allotment of funds to States and Territories under the George-Barden Act, as amended, and supplemental acts extending benefits of the Smith-Hughes Act to Hawaii, Puerto Rico, and the Virgin Islands (based on 1958 estimate of \$33,750,081)¹

State or Territory	Total	Agriculture	Home economics	Trades and industry	Distributive occupations	Practical nurse training	Fishery trades and industry
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Grand total.....	\$33,750,081						
Total.....	33,495,081	\$10,241,611	\$8,197,416	\$8,225,912	\$2,602,142	\$4,000,000	\$228,000
Alabama.....	934,175	394,019	246,733	129,935	49,854	111,992	1,642
Arizona.....	164,144	40,000	47,831	41,600	15,000	19,713	
Arkansas.....	695,093	328,089	183,375	68,512	31,092	83,402	623
California.....	1,555,717	251,722	293,475	618,172	172,373	182,310	37,665
Colorado.....	276,841	81,436	70,798	69,784	21,576	33,247	
Connecticut.....	293,039	40,000	64,327	120,193	32,684	35,105	730
Delaware.....	159,080	40,000	40,000	40,000	15,000	18,426	5,654
Florida.....	507,360	96,883	137,276	157,115	45,124	59,562	11,400
Georgia.....	997,391	394,354	270,295	153,624	56,087	119,337	3,694
Idaho.....	194,856	68,266	48,189	40,000	15,000	23,401	
Illinois.....	1,398,360	314,984	280,012	492,341	141,858	167,767	1,398
Indiana.....	870,497	273,394	226,118	202,383	64,060	104,542	
Iowa.....	768,558	322,284	196,453	113,519	42,678	92,119	1,505
Kansas.....	493,178	181,625	130,776	90,526	31,023	59,228	
Kentucky.....	949,511	398,536	266,797	121,997	47,950	114,003	228
Louisiana.....	676,024	232,988	173,754	130,972	43,695	79,354	15,261
Maine.....	220,004	53,940	63,343	48,460	15,000	24,669	14,592
Maryland.....	409,164	75,604	104,253	133,792	38,151	48,016	9,348
Massachusetts.....	595,984	40,000	104,852	285,140	76,375	69,112	20,505
Michigan.....	1,149,534	286,690	267,936	351,514	103,750	137,835	1,809
Minnesota.....	780,398	304,034	194,651	138,706	48,563	93,623	821
Mississippi.....	886,768	448,659	225,361	66,881	35,479	105,965	4,423
Missouri.....	941,591	354,410	218,219	191,329	64,393	113,508	182
Montana.....	179,876	55,529	47,745	40,000	15,000	21,602	
Nebraska.....	386,896	160,121	100,885	57,843	21,583	46,464	
Nevada.....	153,426	40,000	40,000	40,000	15,000	18,426	
New Hampshire.....	153,593	40,000	40,000	40,000	15,000	18,426	167
New Jersey.....	593,633	49,061	93,073	292,379	78,733	70,051	10,336
New Mexico.....	179,793	54,552	48,649	40,000	15,000	21,592	
New York.....	1,909,742	240,888	307,949	882,990	241,477	228,382	8,056
North Carolina.....	1,349,384	563,003	386,247	166,257	66,139	161,278	6,460
North Dakota.....	254,690	103,890	65,213	40,000	15,000	30,587	
Ohio.....	1,436,234	354,674	339,580	438,832	129,393	172,311	1,444
Oklahoma.....	595,265	226,373	156,842	104,063	36,365	71,470	152
Oregon.....	344,871	94,294	100,658	79,998	24,772	40,908	4,241
Pennsylvania.....	1,721,103	291,771	443,765	606,611	170,937	206,514	1,505
Rhode Island.....	165,462	40,000	40,000	48,358	15,000	19,566	2,538
South Carolina.....	684,707	286,932	192,004	87,640	34,471	82,034	1,626
South Dakota.....	251,286	103,589	62,519	40,000	15,000	30,178	
Tennessee.....	994,567	416,363	263,697	140,798	53,598	119,351	760
Texas.....	1,676,641	531,525	411,957	397,337	125,560	200,139	10,123
Utah.....	153,426	40,000	40,000	40,000	15,000	18,426	
Vermont.....	153,426	40,000	40,000	40,000	15,000	18,426	
Virginia.....	883,961	299,782	252,147	160,200	54,037	104,571	13,224
Washington.....	478,142	114,145	125,574	130,161	38,736	55,770	13,755
West Virginia.....	554,337	168,365	187,984	98,759	32,656	66,573	
Wisconsin.....	830,681	298,706	207,429	167,551	55,924	99,581	1,490
Wyoming.....	153,426	40,000	40,000	40,000	15,000	18,426	
Alaska.....	174,068	40,000	40,000	40,000	15,000	18,426	20,642
District of Columbia.....	164,481	40,000	40,000	49,728	15,000	19,753	
Hawaii.....	158,473	44,441	40,000	40,000	15,000	19,032	
Puerto Rico.....	836,764	441,690	188,675	69,912	35,996	100,491	
Virgin Islands.....	5,460					5,460	
Total, supplemental acts.....	255,000						
Hawaii.....	30,000						
Puerto Rico.....	105,000						
Virgin Islands.....	40,000						
Guam.....	80,000						

¹ Based upon United States Census of Population: 1950.

HOUSE ACTION

Senator HILL. Your first item is "Vocational education," dealing with the fisheries and other items. That fishery item was \$228,000.

Mr. DERTHICK. Yes, \$228,000. And there was \$80,000 for Guam.

Senator HILL. And \$80,000 for Guam.

Mr. DERTHICK. Yes.

Senator HILL. The House struck out both of those items. Is that correct?

Mr. DERTHICK. Yes, sir.

Senator SMITH. Can you tell us what reason they gave for striking them out?

Mr. DERTHICK. Senator Smith, I have Mr. Pearson here, who is Assistant Commissioner for Vocational Education, and he perhaps could better answer those questions.

TRAINING IN FISHERY TRADES AND INDUSTRY

Mr. PEARSON. Senator, I would like to talk about the \$228,000 for the fishing industry.

I think there has been a great deal of misunderstanding about that legislation. There has been an interpretation on the part of some people that the money would be used for the training of people generally to fish. The public in general does not realize the importance of commercial fishing that the training was intended to serve. I say that because it is quite an extensive enterprise in the country: an industry with some 4.6 billion pounds of fish harvested with, I believe, an estimate of \$325 million income from the industry, and employing some 550,000 people.

How much this lack of understanding on the part of the public may have influenced the decision on this \$228,000 is something that I do not think we are prepared to say.

Senator PASTORE. Would the Senator yield for a question on that point?

Senator SMITH. Yes.

TYPE OF TRAINING PROGRAM

Senator PASTORE. What kind of vocational education would we have out of that money? How much of it would go for personnel and what would these people be doing?

Mr. PEARSON. I think we would visualize the kind of training where you would have boat repairing and maintenance, maintenance and operation of marine engines, navigation, processing, sanitation, laws and regulations, conservation, and refrigeration. That type of thing that would come into the picture in the educational program for commercial fishermen.

Senator PASTORE. What kind of training program would you have? Where would you have the training program?

Also, are the States participating in this program?

Mr. PEARSON. Some of the States already have a limited training program. They are doing some training in California, and there is some training going on in the Eastern States.

A lot of it would be extension courses where people are employed in industry but they need additional skills and understandings of the jobs.

that they are doing. This would be for the people employed and needing additional training on particular operations, or aspects of the industry and offered by schools.

Senator POTTER. It seems that our fishermen have no more need of the fish than they do of the skills. They do know how to fish, but they do not need the fish.

DECLINE IN COMMERCIAL FISHING

Mr. PEARSON. There has been some decline in commercial fishing in the States in the last year. The people interested in that industry are quite concerned because we are having a decline in that important industry.

Senator PASTORE. How long has this program been in operation?

Mr. PEARSON. Some training programs have been in operation a number of years.

Senator PASTORE. I am referring to this vocational education program.

Mr. PEARSON. For the fishing industry there was a bill that was just passed in Congress last year, with an authorization of \$375,000.

Senator SMITH. Do you have any figures on the operation with regard to younger people coming into the conventional fishing business?

Mr. PEARSON. Senator Smith, there have been some people, for example, who have written to us, who have been employed in the industry, and they said that the young men in their families were going into that occupational field, but there was no place where they could go to get some training in it, and therefore they were concerned as to whether or not the schools would provide courses where they could go and get some training in commercial fishing.

EFFECT OF FOREIGN IMPORTS

Senator SMITH. The commercial fishing industry has been one of our greatest industries in the State of Maine, Mr. Chairman. We are finding the foreign imports a great hardship to the industry along our coast there. In some cases it is due to a shortage of fish, but largely it is because of the foreign imports.

While we have not heard too much there about the need for vocational training for fishermen, it has seemed to me that the one incentive to get the people to continue their interest in the industry is because of the fact that fish, of course, is one of our great foods.

Mr. PEARSON. I think that interest was expressed by a good many people in the Eastern States and the Western States where it is one of the important industries.

Senator SMITH. Are the States that are carrying on the program doing so entirely on the State level?

Mr. PEARSON. No, Senator. Some of them are using some of the trade and industry George-Barden money for it, but they are doing it in a limited way because they do not have sufficient funds to do the job that they would like to do.

Senator HILL. Of course, it is true, is it not, that you carry on this phase of vocational education just as you do the other phases such as

your vocational education in agriculture and in your trades and in other categories?

Mr. PEARSON. That is correct, Senator Hill.

Senator HILL. Do you have any idea how much money the States are putting into this today?

Mr. PEARSON. No; because we do not ask them to report their expenditures by particular occupations, and we would have to canvass the States and say, "How much money did you spend for commercial fishing?"

Senator SMITH. You do not yet have an idea of what the response would be, do you?

Mr. PEARSON. Some of the States have had meetings and are discussing this matter. I wish I could remember the State that informed me a while back that they had already appropriated funds to match the money if it was made available.

MATCHING BASIS FOR FUNDS

Senator SMITH. I have forgotten what the matching basis is.

Mr. PEARSON. It would be, dollar for dollar, the same as the other George-Barden money.

Senator HILL. It would be the same as in the other categories; is that correct?

Mr. PEARSON. That is correct.

Senator HILL. Right here, while I think of it, I might just remark that Senator Stennis, of Mississippi, who is a member of this subcommittee, wished to be here this morning, but he is also a member of the Internal Security Commission, and they are meeting this morning and he had to be at the meeting of the Internal Security Commission. He wanted the record to show here his intense interest in this program, particularly with reference to the fisheries and the vocational education.

Senator POTTER. Could I ask a question at that point, Mr. Chairman?

Senator HILL. Go right ahead, Senator Potter.

Senator POTTER. Mr. Pearson, was the reduction that the House made entirely for the vocational training for commercial fishermen?

Mr. PEARSON. No. They took out the \$228,000 for commercial fishing, and the \$80,000 for vocational education for Guam.

VOCATIONAL EDUCATION FOR GUAM

Senator POTTER. Can you tell us about that item for Guam?

Mr. PEARSON. That was a request for \$80,000, which is the full authorization for Guam.

Senator POTTER. Was that \$80,000 intended for vocational education or education of all kinds on Guam?

Mr. PEARSON. Yes, for vocational education; for the four fields where we now have George-Barden funds. Those are trades and industry, home economics, distributive education, and agriculture.

Senator POTTER. How would this leave the situation there in Guam? Would they be without any vocational education of any kind?

Mr. PEARSON. That is correct. The vocational education program was extended to Guam last year with an authorization for \$80,000.

Senator POTTER. But at the present time, it is true, is it not, that you have no educational vocation program on Guam?

Mr. PEARSON. That is true.

Senator POTTER. This would initiate a program for Guam, would it?

Mr. PEARSON. At the present time we have vocational education in Hawaii, Alaska, Puerto Rico, and the Virgin Islands. This would leave only Guam without any funds for vocational education.

The people of Guam have already started to work on the State plans to set up their provisions for developing vocational education and they have initiated action for acceptance of the funds for Guam.

STATE REQUESTS FOR FISHERY TRAINING PROGRAM

Senator POTTER. I think that along with your information about the \$228,000 for your commercial fishery training program, I think it would be well for us to have in the record the requests that you have had from the various States. Did I understand you correctly to say that you have had requests from the States for this program?

Mr. PEARSON. Do you mean in the fishing industry, or for Guam?

Senator POTTER. I am talking now about the fishing industry generally.

Mr. PEARSON. Yes, sir.

I will have to look through my correspondence and reports to see what information and types of requests we have from some States about the need for training and plans for a program in commercial fishing, if the money is made available.

Senator HILL. You can supply that for the record, can you?

Mr. PEARSON. Yes, sir. I will be glad to do that.

(Information referred to follows:)

(Excerpts from letters and reports concerning vocational education in the fishery trades and industry, as furnished by Mr. Pearson, are as follows:)

This laboratory has taken an active interest in the fisheries education training bill which passed the last Congress as Public Law 1027. We have consulted with the Fish and Wildlife Service for some years concerning the need for fishery education at various levels, and when Senator Payne introduced his bill we were pleased to support it actively.

I understand that Congress did not pass implementing legislation for Public Law 1027, so that no money is available for the purposes of the law until the next Congress meets. At that time, if the necessary legislation is passed, presumably the services provided for by the act will begin to be available. The purpose of this letter is to inform you that there is hope on the part of ourselves, of the State board of conservation and of the Florida fishing industry that means can be found to expand this activity very considerably in Florida. I would be grateful if you would let me know what steps we could take to prepare for such expansion. We will be glad to consult with you in Washington or in Florida on this matter—C. P. Idyll, research professor, University of Miami, Coral Gables, Fla.

"This is by way of inquiry concerning the operation of the fisheries education program as provided by the Payne-McCormack bill. I am particularly interested in the provisions of section II establishing vocational and secondary fisheries education programs. More specifically, what I would like to know is the procedure for applying for assistance in implementing such a program in the State of Maine."—Robert L. Dow, director, marine research, department of sea and shore fisheries, Augusta, Maine.

"The department of education is interested in both programs under section II, Public Law 1027, 84th Congress. I should like to have further information concerning the funds allotted for the promotion and training of professionally trained personnel needed in the field of commercial fishing and further information concerning vocational education in the fisheries trades and industries and distributive occupations therein which will be conducted on a secondary school level."—John J. Desmond, Jr., commissioner of education, Boston, Mass.

STATE MATCHING PROVISIONS

Senator PASTORE. Is my understanding correct, sir, that unless the State has a program that is prepared to match these Federal funds, that this amount requested in the appropriation would have no applicability?

Mr. PEARSON. That is correct. They would have to have a dollar for every dollar of Federal funds that they spend. That may be either State or local money, or both, on a matching basis.

Senator HILL. They would have to match the sums just as they have to match all other funds, is that it?

Senator PASTORE. All vocational funds.

Senator HILL. Funds for vocational education. That is what I mean. Would they have to match these funds as they match other funds for vocational education?

Mr. PEARSON. The same matching provisions are contained in this bill for fishing and the same situation prevails in the case of the funds for Guam.

BASIS FOR ESTIMATES

Senator SMITH. On what did you base your request? Where did you get the figure of \$80,000 for Guam? Was that merely an estimate, or did you have some more concrete basis for that figure?

Mr. PEARSON. Our original request was for the full authorization of \$375,000. Then when the amounts were reviewed, the figures were rounded out with a definite amount of money for vocational education. We were obligated to distribute certain moneys to the States. Then we had a balance left of \$228,000 for fishing.

Senator PASTORE. It would mean, therefore, that if this cut were allowed to stand, that States that have already initiated programs in this direction would have to abandon them or would have to support them on their own completely; would that be a correct statement?

USE OF GEORGE-BARDEN FUNDS

Mr. PEARSON. No, sir; it does not quite mean that. They could continue that program using the George-Barden funds that they have.

It would mean, though, that you would not get the expansion in the program that you would anticipate if they had more money. It is only a matter of making funds available for expansion in some States that are already engaged in the program and it would stimulate other States to initiate the program.

Senator HILL. Are there any other questions on this particular item? Apparently there are not, and we will proceed to the next item, which is the "Grants for library services."

Mr. DERTHICK. Mr. Chairman, do you want to go to the next item after the "Vocational education" item?

Senator HILL. Yes, sir.

FURTHER ENDOWMENT OF COLLEGES OF AGRICULTURE AND THE MECHANIC ARTS

APPROPRIATION ESTIMATE

"Further endowment of colleges of agriculture and the mechanic arts: For carrying out the provisions of section 22 of the Act of June 29, 1935, as amended (7 U. S. C. 329), \$2,501,500."

Amounts available for obligation

Description	1957 appropriation		1958 estimate		House allowance	
	Posi- tions	Amount	Posi- tions	Amount	Posi- tions	Amount
Appropriation or estimate (total obligations)-----	-----	\$2, 501, 500	-----	\$2, 501, 500	-----	\$2, 501, 500

Obligations by activities

Description	1957 appropriation		1958 estimate		House allowance	
	Posi- tions	Amount	Posi- tions	Amount	Posi- tions	Amount
Grants to States (total obligations)-----	-----	\$2, 501, 500	-----	\$2, 501, 500	-----	\$2, 501, 500

Obligations by objects

Object classification	1957 appro- priation	1958 budget estimate	House allow- ance
DIRECT OBLIGATIONS			
11 Grants, subsidies and contributions-----	\$2, 501, 500	\$2, 501, 500	\$2, 501, 500

STATEMENT BY COMMISSIONER OF EDUCATION FOR FURTHER ENDOWMENT OF COLLEGES OF AGRICULTURE AND THE MECHANIC ARTS

The colleges of agriculture and mechanic arts, more generally known as land-grant colleges and universities, are maintained by the States and Territories to fulfill the purposes of the First Morrill Act, approved July 2, 1862. This act encouraged the maintenance in each State of at least one college where the leading object shall be, without excluding other scientific and classical studies and including military tactics, to teach such branches of learning as are related to agriculture and the mechanic arts * * * in order to promote the liberal and practical education of the industrial classes in the several pursuits and professions in life.

The Federal appropriations for these institutions are of two kinds. A permanent appropriation, now amounting to \$2,550,000, is made by the Second Morrill Act (1890) and the Nelson amendment (1908). The Bankhead-Jones Act (1935 and 1952) authorizes annual appropriations amounting to \$2,501,500. We are requesting a continuation of this appropriation in 1958 in the same amount. These appropriations, both permanent and annual, may be used by the institutions for instruction and for facilities for instruction in eight stated subjects.

The 69 land-grant colleges and universities enroll approximately one-half million students, which is about 18 percent of the total enrollment in higher education. The total annual expenditures of the institutions exceed \$1 billion.

*Allotment of funds to States and Territories for land-grant colleges and universities
(colleges of agriculture and mechanic arts)*

State or Territory	Total	Morrill-Nelson funds ¹	Bankhead-Jones funds ²		
			Total	Uniform grants	Variable grants ³
Total-----	\$5,051,500.00	\$2,550,000	\$2,501,500.00	\$1,000,000	\$1,501,500.00
Alabama ⁴ -----	100,541.43	50,000	50,541.43	20,000	30,541.43
Alaska-----	71,283.24	50,000	21,283.24	20,000	1,283.24
Arizona-----	77,477.26	50,000	27,477.26	20,000	7,477.26
Arkansas ⁴ -----	89,047.71	50,000	39,047.71	20,000	19,047.71
California-----	175,599.47	50,000	125,599.47	20,000	105,599.47
Colorado-----	83,218.00	50,000	33,218.00	20,000	13,218.00
Connecticut-----	90,022.98	50,000	40,022.98	20,000	20,022.98
Delaware ⁴ -----	73,172.96	50,000	23,172.96	20,000	3,172.96
Florida ⁴ -----	97,644.26	50,000	47,644.26	20,000	27,644.26
Georgia ⁴ -----	104,360.28	50,000	54,360.28	20,000	34,360.28
Hawaii-----	74,985.53	50,000	24,985.53	20,000	4,985.53
Idaho-----	75,871.76	50,000	25,871.76	20,000	5,871.76
Illinois-----	156,905.51	50,000	106,905.51	20,000	86,905.51
Indiana-----	109,244.59	50,000	59,244.59	20,000	39,244.59
Iowa-----	96,145.67	50,000	46,145.67	20,000	26,145.67
Kansas-----	89,005.70	50,000	39,005.70	20,000	19,005.70
Kentucky ⁴ -----	99,374.97	50,000	49,374.97	20,000	29,374.97
Louisiana ⁴ -----	96,768.55	50,000	46,768.55	20,000	26,768.55
Maine-----	79,115.06	50,000	29,115.06	20,000	9,115.06
Maryland ⁴ -----	93,371.85	50,000	43,371.85	20,000	23,371.85
Massachusetts-----	116,788.72	50,000	66,788.72	20,000	46,788.72
Michigan-----	133,559.50	50,000	83,559.50	20,000	63,559.50
Minnesota-----	99,750.80	50,000	49,750.80	20,000	29,750.80
Mississippi ⁴ -----	91,735.06	50,000	41,735.06	20,000	21,735.06
Missouri ⁴ -----	109,448.37	50,000	59,448.37	20,000	39,448.37
Montana-----	75,895.57	50,000	25,895.57	20,000	5,895.57
Nebraska-----	83,222.20	50,000	33,222.20	20,000	13,222.20
Nevada-----	71,596.86	50,000	21,596.86	20,000	1,596.86
New Hampshire-----	75,319.18	50,000	25,319.18	20,000	5,319.18
New Jersey-----	118,233.27	50,000	68,233.27	20,000	48,233.27
New Mexico-----	76,794.96	50,000	26,794.96	20,000	6,794.96
New York-----	217,933.81	50,000	167,933.81	20,000	147,933.81
North Carolina ⁴ -----	110,518.47	50,000	60,518.47	20,000	40,518.47
North Dakota-----	76,180.98	50,000	26,180.98	20,000	6,180.98
Ohio-----	149,269.02	50,000	99,269.02	20,000	79,269.02
Oklahoma ⁴ -----	92,278.07	50,000	42,278.07	20,000	22,278.07
Oregon-----	85,175.65	50,000	35,175.65	20,000	15,175.65
Pennsylvania-----	174,719.55	50,000	124,719.55	20,000	104,719.55
Puerto Rico-----	50,000.00	50,000			
Rhode Island-----	77,899.30	50,000	27,899.30	20,000	7,899.30
South Carolina ⁴ -----	91,117.72	50,000	41,117.72	20,000	21,117.72
South Dakota-----	76,511.20	50,000	26,511.20	20,000	6,511.20
Tennessee ⁴ -----	102,835.48	50,000	52,835.48	20,000	32,835.48
Texas ⁴ -----	146,920.54	50,000	96,920.54	20,000	76,920.54
Utah-----	76,871.52	50,000	26,871.52	20,000	6,871.52
Vermont-----	73,768.09	50,000	23,768.09	20,000	3,768.09
Virginia ⁴ -----	103,104.43	50,000	53,104.43	20,000	33,104.43
Washington-----	93,730.58	50,000	43,730.58	20,000	23,730.58
West Virginia ⁴ -----	90,005.74	50,000	40,005.74	20,000	20,005.74
Wisconsin-----	104,260.50	50,000	54,260.50	20,000	34,260.50
Wyoming-----	72,898.08	50,000	22,898.08	20,000	2,898.08

¹ Continuing appropriation: Act approved Aug. 30, 1890, as amended; and act approved Mar. 4, 1907.

² Authorized appropriation: Act approved June 29, 1935, as amended June 12, 1952.

³ Based upon the United States Census of Population, 1950.

⁴ The land-grant college for Negroes in this State receives a stipulated proportion of funds.

Mr. DERTHICK. Yes; I have an opening statement on that.

I take it, Senator, that you did not wish to discuss in detail the "Land-grant college" appropriation. That comes next.

Senator HILL. It has been there for a good long time and it was not changed in any way.

Mr. DERTHICK. That is right.

Senator HILL. So far as I know, that has not been changed in many, many years. But you do have it in your statement which you filed with us; do you not?

Mr. DERTHICK. That is true.

Senator HILL. Does anyone care to ask any questions about that? Apparently there are no questions on that, Mr. Derthick.

Mr. DERTHICK. I just wanted to be sure.

Senator HILL. I saw that item there, but there is no change at all in it.

Senator PASTORE. Perhaps we had better leave well enough alone.

Senator HILL. That is right.

GRANTS FOR LIBRARY SERVICES

STATEMENTS OF L. G. DERTHICK, COMMISSIONER OF EDUCATION; RALPH M. DUNBAR, DIRECTOR, LIBRARY SERVICES, OFFICE OF EDUCATION

APPROPRIATION ESTIMATE

"Grants for library services: For grants to the States pursuant to the Act of June 19, 1956 [(Public Law 597), \$2,050,000], as amended (70 Stat. 293-296, 911), \$3,000,000."

Amounts available for obligation

Description	1957 appropriation		1958 estimate		House allowance	
	Posi- tions	Amount	Posi- tions	Amount	Posi- tions	Amount
Appropriation or estimate (total obligations)-----		\$2, 050, 000		\$3, 000, 000		\$5, 000, 000

Obligations by activities

Description	1957 appropriation		1958 estimate		House allowance	
	Posi- tions	Amount	Posi- tions	Amount	Posi- tions	Amount
Grants to States and Territories (total obligations)-----		\$2, 050, 000		\$3, 000, 000		\$5, 000, 000

EFFECT OF HOUSE ACTION

Activity 1. Grants, subsidies, and contributions.

The House allowed \$5 million for grants to States to promote the further extension of public library services to rural areas without such services or with inadequate services, an increase of \$2 million over the budget estimate. This amount would have the effect of providing the basic allotments of \$2,060,000 and leave available for distribution above the basic allotments on the basis of rural population, \$2,940,000 rather than the \$940,000 provided by the budget estimate.

Obligations by objects

Object classification	1957 appro- priation	1958 budget estimate	House allowance
DIRECT OBLIGATIONS			
11 Grants, subsidies, and contributions-----	\$2, 050, 000	\$3, 000, 000	\$5, 000, 000

Summary of changes

1957 actual appropriation-----	\$2, 050, 000
1958 appropriation request-----	3, 000, 000
Net change requested-----	+950, 000

For program items

	1958 estimate	House allowance
Grants to States and Territories-----	+\$950, 000	+\$2, 950, 000

Allotment of various sums (\$7,500,000, \$5,000,000, and \$3,000,000) to States and Territories under terms of the Library Services Act (Public Law 597, 84th Cong.)

Region and State	Allotment	Matching expendi- ture from State and local sources	Allotment	Matching expendi- ture from State and local sources	Allotment	Matching expendi- ture from State and local sources
Total-----	\$7, 500, 000	\$6, 523, 650	\$5, 000, 000	\$4, 569, 302	\$3, 000, 000	\$2, 762, 942
Alabama-----	207, 576	106, 933	130, 565	67, 261	68, 956	35, 523
Arizona-----	72, 485	57, 603	57, 556	45, 739	45, 613	36, 248
Arkansas-----	164, 544	84, 765	107, 309	53, 280	61, 520	31, 692
California-----	239, 322	380, 844	147, 722	235, 077	74, 442	118, 463
Colorado-----	88, 084	81, 308	65, 987	60, 911	48, 309	44, 593
Connecticut-----	83, 689	169, 914	63, 612	129, 152	47, 549	96, 539
Delaware-----	51, 585	104, 733	46, 261	93, 924	42, 002	85, 277
Florida-----	133, 235	105, 880	90, 388	71, 830	56, 110	44, 590
Georgia-----	223, 578	121, 024	139, 213	75, 357	71, 721	38, 823
Idaho-----	72, 729	49, 752	57, 688	39, 463	45, 655	31, 231
Illinois-----	230, 178	361, 539	142, 780	224, 264	72, 862	114, 444
Indiana-----	193, 574	209, 034	122, 998	132, 821	66, 537	71, 851
Iowa-----	173, 427	138, 156	112, 109	89, 309	63, 055	50, 231
Kansas-----	128, 820	109, 868	88, 002	75, 055	55, 348	47, 205
Kentucky-----	221, 203	113, 953	137, 929	72, 650	71, 311	36, 736
Louisiana-----	158, 010	90, 082	103, 777	59, 164	60, 391	34, 429
Maine-----	83, 021	59, 114	63, 250	45, 036	47, 434	33, 775
Maryland-----	110, 806	134, 503	78, 267	95, 005	52, 235	63, 406
Massachusetts-----	111, 213	139, 775	78, 487	98, 645	52, 305	65, 738
Michigan-----	221, 976	305, 408	138, 347	190, 346	71, 444	98, 297
Minnesota-----	172, 203	147, 699	111, 448	95, 589	62, 844	53, 901
Mississippi-----	193, 061	99, 456	122, 720	63, 219	66, 448	34, 231
Missouri-----	188, 210	176, 892	120, 099	112, 877	65, 610	61, 664
Montana-----	72, 427	71, 392	57, 525	56, 703	45, 603	44, 951
Nebraska-----	108, 519	85, 577	77, 030	60, 745	51, 840	40, 880
Nevada-----	46, 667	92, 388	43, 603	86, 323	41, 152	81, 470
New Hampshire-----	62, 051	52, 034	51, 917	43, 536	43, 810	36, 738
New Jersey-----	103, 213	172, 610	74, 163	124, 028	50, 923	85, 162
New Mexico-----	73, 042	46, 876	57, 857	37, 131	45, 709	29, 335
New York-----	249, 152	386, 927	153, 034	237, 658	76, 140	118, 243
North Carolina-----	302, 331	155, 746	181, 775	93, 642	85, 330	43, 988
North Dakota-----	84, 291	45, 627	63, 937	34, 610	47, 653	25, 795
Ohio-----	270, 635	343, 189	164, 645	208, 784	79, 852	101, 259
Oklahoma-----	146, 523	101, 024	97, 570	67, 272	58, 407	40, 270
Oregon-----	108, 365	108, 495	76, 947	77, 039	51, 813	51, 875
Pennsylvania-----	341, 396	367, 777	202, 887	218, 565	92, 080	99, 195
Rhode Island-----	52, 142	88, 988	46, 562	52, 675	42, 098	47, 625
South Carolina-----	170, 405	87, 784	110, 476	56, 912	62, 533	32, 214
South Dakota-----	82, 462	46, 850	62, 945	35, 763	47, 337	26, 894
Tennessee-----	219, 097	112, 918	136, 791	70, 499	70, 947	36, 565
Texas-----	319, 792	249, 638	191, 212	143, 265	88, 347	68, 966
Utah-----	63, 275	46, 616	52, 579	38, 736	44, 022	32, 432
Vermont-----	63, 385	43, 702	52, 638	36, 293	44, 041	30, 365
Virginia-----	211, 253	150, 730	132, 552	94, 576	69, 591	49, 653
Washington-----	125, 287	151, 897	86, 093	104, 378	54, 737	66, 363
West Virginia-----	167, 674	90, 207	109, 000	58, 641	62, 061	33, 388
Wisconsin-----	180, 882	171, 303	116, 138	109, 987	64, 343	60, 935
Wyoming-----	54, 209	54, 383	47, 679	47, 832	42, 455	42, 591
Alaska-----	49, 191	25, 341	44, 967	23, 165	41, 588	21, 424
Guam-----	15, 495	7, 982	12, 970	6, 682	10, 950	5, 641
Puerto Rico-----	168, 144	86, 626	109, 254	56, 282	62, 143	32, 013
Hawaii-----	55, 087	55, 087	48, 154	48, 154	42, 607	42, 607
Virgin Islands-----	11, 079	5, 707	10, 583	5, 452	10, 187	5, 248

EXTENSION OF SERVICES TO RURAL AREAS

Mr. DERTHICK. Mr. Chairman, then may I read our opening statement on the grants for library services?

Senator HILL. Yes.

Mr. DERTHICK. The Library Services Act, Public Law 597 of the 84th Congress, authorized an annual appropriation of \$7.5 million for grants to States for a period of 5 years beginning with fiscal year 1957. Public Law 896 of the 84th Congress amended the act by including Guam in its benefits.

The purpose of the act is to remedy a serious deficiency in our educational facilities by assisting the several States to promote the further extension of public-library services to rural areas without such services or with inadequate services.

The following statement first discusses the 1958 budget estimate as presented to Congress and then explains the effect of the House action.

1958 BUDGET ESTIMATE

In fiscal year 1957, Congress appropriated \$2,050,000 for grants to States for programs authorized by the Library Services Act. The 1958 budget request was \$3 million, an increase of approximately 45 percent for this purpose.

The budget estimate will provide funds for basic allotments of \$40,000 to each State, and to Alaska, Hawaii, and Puerto Rico. In addition, \$10,000 each would be available to Guam and the Virgin Islands. The remaining \$940,000, after the initial allotments are made, would be allotted to each of the States and Territories on the basis of the ratio of its rural population to the total rural population of the United States. In accordance with the terms of the act, the States will be required to match the Federal funds on the basis of their economic ability as measured by per capita income.

As of this date, 38 State plans have been received and approval has been given to 32. Payments computed on the 1957 appropriation basis, totaling \$1,240,000, have already been made to 31 States.

We have evidence that several States have increased their appropriations in this field as a result of the Library Services Act. One State which had no provisions of the type to be offered introduced new legislation, including matching funds, which passed both houses of the legislature and was signed by the governor within a period of a few days.

Another State passed legislation creating for the first time a State library agency which will provide the administrative unit to operate a rural library service.

As of this date it appears that 8 States and 2 Territories and Guam—which is not eligible this year—will not be in a position to submit plans enabling them to accept funds in this current fiscal year. However, information available leads us to believe that all but one of the States and Territories will be in position to qualify for funds in fiscal year 1958.

EFFECT OF HOUSE ACTION

And now I will tell you about the effect of House action.

The House of Representatives, acting on the 1958 appropriation bill for this Department, increased the allowance for library services

from \$3 million requested to \$5 million which is \$2 million above the budget estimate. This amount would have the effect of providing the basic allotment of \$40,000 to each State, Alaska, Hawaii, and Puerto Rico, and \$10,000 to Guam and Virgin Islands. It would leave available for distribution above the basic allotments on the basis of rural population, \$2,940,000 rather than the \$940,000 provided by the budget estimate.

It is true that most of the States could match the increased funds, but the President's budget did not overlook the merits of this important program.

The President's budget has in fact recommended a 45 percent increase in the second year. It is a question of moving forward in stages, with due consideration given to overall fiscal considerations. This, in substance, is the underlying reason for maintaining the President's estimate of \$3 million.

Senator HILL. What did your Department ask the Bureau of the Budget for? What is your request for?

Mr. DERTHICK. Mr. Chairman, may I ask Mr. McKone to tell you about that? That came before I assumed office.

Senator HILL. May we hear from you, on that, Mr. McKone, please?

REQUEST TO BUREAU OF THE BUDGET

Mr. McKONE. We asked for \$5 million, Senator Hill.

Senator HILL. You asked for \$5 million, and then the House gave you what you asked for, actually; is that correct?

Mr. McKONE. Yes.

At the time we appeared before the Budget Bureau, we did not have a single State plan, and we were not in any position to justify more than the \$3 million which was authorized by the Bureau of the Budget.

Senator HILL. But since that time you have gotten plans from the different States, and you now have 38 State plans; have you not?

Mr. McKONE. That is correct.

Senator HILL. Is the testimony correct that you believe that all but one State will have their funds and will be prepared to go forward in the coming fiscal year?

Mr. McKONE. I would like to ask Dr. Dunbar, the head of the program, to tell you about that.

Mr. DUNBAR. That is correct, Senator.

STATES READY TO GO FORWARD

Senator HILL. In other words, all the States now except that one will have their State funds which they put up to match these Federal funds ready to go forward with the program; is that correct?

Mr. DUNBAR. Yes, sir; that is correct.

Senator HILL. Are they ready to go forward with the full amount authorized by the act, the \$7,500,000?

Mr. DUNBAR. The plans that would come in, and from our conferences with the States, in going around, show that if the \$7,500,000 were authorized that about \$6.9 million could be used by the States.

Senator HILL. That would be approximately \$7 million, then, would it not?

Mr. DUNBAR. Approximately that.

Senator HILL. And that would be almost the full amount; is that correct?

Mr. DUNBAR. Yes, sir.

EFFECT OF REDUCED APPROPRIATION AMOUNT

Senator HILL. Then if there is appropriated less than that amount, what it means is that you would have to reduce the amount allotted to each State; is that not correct?

Mr. DUNBAR. Yes, sir; to each State.

Senator HILL. Each State has to take a reduction, then, below the amount with which it has planned to go forward and is prepared to go forward; is that right?

Mr. DUNBAR. Yes, sir.

Senator HILL. In other words, as far as concerns the Federal participation, we would then deny them the opportunity to go forward as fully as they had planned to go forward and as they are prepared to go forward with those funds authorized; is that correct?

Mr. DUNBAR. Yes, sir.

Senator HILL. Are there any further questions?

ABILITY TO EFFECTIVELY USE FUNDS

Senator PASTORE. I would like to ask a question or two on that item.

Do I understand from the questioning that just transpired that you can effectively use this \$5 million if it is given to you?

Mr. DUNBAR. Our reports which are in on this \$5 million show that \$4.6 million could be used at the present time.

Senator PASTORE. \$4.6 million?

Mr. DUNBAR. \$4.6 million.

Senator PASTORE. In other words, that is a reduction of \$400,000 from the \$5 million figure, is it not?

Mr. DUNBAR. Yes, sir. That is due to the fact that if some of the States do not come in, the money is not reallocated.

Senator PASTORE. Let me tell you what mystifies me on this. I think a strong argument was made by Mr. Folsom that this \$2 million should be deleted by the Senate—referring to the amount that was allowed by the House—because it would make it very disproportionate.

PLANNING AND DEVELOPMENT

If the original \$5 million was predicated upon a request that was made by the Department to the Budget Bureau but they were willing to go along with the \$3 million, which was a \$2 million reduction only because sufficient planning and development had not taken place as of that time but which has taken place since that time, I am wondering why the Department takes the attitude that they want the entire amount of the \$2 million stricken out.

KEEPING PROGRAM IN BALANCE

Mr. DERTHICK. Mr. Chairman, I might contribute to the answer to that question since, naturally, as a school administrator, I am anxious to see all educational programs advance. But also as a school administrator, in operating a city school system in Chattanooga, I will say

that very often some of our fine and loyal patrons, in wanting to push this program or that program, are very enthusiastic. I was at times in a position of having to curtail their enthusiasm just a little bit in order to keep the program in balance, in order that other programs might push ahead also.

If I might interpret Secretary Folsom's point of view, I think the idea was to move forward in balance and that the increase recommended, being a 45 percent increase, did reflect a good deal of progress. Then there were the overall considerations of providing for various needs and yet keeping the overall budget from going higher.

Senator HILL. Doctor, I think we have to agree now. You speak about the 45 percent increase. That means very little, under the circumstances, because while it would be a 45 percent increase over what was appropriated for the present year, the bill was not passed until late in the session. The appropriation came in the second supplemental appropriation bill, 1957, as I recall, and the States had to make their plans and all that kind of thing and had to have time to go forward. So that to try to measure this next fiscal year by any kind of yardstick of what has been done in the past fiscal year, just is not, in my opinion, frankly, good measurement, because of the fact that they could not go forward since they had to have time to make these plans. You could not make these plans by Saturday, so to speak.

Mr. DERTHICK. Yes.

Of course, the evidence that Dr. Dunbar has given indicates that a given amount of money, \$4.6 million, could be matched. The States are ready to go ahead. I was simply trying to answer the Senator's question about how an administrator sometimes tries to keep his programs in balance and moving forward.

Senator PASTORE. But you are talking about a philosophy that should have been the philosophy when you made your original request of \$5 million. When did you adopt that philosophy?

At the time you submitted the \$5 million request of the Bureau of the Budget, you should have known what you were talking about then just as well as you know it now. The point is: why do you ask for \$5 million when the policy is to step up these programs gradually? You ask for \$5 million, and then they give you \$3 million. Then just because the House gives you \$2 million you are trying to make it look as if the House is being extravagant in this program.

I think this is a good program. I am not arguing for the \$2 million, but it strikes me that the House was willing to give you what you originally asked for, and then you said, "No; we are asking for too much." I am afraid that sort of throws a shadow on the whole business.

Senator SMITH. Senator, would you not say it was a little refreshing to have someone come before us with that attitude?

Senator PASTORE. I know it is refreshing, but, in my opinion, we ought to get this refreshment in some of the other categories, too.

Senator HILL. Let me say this right here: When the Budget acts, then the departments are supposed to support the Budget request. No matter what they might think or what they might have asked for, if the Bureau of the Budget reduces their figure, that forces them to support the budget figure when the different departments come before us.

Senator SMITH. They never really get exactly what they want themselves, but they get what the Budget wants.

Senator HILL. That is right.

Senator PASTORE. This was so extraordinary in its nature that I might say to the distinguished Senator from Maine that I was waiting breathlessly to see what the arguments were going to be.

Senaothr HILL. I hope you are not still holding your breath, Senator.

Senator PASTORE. No.

Senator HILL. Dr. Dunbar, I would like to go back 1 minute.

STATES READY TO GO FORWARD

As I understood your testimony, you said that the States were prepared and that their plans were ready, their funds were ready, and they were prepared really to go forward with \$6,900,000 in this program. Is that right?

Mr. DUNBAR. That is the way it was reported to our extension specialists.

Senator HILL. That they are now ready to go forward in this next fiscal year, with that amount, \$6,900,000; is that right?

Mr. DUNBAR. Yes, sir; that is right.

FIVE-YEAR PROGRAM

Senator POTTER. I would like to ask Dr. Dunbar one question. Doctor, this is a new program and it is a good program. But where is it going to level off? How much is this going to cost when the program levels off?

Mr. DUNBAR. It is a 5-year program.

Senator POTTER. These 5-year programs have a tendency to become indefinite, as you know. At the fifth year, how much will you be asking for in this program?

Mr. DUNBAR. I presume we would be asking for \$7,500,000.

Senator HILL. Might I interrupt there a moment, Senator Potter?

Senator POTTER. Yes.

Senator HILL. The maximum authorization is \$7,500,000, so that you could not ask for more than that. That is the maximum authorization and you could not ask for more than that amount.

Senator POTTER. At the present time, as I understand your testimony, you anticipate that for the 1958 budget there will be requests from the States for about \$4.6 million. Is my understand correct?

Mr. DUNBAR. That is correct, sir.

STATE PROGRAMS DEPENDENT ON FEDERAL FUNDS

Mr. KELLY. Senator, I think the explanation for those 2 figures is this: if the \$7.5 million authorized were appropriated and allotments distributed to the States, \$6.9 million of that could be used. The States would be in a position to match those funds.

If the appropriation were \$5 million and that amount was allotted to the States, the States would be in a position to use \$4.6 million of that. The amount of money which the States can use is dependent upon the total Federal appropriation and how much is allotted to each State, against which they can match.

Mr. McKONE. And how much they can raise.

Senator POTTER. Do you match it on a dollar basis, with the exception of some flat grants to the States? Am I correct there?

Mr. DUNBAR. Grants of \$40,000 to each State, with a differential for some Territories.

Senator POTTER. If you receive more money, would you increase the basic grant?

Mr. DUNBAR. No, sir; that would not be advanced.

Senator POTTER. On a matching basis.

Mr. DUNBAR. Well, it is all on a matching basis. But that increase would come on the basis of the allotments which are calculated from the ratio of the rural population of a given State to the total rural population of the United States.

BREAKDOWN OF STATE PARTICIPATION

Senator POTTER. I think it would be interesting for the committee to have, Mr. Chairman, a breakdown, by States, as to the amounts of State participation and where the funds are going, what States are most interested in this program.

Could you supply that for the record, sir?

Mr. DUNBAR. Yes, sir.

Senator HILL. Will you let us have that, Doctor?

Mr. DUNBAR. Yes.

(The information referred to appears at the beginning of the hearings.)

MATCHING PROCEDURE

Senator PASTORE. Could I ask a question right here, Mr. Chairman?

Senator HILL. Go right ahead, Senator Pastore.

Senator PASTORE. I hate to belabor the point, but I would like to ask this further.

In other words, if the \$5 million were allowed, you could not possibly use more than \$4.6 million, as I understand it now from the testimony that just developed under the questioning of Senator Potter. Therefore, \$400,000 would just be lying there unused.

Mr. DUNBAR. That is right.

Senator PASTORE. It would be there without any place to put it; am I correct in that?

Mr. KELLY. That is correct. Certain States would not be in a position to match all of the funds.

Senator PASTORE. In other words, the situation is such in the matching procedure that if you were allowed the \$5 million, you could not possibly use more than \$4.6 million, anyway. If you got \$400,000 more you could not possibly use it.

Mr. KELLY. That is right.

ABILITY OF STATES TO USE FULL ALLOTMENTS

Mr. McKONE. But that money cannot be reallocated. Therefore, whatever figure we get governs the amount of money which the States can actually use. Some of the States are prepared to use their full allotments while other States this year cannot match even their

minimal allotments, and that means that their money reverts. So if we had the \$5 million figure we could use \$4.6 million of it.

Senator PASTORE. That is the maximum that you could use; is it not?

Mr. McKONE. The maximum with reference to the \$5 million grant allowed by the House.

Senator POTTER. Irrespective of how much you would need to operate, the maximum you could use would be \$4.6 million in 1958; is that not correct?

Mr. McKONE. According to the evidence the States collectively could use only \$4.6 million of the \$5 million proposed.

Senator SMITH. If you do not use it all, does it go back?

Mr. McKONE. It remains available for the second year, but for all practical purposes, it reverts back to the Treasury.

Senator HILL. But if you had the entire amount of \$7,500,000, you would use only \$6,900,000; is that correct?

Mr. KELLY. That is correct.

Senator HILL. You would use \$6,900,000 only, even if you had the full amount of \$7,500,000?

Mr. DUNBAR. That is correct.

Senator HILL. Subtracting the \$6.9 million from \$7.5 million, the difference there would be \$600,000. You would have to make your allocations to the States on the basis of your overall amount, is that not correct?

Mr. DUNBAR. That is correct, sir.

Senator HILL. In other words, instead of taking the \$7.5 million, the figure you took was \$6.9 million, and then you would have to cut down every State, since that \$600,000 is not allocable, so to speak; is that not correct?

Mr. DUNBAR. That is right, sir.

Mr. McKONE. It is quite similar, Senator, to the authority you gave us in vocational education last year.

We always had a balance of around \$400,000, because many of the States could not use their allotments. For example, the District of Columbia does not use its agricultural allotment.

Last year this committee gave us the authority to reallocate balances in vocational education funds, and those balances will be allotted. We have no authority to reallocate under this act.

Senator PASTORE. Let me ask this question: In other words, if we made it \$4,600,000, then maybe only the amount you could possibly match would be \$4.3, or something like that?

Mr. McKONE. Yes.

Senator PASTORE. It comes down to the fact, does it not, that you are always going to have this unused amount?

Mr. McKONE. Yes.

Senator HILL. I think that would be largely true in nearly all of these matching programs. I think the record would show that.

Are there any further questions, gentlemen?

TOTAL STATES PARTICIPATING

Senator POTTER. I would like to ask how many States participated in this year's program?

You spent \$2,050,000 this year?

Mr. DUNBAR. Thirty eight States have submitted plans as of today.

Senator POTTER. And you are anticipating how many States to participate in the program in 1958?

Mr. DUNBAR. All but one.

Senator POTTER. All but one?

Mr. DUNBAR. Yes, sir.

Senator POTTER. Then if you received the appropriation of \$3 million would you keep the program about level, or would that cut the program that you now have due to the increase in the number of States participating in the program?

ALLOCATION ON BASIS OF RURAL POPULATION

Mr. DUNBAR. No, sir. That is because of that \$3 million we would allocate first \$40,000 to each State on a matching basis. Then of the remainder of that 3 million after the \$40,000 had been given out to each State, we would allocate additional money to each State on the basis of the rural population to the total rural population of the United States.

Senator POTTER. My question is this: Would the States who have participated in the program this year get more or less money in 1958 under the \$5 million allowance made by the House?

Mr. DUNBAR. Yes, sir. They would get more. For instance, Michigan, which this year is entitled to the \$40,000 flat and no more, would under the \$5 million, receive \$138,000.

Senator POTTER. What about the \$3 million? What would happen if the budget figure of \$3 million were left in?

Mr. DUNBAR. Michigan would get \$71,444.

Senator POTTER. Is that over and above the \$138,000?

Mr. DUNBAR. Not over and above.

Senator POTTER. Is that altogether?

Mr. DUNBAR. That is altogether. That is \$40,000, and then about \$31,000.

Mr. McKONE. There is a table on page 19 which shows the amount of money each State will get under a \$3 million appropriation. Michigan, for example, this year got the minimal allotment of \$40,000; under the \$3 million appropriation they would get \$71,444.

Senator POTTER. Now I understand.

Even with the \$3 million that the Bureau of the Budget recommended, there would still be an increase in the program in the various phases, would there not?

Mr. DUNBAR. A slight increase.

Senator POTTER. That is all, Mr. Chairman.

Senator HILL. Are there any other questions? If not, we will go to the next item.

PAYMENTS TO SCHOOL DISTRICTS

STATEMENTS OF L. G. DERTHICK, COMMISSIONER OF EDUCATION,
AND RALL I. GRIGSBY, ASSISTANT COMMISSIONER FOR FED-
ERALLY AFFECTED AREAS

APPROPRIATION ESTIMATE

"Payments to school districts: For payments to local educational agencies for the maintenance and operation of schools as authorized by the Act of September 30, 1950, as amended (20 U. S. C. [236-245], \$79,000,000] *ch. 13; 70 Stat. 909, 970-972*) \$127,000,000: *Provided*, That this appropriation shall also be available for carrying out the provisions of section 6 of such Act."

Amounts available for obligation

Description	1957 appropriation		1958 estimate		House allowance	
	Posi- tions	Amount	Posi- tions	Amount	Posi- tions	Amount
Appropriation or estimate.....	52	113,050,000	58	127,000,000	58	127,000,000

Obligations by activities

Description	1957 appropriation		1958 estimate		House allowance	
	Posi- tions	Amount	Posi- tions	Amount	Posi- tions	Amount
1. Payments to local educational agencies.....	-----	\$107,825,000	-----	\$121,338,000	-----	\$121,338,000
2. Payments to other Federal agencies.....	52	5,225,000	58	5,662,000	58	5,662,000
Total obligations.....	52	113,050,000	58	127,000,000	58	127,000,000

Obligations by objects

Object classification	1957 appro- priation	1958 budget estimate	House allow- ance
SUMMARY OF PERSONAL SERVICES			
Total number of permanent positions.....	52	58	58
Full-time equivalent of all other positions.....	65	70	70
Average number of all employees.....	116	127	127
DIRECT OBLIGATIONS			
01 Personal services.....	\$513,370	\$605,544	\$605,544
02 Travel.....	3,578	4,938	4,938
03 Transportation of things.....	4,885	4,891	4,891
04 Communication services.....	1,160	1,400	1,400
05 Rents and utility services.....	21,505	24,505	24,505
07 Other contractual services.....	2,330,933	2,467,338	2,467,338
Services performed by other agencies.....	38,578	38,900	38,900
08 Supplies and materials.....	142,999	192,105	192,105
09 Equipment.....	34,208	32,677	32,677
11 Grants, subsidies, and contributions.....	109,947,718	123,610,723	123,610,723
15 Taxes and assessments.....	12,177	18,063	18,063
Total.....	113,051,114	127,001,114	127,001,114
Deduct charges for quarters and subsistence.....	1,114	1,114	1,114
Total direct obligations.....	113,050,000	127,000,000	127,000,000

Summary of changes

1957 actual appropriation.....	\$113, 050, 000
1958 appropriation request.....	127, 000, 000
Net change requested.....	+13, 950, 000

For mandatory items

	1958 estimate	House allow- ance
Extra day of pay.....	\$635	\$635

For program items

	1958 estimate		House allowance	
	Positions	Amount	Positions	Amount
Payments to local educational agencies.....		13, 513, 000		13, 513, 000
Payments to other Federal agencies.....	6	436, 365	6	436, 365
Total change requested.....	+6	+13, 950, 000	+6	+13, 950, 000

*Estimated requirements for payments to school districts Public Law 874, as amended,
as amended, fiscal years 1956, 1957, and 1958*

Section	Fiscal year 1956	Fiscal year 1957	Fiscal year 1958
Sec. 2.....	\$320, 723	\$320, 000	\$320, 000
Sec. 3 (a):			
Average daily attendance.....	107, 664	113, 630	130, 000
Rate.....	\$171.08	\$191.35	\$198.00
Entitlement.....	\$18, 418, 677	\$21, 743, 010	\$25, 740, 000
Sec. 3 (b):			
Average daily attendance.....	834, 034	1, 010, 877	1, 100, 000
Rate.....	\$74.82	\$84.97	\$87.00
Entitlement.....	\$62, 403, 564	\$85, 895, 652	\$95, 700, 000
Sec. 3 (c) (4).....	\$29, 898	\$30, 000	\$30, 000
Deductions.....	—\$4, 170, 267	—\$2, 900, 000	—\$2, 100, 000
Net sec. 3 entitlement.....	\$76, 681, 872	\$104, 768, 662	\$119, 370, 000
Sec. 4 (1st year).....	\$2, 500, 000	\$400, 000	\$400, 000
Sec. 4 (2d year).....	\$1, 137, 801	\$1, 250, 000	\$200, 000
Sec. 4 (total).....	\$3, 637, 801	\$1, 650, 000	\$600, 000
Secs. 6 and 8.....	\$4, 883, 081	\$5, 450, 000	\$6, 000, 000
New activities:			
Guam (Public Law 896).....	0	\$525, 000	\$550, 000
Oregon (for Indian children).....	0	0	\$200, 000
Total all sections.....	\$85, 523, 477	\$112, 713, 662	\$127, 040, 000
Appropriation or request.....	\$90, 000, 000	\$113, 050, 000	\$127, 000, 000

GENERAL STATEMENT

Mr. DERTHICK. Mr. Chairman, I will ask Mr. Grigsby, who is Assistant Commissioner for School Assistance in federally affected areas, to comment, to join me here at the table. Then I would like to read my opening statement on the payments to school districts.

Senator HILL. Will you come up here, please, Mr. Grigsby?

Mr. GRIGSBY. Thank you.

Mr. DERTHICK. The program of Federal financial assistance for operation of schools in federally affected areas was extended by the 84th Congress through fiscal year 1958. Appropriation requirements

for payments to school districts to help meet these current operating expenses amount to \$127 million for the fiscal year 1958. This request is to be compared with the sum of \$113,050,000 appropriated for fiscal year 1957 for this same program.

The factors causing the increase of approximately \$14 million in appropriation requirements in fiscal year 1958 are the continuing increases in numbers of federally connected pupils attending school and the rising costs of education. Payments to eligible districts in fiscal year 1957 and fiscal year 1958 will be based on the numbers of pupils in attendance in the current school year rather than the previous year, as a result of one of the amendments enacted by the last Congress. Thus, it is necessary for the Office, in estimating appropriation requirements for fiscal year 1958, to project school attendance figures through both fiscal year 1957 and fiscal year 1958.

TOTAL DISTRICTS ELIGIBLE

The estimate as thus projected assumes that some 3,000 school districts will be eligible to participate in this program in fiscal year 1957 and fiscal year 1958. They will have in attendance some 1,125,000 federally connected pupils in 1957 and 1,230,000 in 1958.

An additional 20,000 pupils will be in attendance at schools operated by the Federal Government on Federal installations where local educational agencies cannot accept responsibility for free public education.

Although the exact number of applications to be received for fiscal year 1957 will not be known until the second week of April—and that is almost here—since applications may be accepted if postmarked not later than April 1, as of March 28 the Office had received applications from 3,325 school districts. Some 540 of these applications were from school districts which had not made application in fiscal year 1956. This is the largest number of new applications that has been received since the third year of the program—that was 1953—and exceeds the expectations of the Office of Education when the appropriation estimates for fiscal year 1957 and fiscal year 1958 were compiled. The excessive number of new applications raises doubt as to the sufficiency of the 1957 appropriation to pay full entitlements and definitely confirms our belief that the 1958 estimate is conservative.

That is the overall view.

We have Dr. Grigsby here, who is in charge of this program, for detailed questions.

Senator HILL. Are there any questions?

Senator PASTORE. No, Mr. Chairman.

Senator POTTER. No.

ASSISTANCE FOR SCHOOL CONSTRUCTION

APPROPRIATION ESTIMATE

“Assistance for school construction: For an additional amount for providing school facilities and for grants to local educational agencies in federally affected areas, as authorized by title III and title IV of the Act of September 23, 1950, as amended (20 U. S. C., ch. 14; 70 Stat. 909, 968-969), including [payments upon applications filed on or before June 30, 1956, and] not to exceed [\$500,000] \$800,000 for necessary expenses of technical services rendered by other

agencies and not to exceed **[\$15,000,000]** \$5,000,000 for title IV, **[\$108,500,000]** \$41,800,000, to remain available until expended: *Provided*, That no part of this appropriation shall be available for salaries or other direct expenses of the Department of Health, Education, and Welfare: *Provided further*, That this paragraph shall be effective only upon enactment into law of H. R. 11695, Eighty-fourth Congress, or similar legislation.

[Assistance for school construction: The amount made available under this head in the Department of Health, Education, and Welfare Appropriation Act, 1956, for necessary expenses of technical services rendered by other agencies is increased from “\$750,000” to “\$1,025,000.”**]**

Amounts available for obligation

Description	1957 appropriation		1958 estimate		House allowance	
	Positions	Amount	Positions	Amount	Positions	Amount
Appropriation or estimate		\$108, 500, 000		\$41, 800, 000		\$41, 700, 000
Prior year balance available		12, 097, 539				
Total available for obligation (total obligations)		120, 597, 539		41, 800, 000		41, 700, 000

Obligations by activities

Description	1957 appropriation	1958 estimate	House allowance
1. Assistance to local educational agencies	\$102, 292, 768	\$37, 000, 000	\$37, 000, 000
2. Assistance for school construction on Federal properties:			
(a) Under title II, Public Law 815	128, 091		
(b) Under title III, Public Law 815	17, 298, 380	4, 000, 000	4, 000, 000
3. Payments for technical services	878, 300	800, 000	700, 000
Total obligations	120, 597, 539	41, 800, 000	41, 700, 000

EFFECT OF HOUSE ACTION

Activity 1. Assistance to local educational agencies

The House allowance provided the total amount requested for this activity of \$37 million.

Activity 2. Assistance for school construction on Federal properties

The House allowance provided the total amount requested for this activity of \$4 million.

Activity 3. Payments for technical services

The House allowed \$700,000 for this activity, a reduction of \$100,000. As a result of the reduction and increased workload, adjustments will need to be made by the Housing and Home Finance Agency in rendering technical services to the Office in connection with the school construction program.

Obligations by objects

Object classification	1957 appropriation	1958 budget estimate	House allowance
SUMMARY OF PERSONAL SERVICES			
Average number of all employees.....	¹ 124	¹ 105	¹ 93
DIRECT OBLIGATIONS			
01 Personal services.....	\$836,500	\$702,400	\$621,200
02 Travel.....	74,200	60,600	52,900
03 Transportation of things.....	1,000	1,000	1,500
04 Communication services.....	21,000	18,000	12,300
06 Printing and reproduction.....	2,300	2,000	1,800
07 Other contractual services.....	9,000	8,000	7,900
08 Supplies and materials.....	7,900	7,000	5,400
09 Equipment.....	400	400	3,700
10 Lands and structures.....	17,351,471	3,955,000	3,955,000
11 Grants, subsidies and contributions.....	102,292,768	37,000,000	37,000,000
Contribution to retirement fund.....		44,600	37,100
13 Refunds, awards, and indemnities.....			300
15 Taxes and assessments.....	1,000	1,000	900
Total direct obligations.....	120,597,539	41,800,000	41,700,000

¹ Includes administrative and nonadministrative.*Summary of changes*

1957 actual appropriation.....	\$108,500,000
Available from prior year.....	12,097,539
Total.....	120,597,539
1958 appropriation request.....	41,800,000
Net change requested.....	—78,797,539

For program items

	1958 estimate	House allowance
School construction.....	—\$78,719,239	—\$78,719,239
Technical services rendered by other agencies.....	—78,300	—178,300
Total change requested.....	—78,797,539	—78,897,539

Senator HILL. What is your next item, then, Doctor?

Mr. DERTHICK. The next item is "Assistance for school construction," which is also under Dr. Grigsby's charge.

The 84th Congress extended the program of financial assistance for school construction in federally affected areas through fiscal year 1958. Under this latest extension of the law, school districts may request assistance to help build additional classroom facilities needed to accommodate federally connected enrollment increases which will occur through June 1958.

The Office of Education estimates that the cost of this latest 2-year extension of the school-construction program will amount to \$144,300,000. The appropriation request for fiscal year 1958 amounts to \$41,800,000. The House has reduced this request to \$41,700,000 by reduction of the technical services rendered by the Housing and Home Finance Agency, from \$800,000 to \$700,000. This sum, together with the appropriations made available in fiscal year 1957, namely, \$102,500,000—plus \$6 million to cover claims for fiscal year 1956—is intended to complete the program as now authorized. However, in

the event it becomes evident at a later date that additional funds are required, a supplemental appropriation may have to be requested in fiscal year 1958.

The appropriation request for fiscal year 1958 includes funds for both titles III and IV of Public Law 815. Title III provides for increases in school membership of federally connected pupils which occur during the period June 1956 to June 1958. Title IV of the statute covers those special situations in which substantial numbers of children—principally Indian—reside on Federal property but there is not sufficient increase in enrollments to qualify the school district for aid under title III. The appropriation request for fiscal year 1958 includes \$36 million for title III projects and \$5 million for title IV projects. An additional \$800,000 is included in the request for engineering and technical services rendered by the Housing and Home Finance Agency.

TOTAL APPLICATIONS RECEIVED

As of December 3, 1956, the Office of Education had received applications from 539 school districts for approval of projects from this appropriation. Since that date an additional 42 applications have been filed by school districts and it may be expected that at least 200 more will be filed by the next cutoff date of June 24, 1957. The last cutoff date for the receipt of applications will be June 30, 1958.

The Office of Education has established tentative amounts required for each application received based on data provided by the applicants. These requirements will be reduced as the Office completes its field surveys and headquarters processing of the applications. Since this is the third 2-year period in which this program has been in operation, previous experience with application estimates provides a reasonable basis upon which to reduce the tentative amounts claimed in the initial applications and to arrive at estimated final requirements. Previous experience shows that final net requirements amounted to 58 percent of initial estimated requirements. However, for this appropriation estimate, final net requirements have been estimated at only 55 percent of initial estimated requirements.

As a matter of fact, the processing experience to date, with two-thirds of the December 3 applications firmed up, has shown that the claims in applications for the current 2-year period are holding up better than in the applications for the previous 2-year period. Thus, the experience to date would indicate that the request submitted is definitely conservative and may in fact be less than sufficient to pay all eligible claims.

EFFECT OF HOUSE ACTION

The action of the House in eliminating \$100,000 from the appropriation request will require economies in the technical services to be rendered by the Housing and Home Finance Agency, which will be explained by the Deputy Commissioner of Community Facilities.

Now, this gentleman and Dr. Grigsby, who is in charge of the program for the Office of Education, are here to answer the questions.

Senator HILL. We would like to have them explain the \$100,000 reduction in this figure.

HOUSING AND HOME FINANCE AGENCY (TECHNICAL ASSISTANCE)

STATEMENTS OF PERE SEWARD, DEPUTY COMMISSIONER, COMMUNITY FACILITIES ADMINISTRATION, AND N. J. EISMAN, ACTING BUDGET OFFICER

Mr. GRIGSBY. Mr. Pere Seward is here representing the Housing and Home Finance Agency.

Senator HILL. Before we get into this explanation, are there any questions, Senators?

Senator PASTORE. No questions, Mr. Chairman.

Senator POTTER. No.

Senator HILL. Suppose you explain to us, then, sir, the effect of this \$100,000 reduction which was made by the House.

PREPARED STATEMENT

Mr. SEWARD. Mr. Chairman, I have a very short statement, which I would like to submit for the record.

Senator HILL. Very well, sir.

(The statement referred to follows:)

ASSISTANCE FOR SCHOOL CONSTRUCTION (TECHNICAL SERVICES)—EFFECT OF HOUSE ACTION—STATEMENT OF HOUSING AND HOME FINANCE AGENCY CONCERNING 1958 ESTIMATE FOR TECHNICAL SERVICES

The 1958 budget estimate for technical services requirements performed by the Housing and Home Finance Agency was \$800,000. The House Appropriations Committee recommended and the House approved an authorization in the amount of \$700,000—a reduction of \$100,000 from the budget request.

The budget estimate was based upon the level of technical services required of the Housing and Home Finance Agency under the terms of its working agreement with the Office of Education. Specific requirements were in turn projected on the basis of the rate of fund reservations to be assigned to this Agency by the Commissioner of Education and by the estimated rate of progress of construction activity.

On the basis of experience through March 31, 1957, it is apparent that technical services requirements on both preconstruction and construction activities will be heavier in fiscal 1958 than was forecast at the time the original budget and work programs were prepared. This increase was caused by certain delays over which neither the Office of Education nor the Housing and Home Finance Agency has control and has resulted in moving estimated workload forward by almost 2 calendar quarters.

The table below compares the original and revised estimates of workload for fiscal 1958:

Fiscal year 1958 estimate

	Original	Revised	Difference
Fund reservations.....	227	227	-----
HHFA Reports.....	279	385	+106
Construction starts.....	392	532	+140
Project completions.....	590	499	-91

Despite this heavier workload for the budget year, the Agency is faced with the prospect of getting along with some 10 to 15 man-years less than was estimated to be necessary to provide technical services under the original program estimate.

Since the action of the House this Agency has been advised by the Department of Health, Education, and Welfare that the Office of Education will expect

a level of technical services only to the extent that staff may be provided within the total of the funds available. Accordingly, the Housing and Home Finance Agency does not request restoration of the 1958 budget estimate for technical services. This means, of course, that there will be some curtailment in the amount of technical assistance which the HHFA will be able to make available to the Office of Education and to local school districts.

OPERATION OF TECHNICAL FACILITIES

Mr. SEWARD. Senator Hill, in the operation of the provision of the technical services and technical help for the Office of Education, when our estimate was presented we asked the House for \$800,000. The House reduced it to \$700,000. At the moment, it appears that our original estimate of \$800,000 was probably low.

Of course, you realize, sir, that in this operation neither the Office of Education nor the Community Facilities Administration has control over these things. That is, with the schedules on which they fall, we have no control over them. Applications may be filed more rapidly than are anticipated, or not as rapidly as anticipated. Work will go under construction probably faster or possibly slower than has been anticipated. So the entire thing is on the basis of an estimate.

The reduction of the House, from \$800,000 to \$700,000, is an item which we are not appealing, sir. We will do the best we can to get along with that figure.

As I say, these are all estimates, they are projections of estimates, and maybe the \$700,000 will be enough, maybe it will not, sir. We will just have to live with the thing.

Senator HILL. You are not asking this committee to restore the \$100,000, are you?

Mr. SEWARD. No, sir.

Senator POTTER. In other words, you asked for \$800,000, and the House granted you \$700,000?

Mr. SEWARD. Yes, sir.

Senator POTTER. And you are not appealing the other \$100,000, are you?

Mr. SEWARD. No, sir. We will do our level best to live with it, sir.

1957 EXPENDITURES

Senator POTTER. How much have you spent for the fiscal year 1957?

Mr. EISEMAN. The authorization for this year is \$878,300.

Senator POTTER. How much of that will you spend?

Mr. SEWARD. Practically the entire amount, sir. There will be a little carryover. The figure is \$878,300.

Senator PASTORE. How much have you committed up to now?

INCREASED OBLIGATING RATE

Mr. EISEMAN. Through the end of March, we have committed approximately \$580,000.

Senator PASTORE. Is that for three quarters?

Mr. EISEMAN. For three quarters.

Senator PASTORE. Why do you say that you are going to commit practically all of it? If you commit \$580,000 in three quarters of the year, that is only about 60 percent of the full amount.

Mr. EISEMAN. The rate of commitment of obligations has been increasing in recent months as the additional workload, under the new program, has come in. As the Commissioner's statement indicated, the cutoff date was in December. So starting in December and going through January, February, and March, there has been an increasing number of fund reservations. The rate of obligations has also increased over those months and is expected to continue to increase during the balance of this year.

Senator HILL. Do you have any questions, Senator Potter?

POSSIBILITY OF REQUEST FOR SUPPLEMENTAL

Senator POTTER. Yes, I do have a further question.

Does this mean there is a possibility that you might come back for a supplemental appropriation?

Mr. SEWARD. That would be possible, Senator Potter; yes, sir.

Senator PASTORE. What year are you talking about now? Are you talking about fiscal year 1957, or fiscal year 1958?

Mr. SEWARD. Fiscal year 1958.

Senator PASTORE. Do you think you have enough money in 1957 with the \$878,000?

Mr. SEWARD. Yes, sir.

Senator HILL. Are there any other questions, gentlemen?

Apparently there are no further questions, sir, and we thank you very much.

Mr. SEWARD. Thank you, Senator Hill.

SALARIES AND EXPENSES

STATEMENTS OF L. G. DERTHICK, COMMISSIONER OF EDUCATION, AND WAYNE O. REED, DEPUTY COMMISSIONER OF EDUCATION

APPROPRIATION ESTIMATE

Salaries and expenses: For expenses necessary for the Office of Education, including surveys, studies, investigations, and reports regarding libraries; fostering coordination of public and school library service; coordination of library service on the national level with other forms of adult education; developing library participation in Federal projects; fostering nationwide coordination of research materials among libraries, interstate library coordination and the development of library service throughout the country; purchase, distribution, and exchange of educational documents, motion-picture films, and lantern slides; collection, exchange, and cataloging of educational apparatus and appliances, articles of school furniture and models of school buildings illustrative of foreign and domestic systems and methods of education, and repairing the same; and cooperative research, surveys, and demonstrations in education as authorized by the Act of July 26, 1954 (20 U. S. C. 331-332); **[\$5,000,000]** \$7,500,000, of which not less than \$550,000 shall be available for the Division of Vocational Education as authorized: *Provided*, That all receipts from non-Federal agencies representing reimbursement for expenses of travel of employees of the Office of Education performing advisory functions to the said agencies shall be deposited in the Treasury of the United States to the credit of this appropriation.

Salaries and expenses: For an additional amount for "Salaries and expenses", \$270,000: *Provided*, That of this amount (a) \$85,000 shall be available only upon enactment into law of H. R. 11695, Eighty-fourth Congress, or similar legislation, and (b) \$45,000 shall be available only upon enactment of H. R. 11549 or S. 3958, Eighty-fourth Congress.]

Amounts available for obligation

Description	1957 appropriation		1958 estimate		House allowance	
	Positions	Amount	Positions	Amount	Positions	Amount
Appropriation or estimate	564	\$5, 270, 000	639	\$7, 500, 000	572	\$7, 000, 000
Reimbursements from non-Federal sources		35, 000		35, 000		
Reimbursements from other accounts		12, 000				
Total available for obligation		5, 317, 000		7, 535, 000		7, 000, 000

Obligations by activities

Description	1957 appropriation		1958 estimate		House allowance	
	Positions	Amount	Positions	Amount	Positions	Amount
1. Administration of school assistance in federally affected areas	140	\$992, 220	140	\$1, 075, 100	140	\$1, 066, 755
2. Educational services:						
(a) Planning	3	25, 000	3	28, 250	3	28, 465
(b) Vocational education	71	595, 000	71	649, 500	71	631, 815
(c) State and local school systems	128	1, 023, 700	149	1, 264, 500	130	1, 145, 020
(d) Higher educational institutions	35	283, 600	60	470, 000	35	317, 400
(e) International education	16	136, 490	16	149, 270	16	148, 435
(f) Publications services	26	220, 890	31	273, 000	26	227, 330
(g) Legislative reference	7	57, 500	9	75, 870	7	62, 040
3. Research services:						
(a) Planning	7	68, 430	19	156, 380	13	116, 790
(b) Research and statistical services	76	513, 515	82	681, 860	76	601, 000
(c) Projects		1, 020, 190		2, 300, 000		2, 300, 000
4. Program direction and management	55	333, 465	59	376, 000	55	354, 950
Total direct obligations	564	5, 270, 000	639	7, 500, 000	572	7, 000, 000
Reimbursable obligations		47, 000		35, 000		
Total obligations		5, 317, 000		7, 535, 000		7, 000, 000

EFFECT OF HOUSE ACTION

The House allowance of \$7 million represents a reduction of \$500,000. Generally, the allowance provides the amount requested for the cooperative research program and for only 8 of the 75 additional positions which were requested to perform research and studies in areas not presently or inadequately covered by the staff. Specifically, the effect of the House action is as follows:

Activity 1. Administration of school assistance in federally affected areas

The House allowance provides \$74,535 for this activity for mandatory increases. The allowance does not provide \$7,200 budgeted for additional travel costs, for machine tabulation of accumulated program data, and other expenses.

Activity 2. Educational services

(a) *Planning.*—The House allowance provides an increase of \$3,465 including mandatory items of \$1,835 and \$1,630 for other objects of expenditure.

(b) *Vocational education.*—The House allowance provides an increase of \$36,815 for this activity, of which \$45,815 is for mandatory items, including \$14,370 for annualization of new positions in 1957. This is offset by a reduction of \$9,000 in other objects of expenditure.

This program reduction will prevent the Office from providing two positions and other expenses requested to assist the States in further developing the practical nurse-training program with the greatest possible speed, and from printing a proposed publication relating to this program.

(c) *State and local school systems.*—The House allowance would provide an increase of \$121,320, of which \$112,915 is for mandatory items, and for 2 additional positions (1 professional and 1 clerical) to perform research and services in the field of education of children with speech and hearing defects.

The program reduction of \$119,480 will prevent the Office from establishing 19 additional positions to serve in the areas of uniform records and reports, school finances, school housing, State and local school administration, adult education particularly of the aging, and visual aids, and to provide research and clerical assistance to provide for more current data. The loss of this personnel will mean continued delay in the regular work of the Office and in producing reports that are underway. Further, it will prevent initiation of a needed study in education for the aging and curtail or indefinitely postpone studies related to State programs for financing education, assistance in planning long range State and local school programs, State and local programs of pupil transportation, and the purposes of functioning of lay advisory committees in education.

(d) *Higher educational institutions.*—The House allowance would provide an increase for this activity of \$33,800 for mandatory items, including \$18,665 for annualization of new positions provided in 1957.

The program reduction of \$152,600 would preclude studies and services planned: (1) particularly in the organization, coordination, and financing of higher education, and (2) in developing necessary programs of teacher education, liberal and graduate education, and the education of personnel in certain professional and specialized fields, such as social work, and business and public administration. These areas will receive little or no attention without the additional 25 positions and other expenses requested.

The current and imminent developments in higher education are making and will continue to make demands on the Office that are beyond the capacity of the present staff to meet. The reduction would prevent carrying out plans which were made for additional services and studies which will undoubtedly grow from the findings and recommendations of the President's Committee on Education Beyond the High School.

(e) *International education.*—The House allowance would provide an increase of \$11,945. This represents \$12,945 for mandatory items including \$5,480 for annualization of new positions provided in 1957, offset by a reduction of \$1,000 in nonrecurring expense.

(f) *Publications services.*—The House allowance would provide \$19,460 for mandatory items, including \$9,591 for annualization of new positions provided in 1957, taking into consideration nonrecurring items totaling \$13,020.

A reduction of \$45,670 for this activity would prevent establishment of 5 additional positions and retard editing and related work resulting from the increase in the total publications program in the office; eliminate increase for travel expenses to provide for attendance at meetings of educational and other organizations where Office of Education exhibits are planned, for a meeting of a publications advisory committee; and for transportation of exhibits to educational meetings; prevent wider distribution of School Life, and preclude printing several important proposed publications.

(g) *Legislative reference.*—The House allowance would provide an increase of \$4,540 for mandatory items for this activity.

A reduction of \$13,830 would preclude the establishment of 2 additional positions, a specialist for school legislation and a secretary, which were requested to meet the increasing demands related to school laws passed by State legislatures which affect Federal legislation and the program of the Office. Over 6,000 enactments affecting education were passed by State legislatures in the 1955 sessions. Many requests for services in this field cannot be fulfilled.

Activity 3. Research services

(a) *Planning.*—The House allowance would provide an increase of \$48,360 for this activity, including \$3,868 for mandatory items, and \$44,492 for 6 additional positions and other expenses to permit more effective organization of research, and to work with colleges, universities, and State educational agencies participating in the cooperative research program.

The reduction of \$39,590 would prevent the employment of 1 professional and 2 clerical assistants who would prepare needed information for the Research Advisory Committee and compilation and analyses required for the annual report.

The reduction would preclude also provision for the Department's share of the expenses of the President's Council on Youth Fitness.

(b) *Research and statistical services.*—The House allowance would permit an increase of \$87,485 to provide \$118,250 for mandatory items, including \$90,120 for annualization of new positions provided in 1957, offset by nonrecurring items totaling \$30,765.

A reduction of \$80,860 would prevent the establishment of 6 additional positions which are needed to provide adequate supervisory services, and would seriously retard the issuance of statistical data by limiting the amounts available for machine tabulation of information received, and for printing of forms, questionnaires and publications.

(c) *Research projects.*—The House allowance provides for the total amount requested for this activity; namely, \$2,300,000.

Activity 4. Program direction and management

The House allowance provides an increase of \$21,485, including \$18,485 for mandatory items, \$4,500 for increased man-year employment, offset by the reduction of \$1,500 in other objects of expenditure.

The reduction of \$21,050 precludes the appointment of a Chief, Organization and Classification Unit, and 3 clerical positions which are essential to provide for increased workload resulting from the enlarged Office staff, and eliminates the increase for travel expenses requested for consultants called by the Commissioner to provide expert advice concerning various phases of the Office program.

Appropriation language.—The House deleted the provision for reimbursement of travel expenses from non-Federal agencies. For more than 10 years the Office has had authority in its appropriation act to accept reimbursement for travel expenses of its staff performing advisory functions to non-Federal agencies. Only those invitations are accepted which directly relate to the work of the Office. This authority represents an economy in operation and has been used judiciously. I urge that it be restored. It is well accepted by our clientele and will work a hardship if suddenly withdrawn.

Obligations by objects

Object classification	1957 appropriation	1958 budget estimate	House allowance
SUMMARY OF PERSONAL SERVICES			
Total number of permanent positions.....	564	639	572
Full-time equivalent of all other positions.....	7	2	2
Average number of all employees.....	528	621	564
DIRECT OBLIGATIONS			
01 Personal services.....	\$3, 424, 635	\$4, 025, 775	\$3, 704, 912
02 Travel.....	272, 555	305, 645	271, 200
03 Transportation of things.....	6, 595	8, 010	6, 420
04 Communication services.....	66, 870	72, 800	68, 030
06 Printing and reproduction.....	260, 445	324, 495	270, 750
07 Other contractual services.....	113, 805	130, 640	101, 815
Research contracts.....	1, 020, 190	2, 390, 000	2, 300, 000
08 Supplies and materials.....	28, 920	38, 695	28, 920
09 Equipment.....	72, 450	42, 050	23, 810
11 Grants, subsidies and contributions:			
Contribution to retirement fund.....		248, 000	220, 578
15 Taxes and assessments.....	3, 535	3, 890	3, 535
Total, direct obligations.....	5, 270, 000	7, 500, 000	7, 000, 000
Obligations payable out of reimbursements from other accounts:			
01 Personal services.....	8, 335		
02 Travel.....	36, 700	35, 000	
06 Printing and reproduction.....	1, 965		
Total, obligations payable out of reimbursements from other accounts.....	47, 000	35, 000	
Total obligations.....	5, 317, 000	7, 535, 000	7, 000, 000

New positions requested for fiscal year 1958 (offset by positions in 1957 eliminated in 1958)

	Grade	New positions		Eliminated		Total	
		Num- ber	Annual salary	Num- ber	Annual salary	Num- ber	Annual salary
2. Educational services:							
(b) Vocational education:							
Specialist, practical nurse training.....	13	1	\$8,990	-----	-----	-----	-----
Secretary.....	4	1	3,415	-----	-----	-----	-----
Clerk.....	5	-----	-----	-1	-\$4,480	-----	-----
Do.....	3	-----	-----	-1	-3,685	-----	-----
Subtotal.....	-----	2	12,405	-2	-8,165	-----	\$4,240
(c) State and local school systems:							
Specialist, State school administra- tion.....	13	1	8,990	-----	-----	-----	-----
Specialist, local school administra- tion.....	13	1	8,990	-----	-----	-----	-----
Specialist, school finance.....	13	1	8,990	-----	-----	-----	-----
Specialist, school housing.....	13	1	8,990	-----	-----	-----	-----
Specialist, adult education.....	13	1	8,990	-----	-----	-----	-----
Specialist, exceptional children and youth.....	13	1	8,990	-----	-----	-----	-----
Research assistant.....	11	5	31,950	-----	-----	-----	-----
Do.....	9	2	10,880	-----	-----	-----	-----
Secretary.....	4	8	27,320	-----	-----	-----	-----
Subtotal.....	-----	21	124,090	-----	-----	21	124,090
(d) Higher educational institutions:							
Chief, professional education sec- tion.....	14	1	10,320	-----	-----	-----	-----
Chief, college and university organization section.....	14	1	10,320	-----	-----	-----	-----
Chief, college and university business administration.....	14	1	10,320	-----	-----	-----	-----
Specialist, extension education.....	13	1	8,990	-----	-----	-----	-----
Specialist, teacher education.....	13	1	8,990	-----	-----	-----	-----
Specialist, social work education.....	13	1	8,990	-----	-----	-----	-----
Specialist for voluntary coordina- tion.....	13	1	8,990	-----	-----	-----	-----
Specialist, public business adminis- tration.....	13	1	8,990	-----	-----	-----	-----
Specialist for institutional organiza- tions.....	13	1	8,990	-----	-----	-----	-----
Specialist for finance and develop- ment.....	13	1	8,990	-----	-----	-----	-----
Research assistant.....	11	2	12,780	-----	-----	-----	-----
Research assistant.....	9	2	10,880	-----	-----	-----	-----
Research assistant.....	7	2	9,050	-----	-----	-----	-----
Secretary.....	5	3	11,010	-----	-----	-----	-----
Secretary.....	4	6	20,490	-----	-----	-----	-----
Subtotal.....	-----	25	158,100	-----	-----	25	158,100
(f) Publications:							
Assistant director.....	14	1	10,320	-----	-----	-----	-----
Assistant editor.....	7	1	4,525	-----	-----	-----	-----
Secretary.....	5	1	3,670	-----	-----	-----	-----
Copy clerk.....	5	1	3,670	-----	-----	-----	-----
Publication clerk.....	3	1	3,175	-----	-----	-----	-----
Subtotal.....	-----	5	25,360	-----	-----	5	25,360
(g) Legislative reference:							
Specialist, school legislation.....	13	1	8,990	-----	-----	-----	-----
Secretary.....	4	1	3,415	-----	-----	-----	-----
Subtotal.....	-----	2	12,405	-----	-----	2	12,405
3. Research services:							
(a) Planning:							
Specialist, research in education of mentally retarded children.....	14	1	10,320	-----	-----	-----	-----
Specialist, research in educational problems of aging.....	14	1	10,320	-----	-----	-----	-----
Specialist, research relating to post high school education.....	14	1	10,320	-----	-----	-----	-----
Research assistant (physical fitness).....	10	1	6,185	-----	-----	-----	-----
Research assistant (one physical fitness).....	9	2	10,880	-----	-----	-----	-----

New positions requested for fiscal year 1958 (offset by positions in 1957 eliminated in 1958)—Continued

	Grade	New positions		Eliminated		Total	
		Num- ber	Annual salary	Num- ber	Annual salary	Num- ber	Annual salary
3. Research services—Continued							
(a) Planning—Continued							
Secretary (one physical fitness).....	5	5	\$18,350				
Secretary.....	4	1	3,415				
Subtotal.....		12	69,790			12	\$69,790
(b) Research and statistical services:							
Associate director and section chief.....	15	1	11,610				
Chief, manpower studies.....	14	1	10,320				
Chief, specialist, research studies.....	14	1	10,320				
Chief, school personnel statistics survey.....	14	1	10,320				
Secretary.....	6	1	4,080				
Statistical clerk.....	5	1	3,670				
Subtotal.....		6	50,320			6	50,320
4. Program direction and management:							
Chief, organization and classification unit.....	12	1	7,570				
Records clerk.....	5	1	3,670				
Property and supply clerk.....	4	1	3,415				
Mail clerk.....	3	1	3,175				
Subtotal.....		4	17,830			4	17,830
Total.....		77	470,300	—2	—\$8,165	75	462,135

Summary of changes

1957 actual appropriation.....	\$5,270,000
1958 appropriation request.....	7,500,000
Net change requested.....	+2,230,000

	1958 estimate	House allowance
For mandatory items:		
Annualization of 1957 positions in 1958.....	\$214,217	\$214,217
Extra day of pay.....	14,213	14,213
Retirement contribution (564 base positions).....	225,835	218,018
Total.....	454,265	446,448

	Position	Amount	Position	Amount
For program items:				
School assistance in federally affected areas.....		\$7,200		
Educational services:				
Planning.....		1,630		\$1,630
Development of vocational education.....		7,530		—9,000
State and local school systems.....	21	125,820	2	8,405
Higher educational institutions.....	25	152,100		
International education.....		410		—1,000
Publications services.....	5	32,310		—13,020
Legislative reference.....	2	13,705		
Research services:				
Planning.....	12	83,672	6	44,492
Research and statistical services.....	6	49,140		—30,765
Research projects.....		1,279,810		1,279,810
Program direction and management.....	4	23,228		3,000
Total change requested.....	+75	+2,230,000		
House allowance.....			+8	+1,730,000

1957 anticipated reimbursements.....	\$47, 000
1958 anticipated reimbursements.....	35, 000
Net change requested.....	-12, 000

	1958 estimate	House allowance
For program items:		
Veterans' Administration.....	-\$7, 300	-\$7, 300
National Science Foundation.....	-4, 700	-4, 700
Outside sources for travel performed by professional staff.....		-35, 000
Total.....	-12, 000	-47, 000

INCREASED BUDGET REQUEST

Senator HILL. Doctor, I believe your next item is "Salaries and expenses."

Mr. DERTHICK. Yes, sir.

In fiscal year 1957, Congress appropriated \$5,270,000, a total increase of \$2,030,000. Of this increase, \$1,020,190 was budgeted for the initiation of the cooperative research program, and \$1,009,810 was provided to permit the Office of Education to strengthen and expand staff, emphasizing the need for increased services in higher education, State and local school services, and statistical services.

The President's budget for fiscal year 1958 requests an appropriation of \$7,500,000, an increase of \$2,230,000 over fiscal year 1957. Approximately three-fifths of this increase, or \$1,279,810, is budgeted for the cooperative research program. This increase is needed to carry into 1958 the projects already begun in 1957, and to provide support for promising new projects. The remaining funds were budgeted as follows: \$476,430 is included for annualization of positions filled during fiscal year 1957 and for the contribution to the retirement fund newly required in 1958. A further increase of \$473,760 was requested to permit the office to increase staff and augment funds for travel, printing, and other expenses, in order to meet the demand for services and studies in areas in which we have not had sufficient personnel.

EFFECT OF HOUSE ACTION

The House action allows \$7 million for "Salaries and expenses," a reduction of \$500,000 below the budget estimate.

This allowance will support the cooperative research program at the level contemplated in the budget estimate and will provide for continuation of the 1957 level of operation including mandatory increases.

In addition, the allowance will permit an increase of 6 positions for planning and direction of the cooperative research program, particularly implementation of research findings, and 2 additional positions would be assigned to the field of education of children with speech and hearing difficulties.

Sixty-seven positions could not be supported by the House allowance. This means that the Office of Education cannot expand as rapidly as planned its studies, factfinding, and services in many fields, and will not be equipped to provide as complete or as current information as professional groups and State and local school officials will expect.

REIMBURSEMENT FOR TRAVEL EXPENSES

For more than 10 years the Office has had authority in its appropriation act to accept reimbursement for travel expenses of its staff performing advisory functions to non-Federal agencies. The House eliminated travel expenses reimbursement authority. I urge that it be restored. It is well accepted by our clientele and will work a hardship if suddenly withdrawn.

Senator HILL. Doctor, you might give us some examples of those studies and of this factfinding function and of the service in the field. Can you just give us a picture of what that really means?

RESEARCH PROGRAM

Mr. DERTHICK. All right, sir, I will be glad to do that.

Of course, the research program was sustained in full amount by the House, Senator. The appropriation requested for the research studies was allowed.

Senator HILL. Now is that the cooperative research?

Mr. DERTHICK. Yes, sir.

Senator HILL. And you did get the full amount?

Mr. DERTHICK. Yes, we got the full amount.

Senator HILL. That is what I understood.

Mr. DERTHICK. I would be glad to give you an example or so, or however many you would like, of what that program is, if you wish.

Senator HILL. The committee has received a report on the Department's work in the field of mental retardation, including the work of the Office of Education, which will be inserted in the record at this point.

(The information referred to follows:)

MENTAL RETARDATION PROGRAMS OF THE DEPARTMENT OF HEALTH, EDUCATION,
AND WELFARE, 1957 AND 1958

*Department of Health, Education, and Welfare—Funds included in budget for mental
retardation, 1957 and 1958*

Operating agency and appropriation	Available, 1957	1958 plans
Office of Education: Salaries and expenses.....	\$675,000	\$1,200,000
Public Health Service:		
Mental health activities.....	1,200,000	1,200,000
Neurological diseases and blindness activities.....	1,237,000	1,237,000
Social Security Administration:		
Salaries and expenses, BPA.....	9,000	7,500
Salaries and expenses, CB.....	90,051	97,567
Grants to States for maternal and child welfare ¹	1,000,000	1,000,000
Total.....	4,211,051	4,742,067

¹ This is the amount of the limitation exclusively for mental retardation. The States will spend additional funds for mental retardation out of the total \$16 million appropriation for maternal and child health.

OFFICE OF EDUCATION

In appropriating funds for the Office of Education for fiscal year 1957 the Congress directed special attention to the field of education of the mentally retarded, and specified that \$675,000 be set aside for this purpose. Projects approved by the Research Advisory Committee in the field of mental retardation through March 31, 1957, will utilize \$616,000 of this amount. Negotiations now proceeding will probably lead to commitment of the full amount in the appropriation for this purpose by the end of this fiscal year.

The research in the field of mental retardation has two main purposes: (1) Directly to improve the education of this group of children; and (2) to acquire such basic, scientific knowledge as will lead eventually to still further improvements. Sometimes a single study combines both these purposes. Thus, a study at Teachers College, Columbia University, aims to discover better methods for early education of the mentally retarded. It also aims to discover whether early, preschool education of the mentally retarded has favorable effects on the later learning of these children. A study at the University of Wisconsin, more specialized in purpose, aims to identify methods and materials that will facilitate the learning of basic, elementary arithmetic by the mentally retarded. Another study, at Boston University, will chart the specific difficulties of the mentally retarded in the understanding and use of language, and develop appropriate methods of remedial instruction. A study at Kansas State Department of Public Instruction aims to develop practical methods for the education of mentally retarded children in the sparsely populated, rural areas. Attention will also be given to improving parental attitudes and cooperation in the education of the mentally retarded, and to alleviating the parents' burdens.

The cooperative research program of the Office of Education, of which the program of research in mental retardation is a major segment, may safely be called one of the best designed and most useful of all the programs of the Office of Education. By this cooperative program, the Office is able, by contract, to enlist the services of leading investigators, and to utilize the laboratories and other facilities of outstanding colleges, universities, and State education agencies—without the necessity of building a large bureaucracy in Washington. The studies on education of the mentally retarded will repay their cost many times over, not only by alleviating the troubles of parents and handicapped children themselves, but also by discovering more efficient and more economical ways to make more and more of the mentally handicapped into useful, self-supporting members of society. Although no results can be cited as yet, because the program is no more than barely begun, favorable outcomes can be expected with confidence. The results of the researches will be disseminated and made available to all local school systems, to permit the promptest and widest possible application.

The budget of the Office of Education for fiscal year 1958 calls for \$1,200,000 for contracts for research in mental retardation. This will enable investigators who began studies in fiscal year 1957 to bring some of their studies to fruition in fiscal year 1958, and if enacted by the Congress, will provide funds to initiate other projects which deserve support. It requires mention that the colleges, universities, and State educational agencies participating in the program are themselves making a financial contribution to the program; currently, an amount equal to about one-third the total cost.

The program has made an impressive start; it is tackling important problems; and it appears well worthy of continued support from the Congress.

NATIONAL INSTITUTE OF MENTAL HEALTH

In the National Institute of Mental Health the focus is on the treatment and rehabilitation of the mentally retarded, and on the social issues posed by the adjustment of the mentally retarded within the community in which they live.

This field of research addresses itself to questions such as these: Is it better to segregate the moderately and severely retarded from those with whom they cannot compete? Do they adjust better in their own homes and neighborhoods? Can psychiatric principles be applied to help the delinquent retarded make a better social adjustment?

The National Institute of Mental Health has program activities in mental retardation in four general areas:

1. Intramural studies are being conducted on the relationship of genetic factors to the development of mental deficiency, the design of diagnostic tests which may help physicians distinguish between organic and functional mental deficiency, the ways in which intellectual functions develop in mentally retarded as compared with normal children, and the differences in body growth patterns among the various types of mental deficiency to see if such differences have any significance in the causation of the disorder.

2. Act of March 1, 1957, the Institute was supporting 18 research projects in the mental retardation field. These studies encompass research into the causes of mental retardation, the care of retarded children, and improved treatment methods. One Institute grantee is studying the effectiveness of a

special diet for children with a metabolic disorder which results in mental deficiency. Another is studying the effect of hearing loss on mentally retarded children. Still another is testing the values of group motivation as contrasted with individual incentive in the mentally retarded's educational process. And the American Association of Mental Deficiency, with a grant of approximately \$140,000 from the Institute, is drawing up broad guidelines to stimulate further research and at the same time define needs for community service activities and trained personnel.

3. Through its training programs covering a broad spectrum of professional fields, the Institute increases the number and the competence of individuals contributing both to research and to the diagnosis and medical management of mental retardation. In addition, the Institute provides support for training grant projects that are specific to the field, such as the training program for study of the severely mentally retarded child at the George Peabody College of Teachers in Nashville, Tenn., and the program to train personnel for work in mental retardation at the Jewish hospital in Brooklyn, N. Y.

4. Through the National Institute of Mental Health, grants are made to States for general mental health services. Most of the States use these funds to pay part of the cost of outpatient psychiatric clinics serving patients with a wide variety of mental disorders, including mental retardation. About 10 percent of the persons served are mentally retarded. A few States use these funds to provide multi-discipline setting devoted to the study and care of mentally retarded children, with facilities for orienting the full range of specialists required for study and treatment of these children. New Jersey, Illinois, and Rhode Island also use Federal funds in part for mental retardation projects. In addition, mental retardation is one of the important areas covered by the State mental health consultants who help communities organize and act in mental health activities of various kinds.

NATIONAL INSTITUTE OF NEUROLOGICAL DISEASES AND BLINDNESS

The NINDB has active programs in mental retardation in four broad areas:

1. Institute scientists have already demonstrated that induced anoxia (lack of oxygen) causes mental retardation in guinea pigs and other small animals. An extension of this study has been established in Puerto Rico, permitting experiments to be made with rhesus monkeys. Utilization of the rhesus monkey in such experiments makes it possible to study the effect of anoxia in a situation more comparable to that of man, and there is the likelihood that a much more precise relationship can be established between cause and effect.

Given a more precise definition of the role of anoxia in mental retardation produced in primates, a good start will have been made toward determining the specific impact of oxygen lack upon the central nervous system of man. And this, in time, will lead to both effective preventive and rehabilitative treatment methods for mental retardation.

2. The Institute has established a nationwide collaborative investigation of the perinatal period (from conception to about 1 month after birth) to study the factors bearing on the nature and cause of cerebral palsy, mental retardation, and various forms of blindness and deafness. Under this project, which now consists of nine grants totaling more than \$1.3 million, data will be collected on several thousand mothers and infants each year—family histories, prenatal and pregnancy records, detailed accounts of events at birth, and physical and psychological data on each child during his initial stay at the hospital. Those children who show signs of stress, defects in development, or neurological problems will be given periodic followup examinations. This project permits hereditary factors and events during pregnancy or during and after birth that could have some bearing on mental retardation to be studied for the first time in history under controlled scientific conditions.

3. The Institute supports through research grants a number of projects with direct relevance to the mental retardation field. These fall into three major areas:

(a) Basic studies of the brain and nervous system, with particular emphasis on studies of the embryonic growth.

(b) Clinical studies on environmental factors during pregnancy and after birth which may be related to the causation of mental retardation.

(c) Clinical and basic studies devoted to finding better methods for assessment and management of the mentally retarded.

4. The Institute's training program, both grants to institutions and awards for individuals undergoing specialized training, provide substantial support for the development of both the competencies required for research in this field and the specialized professional skills required to diagnose and treat those who suffer from mental retardation.

BUREAU OF PUBLIC ASSISTANCE

The Bureau assists the States through issuance of materials and consultation in developing special services designed to help families handle constructively the needs of the mentally retarded member of the family in order that his fullest potential may be realized, thus minimizing the effects on family life. Assistance is also given the States in developing effective methods of cooperation and use of community resources serving the mentally retarded persons. Staff time, approximately \$9,000 in 1957, is being utilized for this purpose.

In 1958 the Bureau has planned a study of mentally retarded children being assisted under the aid to dependent children program. This study will cover the number, ages, and physical and mental condition of such children; the social and economic characteristics of their families; the nature and extent of medical and other services available in the community; and the extent to which such services have been made available to children receiving aid under the program. Results of this study will be made available to the other operating agencies of the Department participating in the coordinated effort to determine the special needs of mentally retarded children and to increase and intensify the services and assistance being rendered to such children.

CHILDREN'S BUREAU

The Congress increased the 1957 maternal and child health services grant appropriation by \$4 million and earmarked \$1 million of the increase for special projects in connection with mental retardation, and expressed the desire that about one-half of the increase be expended by the States in this work. Projects have been initiated in the form of community endeavor to demonstrate how a good program for mentally retarded children can be carried out through the coordination of necessary pediatrics, social, psychological, and vocational rehabilitation services. To date, plans for such projects are now in operation in 20 States. Seven others have plans pending approval by the Children's Bureau. These plans, approved and pending, will total more than the \$1 million specifically provided, as 25 States reported in January of this year that they had budgeted \$408,000 of other maternal and child health services funds for services to mentally retarded children.

In addition to the actual grants to the States, the Children's Bureau is currently devoting more than \$90,000 annually in staff time to assisting the States in developing health and welfare services for mentally retarded children. Such assistance to the States is in the form of working with other Federal and national agencies, professional organizations, and parent groups concerned with mentally retarded children for the purposes of: Pooling information on needs and resources; program planning and coordination; and formulating recommendations for services. States are also being encouraged to make medical and social services more generally available to mentally retarded children.

In fiscal year 1958 the Bureau plans continuation of the grant program initiated by the Congress for 1957, emphasizing efforts to induce the remaining States to establish projects for work with the mentally retarded children. A small expansion in staff, to approximately \$98,000 annually, is also budgeted to further assist the States in their planning.

EXAMPLE OF RESEARCH CONTRACTS

Senator HILL. Can you just give us an example of some contract that you can think of at the moment?

Mr. DERTHICK. We have a contract—the first one that comes to my mind—with the University of Indiana, in which a study is being made of why 25 percent of the upper 10 percent of the high-school graduates of Indiana are never getting on to higher institutions of learning, why we are having that great loss in our gifted youngsters.

That means that they will find out what the colleges and universities are failing to do, why did not these youngsters go on, what are the reasons, what could the secondary schools do, what could the parents do? We think, and the officials in Indiana think, it is going to be a very promising study and is going to result in improving the holding power and increasing the number of these gifted youngsters that go to college and to the university.

Senator HILL. Can you give us an illustration now as to what type of work would be eliminated if the House figure stood?

Mr. DERTHICK. Do you want that for the item of salaries and expenses?

Senator HILL. That is right, I am again reminded that the House made no reduction in the cooperative research program.

Mr. DERTHICK. We had hoped to add 75 positions, clerical and professional, to our program. This House action would reduce that to 8 positions, which would be 4 professional and 4 secretarial and clerical. Some of the positions that we would lose would be in the higher educational division, where we had hoped to add our greatest strength this year, for obvious reasons.

PROBLEMS OF HIGHER EDUCATION

The studies of the President's Committee for Education Beyond High School show us the problems that are going to exist in the next 10 years in higher education. We had hoped to add specialists who would aid in the problems of staffing and teacher education and in housing, with enrollments doubled and trebled. We can all quickly recognize the tremendous pressures on housing. We had hoped to have specialists to work with the higher institutions in meeting their housing problems, in institutional organization, specialists in financing and development and social work education, and college and university business administration, a college and university organization section—I mentioned the professional education—to give these colleges and universities specialists from our staff as consultants and advisers, as researchers, to serve the higher institutions, even as we have served the elementary and secondary school people.

Senator DWORSIAK. Did I understand you to say that the University of Indiana is doing some of that research work for you?

Mr. DERTHICK. Yes, sir.

Senator DWORSIAK. Why do you have to have additional personnel here in that case?

Mr. DERTHICK. It is a different kind of research. The research program involves contracts with State departments of education, that is, our new research program, and higher institutions of education. What I am talking about now are the staff specialists in the Office of Education.

For example, in the Office of Education now we have a School Housing Section for secondary and elementary education. It is a small staff, but these people are in demand for conferences and consultations all over the United States. They confer with the State building authorities and local school officials.

Senator DWORSIAK. Who has been doing that work in the past? Have you not had any of that before?

Mr. DERTHICK. That is right. We have been servicing the elementary and secondary schools in that field.

Senator DWORSHAK. Then is it the fact that the demands are increasing constantly from the States, so that you have to render more and more service?

Mr. DERTHICK. That is true.

In addition to that, we have not had that service available for higher institutions of learning. The higher institutions of learning expect to double their enrollments within the next 10 years. They have a terrific housing problem, and we wanted to furnish them the same kind of assistance that we have been furnishing to the elementary and secondary school people.

SERVICE TO ELEMENTARY AND SECONDARY SCHOOLS

Senator DWORSHAK. You are not increasing the service to the elementary and secondary schools, are you, it is just the higher institutions of learning?

Mr. DERTHICK. That is right.

Senator DWORSHAK. I was just wondering if we are getting a greater demand every day, every week, every month from the States. It seems they do not want concentration of power in Washington, and yet there seems to be a discernible trend before every one of our committees which indicates that the States are becoming impotent as they demand more and more service from the Federal Government.

I am just wondering whether that trend is also apparent in the educational field.

What is going to happen? Are these States just going to disintegrate?

Mr. DERTHICK. No, sir. I think the States are strengthening the departments of education and are becoming stronger. But the great increase in enrollment puts terrific demands on them. I was particularly referring at the moment to higher education. Of course, we all know the increase in elementary and secondary schools, that it is about 2,250,000 children a year.

Senator DWORSHAK. I did not think that the war crop of babies had reached the higher institutions of learning as yet.

Mr. DERTHICK. They are just beginning to be felt this year, and from here on out through the next 15 years.

Senator DWORSHAK. I was referring to the higher levels, the college level.

Mr. DERTHICK. Yes; they are beginning to reach that level, and in the next 15 years we are going to have these terrific pressures there. It is in that area that we wanted to extend services.

TRAVEL ALLOWANCE

Senator HILL. How much of this appropriation reduction do you estimate, Doctor, will be felt in the travel allowance?

Mr. DERTHICK. Mr. McKone, you have that figure.

Senator HILL. I am talking about the reduction that the House made now. How much of that amount that the House eliminated will fall in the travel allowance item?

Mr. McKONE. We had asked for \$305,000 in travel, and the House committee allowance would reduce that to \$271,000, as we see it.

Senator HILL. Does that go to the travel?

Mr. McKONE. That is right.

Mr. REED. That includes conferences also—attending conferences in different places.

Mr. DERTHICK. That is also for conferences that we hold here in the Office of Education, Senator.

Senator HILL. You pay the expenses of those who come to the conferences, do you not?

DEVELOPING UNIFORM RECORDS OF REPORTS

Mr. REED. For example, one of the projects is developing uniform records of reports, publication on property accounting for the State departments of education of local school systems. That is done during the process of planning the items that should be included. Then as the staff work is done on it we get people in from the States to actually evaluate the items, because the users of the publication will be the important part of what we finally produce, because we are trying to get uniform records so that the statistics we receive from the States will be meaningful from all States.

Senator HILL. Senator Dworshak, do you have any questions, sir?

Senator DWORSHAK. No.

TRAVEL REIMBURSEMENTS FROM NON-FEDERAL AGENCIES

Mr. McKONE. Senator Hill, you mentioned travel. We also lost the appropriation language which we had for around 10 years, which authorizes us to accept reimbursements from non-Federal agencies, for services which our people render. That is rather a unique authorization, and we have accepted requests for services which have been reimbursed up to around \$30,000 a year.

If the House language stands and we lose that authority, it will reduce our travel resources by approximately \$30,000 each year.

Senator HILL. The subcommittee requested and has been furnished a memorandum showing to what use the 1957 language authorizing the acceptance of reimbursements from non-Federal agencies for travel expenses had been put, and I shall place this tabulation in the record of the hearings.

(The material referred to follows:)

Statement of travel reimbursements, July 1, 1956, to March 31, 1957

From whom received:	Amount
State of New Mexico, Santa Fe, N. Mex.....	\$95. 00
Syracuse University, Syracuse, N. Y.....	1. 00
Future Farmers of America, Winchester, Va.....	80. 95
University of Oklahoma, Norman, Okla.....	23. 71
University of Wisconsin, Madison, Wis.....	125. 10
Teachers College, Columbia University, New York, N. Y.....	35. 15
American Viewpoint, Inc., New York, N. Y.....	75. 00
University of Oklahoma, Norman, Okla.....	245. 80
Harvard University, Cambridge, Mass.....	109. 90
Commonwealth of Virginia, Richmond, Va.....	42. 76
Stanford University, Stanford, Calif.....	419. 95
Teachers College, Columbia University, New York, N. Y.....	36. 13
Superintendent of Schools, San Diego County, San Diego, Calif.....	100. 00
San Diego County Branch, American Cancer Society, San Diego, Calif.....	100. 00
San Diego County Tuberculosis and Health Association, San Diego, Calif.....	100. 00
San Diego State College, Sacramento, Calif.....	50. 00
State of Oregon, State Department of Education, Salem, Oreg.....	47. 15
National Educational Association of United States, Washington, D. C.....	64. 20
University of Kentucky, Lexington, Ky.....	135. 65
Tom Green County Schools, Library Fund, San Angelo, Tex.....	218. 00
Leon High School, Tallahassee, Fla.....	160. 00
State of Florida, County of Sarasota, Sarasota, Fla.....	35. 28
Board of Public Instruction, Lake County Schools, Eustis, Fla.....	62. 50
George Peabody College for Teachers, Nashville, Tenn.....	127. 11
American Society for Engineering Education, Urbana, Ill.....	47. 48
George Peabody College for Teachers, Nashville, Tenn.....	62. 00
Leon High School, Tallahassee, Fla.....	314. 10
Oregon State Board of Higher Education, Corvallis, Oreg.....	298. 40
Southern Education Foundation, Inc., Montgomery, Ala.....	141. 35
Temple University, Philadelphia, Pa.....	35. 00
Cornell University, Ithaca, N. Y.....	64. 21
Hanna High School, Anderson, S. C.....	60. 55
Board of Education of Washington County, Hagerstown, Md.....	218. 60
Adult Education Association of U. S. A., New York, N. Y.....	38. 38
American Teachers Association, Wilberforce, Ohio.....	114. 22
County of Alameda, County Superintendent of Schools, Oakland, Calif.....	100. 00
Ottawa University, Ottawa, Kans.....	95. 00
Petersburg Public Schools, Petersburg, Va.....	56. 48
Gloucester County Public Schools, Petersburg, Va.....	33. 60
Association of Directors of Pupil Personnel, Mason County Schools, Maysville, Ky.....	108. 65
Woman's College of University of North Carolina, Greensboro, N. C.....	12. 00
Compton City School District, Los Angeles, Calif.....	65. 00
Adult Education Association of U. S. A., Chicago, Ill.....	36. 13
State Department of Education, Lincoln, Nebr.....	90. 00
Trustees of the Phelps-Stokes Fund, New York, N. Y.....	185. 95
Connecticut Council for Advancement of Economic Education, Hartford, Conn.....	32. 72
Orange Unified School District, Santa Ana, Calif.....	27. 00
Greensboro Public Schools, Greensboro, N. C.....	84. 90
Mr. Smedberg, County Superintendent of Schools, Sacramento, Calif.....	50. 00
Delaware County Public Schools, Media, Pa.....	30. 61
Teachers Institute Fund, Spirit Lake, Iowa.....	197. 80
University of Missouri, Columbia, Mo.....	155. 00
State Legislative Council, State Capitol, Denver, Colo.....	212. 40
State Legislative Council, State Capitol, Denver, Colo.....	189. 65

Statement of travel reimbursements, July 1, 1956, to March 31, 1957—Continued

From whom received—Continued	Amount
Association of New York State Teachers College Faculties, Plattsburgh, N. Y.-----	\$62. 65
East Tennessee Education Association, Knoxville, Tenn-----	88. 30
Ohio State University, Treasurer of State, Columbus, Ohio-----	110. 65
Morgan State College, Baltimore, Md-----	4. 54
Treasurer of State of Tennessee, Nashville, Tenn-----	62. 00
University of Pittsburgh, Pittsburgh, Pa-----	52. 05
Commonwealth of Virginia, Richmond, Va-----	55. 90
Governmental Research Association, Inc., New York, N. Y-----	42. 05
Tuskegee Institute, Tuskegee Institute, Ala-----	126. 03
Chino Unified School District, Chino, Calif-----	46. 00
State of West Virginia, Charleston, W. Va-----	56. 05
American Society for Engineering Education, Urbana, Ill-----	143. 28
East Tennessee Education Association, Knoxville, Tenn-----	76. 42
Michigan Association for Health, Physical Education, and Recreation, Ann Arbor, Mich-----	69. 10
East Tennessee Education Association, Knoxville, Tenn-----	69. 95
Frederic Burk Foundation for Education, San Francisco State College, San Francisco, Calif-----	400. 00
Southwest School District of M. E. A., Helena, Mont-----	200. 00
Association for Childhood Education, International, Washington, D. C-----	1, 115. 90
American Council on Nato, Inc., New York, N. Y-----	1, 110. 30
Kentucky Association of Education Supervisors, Barbourville, Ky--	106. 80
Thomas Alva Edison Foundation, Inc., Orange, N. J-----	31. 22
Thomas Alva Edison Foundation, Inc., Orange, N. J-----	38. 77
Wayne State University, Detroit, Mich-----	77. 30
Maine State Teachers Association, August, Maine-----	107. 65
Harlan County Board of Education, Harlan, Ky-----	102. 80
State of South Dakota State Auditors, Pierre, S. Dak-----	328. 75
Florida Association of Deans and Councilors, Miami, Fla-----	103. 10
Joint Council on Economic Education, New York, N. Y-----	47. 32
Parent Education Committee (State Education Department) Albany, N. Y-----	89. 75
Kansas Health, Education (Physical), and Recreation Association, Wichita, Kans-----	43. 00
Washburn University, Topeka, Kans-----	25. 00
Board of Education, City of Topeka, Topeka, Kans-----	25. 00
Douglas County, treasurer, Lawrence, Kans-----	12. 50
Board of Education, Lawrence, Kans-----	12. 50
KSC Revolving Fund, Manhattan, Kans-----	12. 50
KSC of Agriculture and Science, Manhattan, Kans-----	12. 50
National School Boards Association, Inc., Midland, Mich-----	145. 85
New Hampshire State Department of Education, Concord, N. H-----	75. 00
Institute of International Education, New York, N. Y-----	13. 64
Florida Art Teachers Association, Jacksonville, Fla-----	84. 15
North Carolina Education Association, Raleigh, N. C-----	32. 38
Treasurer of Linn County, Albany, Oreg-----	255. 90
American Society for Engineering Education, Urbana, Ill-----	47. 38
Houston Independent School District, Houston, Texas-----	195. 30
Treasurer of State of Colorado (department of education) Colorado-----	217. 00
State treasurer of South Carolina, Columbia, S. C-----	97. 45
Eastern Association of College and University Business Officers, Rochester, N. Y-----	111. 36
Treasurer of State of Florida, Tallahassee, Fla-----	84. 15
Office of comptroller, State of Kansas, Topeka, Kans-----	50. 00
Teachers College, Columbia University, New York, N. Y-----	37. 90
National Council of Teachers of English, Champaign, Ill-----	151. 20
Treasurer of State of Maryland, Annapolis, Md-----	5. 99
Trustees of Phelps-Stokes Fund, New York, N. Y-----	49. 36
Educational Testing Service, Princeton, N. J-----	26. 28
Board of Education, Anne Arundel County, Annapolis, Md-----	7. 20
National Conference for Cooperation in Health, Education, New York, N. Y-----	26. 10

Statement of travel reimbursements, July 1, 1956, to March 31, 1957—Continued

From whom received—Continued

	<i>Amount</i>
National Education Association of United States, Washington, D. C.....	\$105. 05
Mills College, Oakland, Calif.....	324. 80
Shepherdstown College, State of West Virginia, Shepherdstown, W. Va.....	15. 70
New Jersey Elementary School Principals Association, Gaddonfield, N. J.....	38. 72
Commonwealth of Virginia, State Board of Education, Richmond, Va.....	22. 59
State of Delaware, Department of Public Instruction, Dover, Del.....	32. 46
Board of Education, Kalamazoo, Mich.....	95. 00
Florida Council of Teachers English, St. Petersburg, Fla.....	95. 45
Board of Christian Education of Presbyterian Church USA, Philadelphia, Pa.....	19. 86
City of Melrose, Melrose, Mass.....	62. 10
Parrish Board of Shool Directors of Morehouse Parrish, Bastrop, La.....	83. 25
Peoria County Teachers Institute Fund, Peoria, Ill.....	83. 38
Iowa State Education Association, Des Moines, Iowa.....	84. 90
East Baton Rouge Parrish School Board, Baton Rouge, La.....	134. 50
Director of Junior Colleges, Office of State Superintendent of Public Instruction, Olympia, Wash.....	24. 00
Cliffe Yelle, State Auditor, Olympia, Wash.....	204. 65
Association of College and Secondary Schools, Concord, N. C.....	189. 33
American Heart Association, New York, N. Y.....	42. 76
New Jersey Elementary Workshop, County Superintendent of Schools, Cape Cod, N. J.....	26. 60
Trustees of Phelps-Stokes Fund, New York, N. Y.....	134. 85
New Jersey Elementary Workshop, County Superintendent of Schools, Cape Cod, N. J.....	29. 55
State of Wisconsin, University of Wisconsin, Madison, Wis.....	130. 61
Academy of Aeronautics, Inc., New York, N. Y.....	45. 40
State department of education, Baltimore, Md.....	7. 24
American Society for Engineering Education, Urbana, Ill.....	48. 64
Yale University, New Haven, Conn.....	52. 57
York Junior College, York Pa.....	12. 90
State of Connecticut, Council on Higher Education, Hartford, Conn.....	65. 30
North Carolina Vocational Guidance Association, Durham, N. C.....	24. 00
State of Connecticut, Council on Higher Education, Hartford, Conn.....	68. 00
Service Bureau for Womens Organization, Hartford, Conn.....	59. 20
Central Regional Conference, East Lansing, Mich.....	95. 70
	<hr/> 14, 887. 80

STRICKEN LANGUAGE

Senator HILL. The House struck out the language which gave you the authority to accept these reimbursements: is that correct?

Mr. McKONE. That is right, sir.

Mr. KELLY. That was taken out on a point of order.

Senator HILL. That was on a point of order in the legislation?

Mr. KELLY. Yes, sir.

Senator HILL. That, of course, might cost you \$30,000.

Mr. DERTHICK. Yes, sir.

Mr. Chairman, I might explain that further by saying that if the people working in elementary education along the last of May had exhausted their travel money and they were called down to, say, the University of Alabama, to help in a conference—and that is a good long stretch—they might say, “our travel money is exhausted.” Then

the University of Alabama might say, "We will pay your travel expenses if you will come and give us your time." We would have to turn that offer down if this sticks.

Senator HILL. That is, if the language is not included in the bill?

Mr. DERTHICK. That is right. They fail to understand why we do not come if they offer to pay the expenses.

Senator HILL. I understand that.

Is there anything else you want to add at this time on this item now?

Mr. DERTHICK. No, sir.

Senator HILL. Do you have any further questions, Senator Dworshak?

Senator DWORSHAK. No.

Senator HILL. Are you going to address yourself to the next item, Doctor?

Mr. DERTHICK. I was going to ask Dr. Perkins, and the Chairman of the President's Committee for Education beyond the High School, Mr. Josephs, to present this item, and Dean Stahr, the Executive Director of this Committee.

Senator HILL. Before we go forward with that item, we have two very distinguished guests here this morning. They are Congressman A. B. Won Pat, who is the speaker of the Fourth Guam Legislature of the Territory of Guam and also chairman of the Select Committee on Washington Liaison, and Congressman Joaquin A. Perez, who is chairman of the committee on rules of the Fourth Guam Legislature, and also a member of the Select Committee on Washington Liaison.

I understand that these distinguished gentlemen would like to say a few words about the \$80,000 which was stricken by the House for vocational education in Guam.

If you gentlemen will come around now, we will be glad to have you say anything you wish.

Mr. DERTHICK. Mr. Chairman, as I withdraw from the witness chair, may I say that Dean Stahr, the Executive Director of the President's Committee on Education Beyond the High School will lead off on this item when we get to it and will introduce Mr. Josephs and Dr. Perkins.

Senator HILL. That will be fine.

VOCATIONAL EDUCATION IN GUAM

STATEMENTS OF CONGRESSMAN A. B. WON PAT, SPEAKER, FOURTH GUAM LEGISLATURE, AND CHAIRMAN, SELECT COMMITTEE ON WASHINGTON LIAISON, AND CONGRESSMAN JOAQUIN A. PEREZ, CHAIRMAN, COMMITTEE ON RULES, FOR THE FOURTH GUAM LEGISLATURE AND MEMBER OF THE SELECT COMMITTEE ON WASHINGTON LIAISON, TERRITORY OF GUAM

GENERAL STATEMENT

Senator HILL. All right, Mr. Speaker, we will be delighted to have you proceed now in any way you see fit.

Mr. WON PAT. Mr. Chairman and members of this committee, I would like first to express our appreciation for the courtesy and honor of appearing before this committee. We have been delegated by the

Guam Legislature, pursuant to a resolution adopted by that body, to come to the Capitol to confer with the administrative officials and also Members of the Congress on problems affecting the Territory of Guam and the people there.

We are sure this opportunity is an honor, and we appreciate the courtesy.

We are largely concerned with the \$80,000 that has been stricken out by the House from this bill. That phase, which pertains to vocational education, is of vital importance to us. We recognize that since Guam is sort of remote from the mainland, you might say it is out of sight and perhaps out of mind except to those officials concerned with the Territory.

DEFENSE ACTIVITY ON GUAM

Because of the defense activity on the island of Guam, in pursuance of the national interest and our international obligations, the defense activities on Guam largely determine the livelihood of the people there. The military employs a great deal of skilled as well as non-skilled labor on Guam, not only from the mainland, but also from the Philippines. I would say that there are about 11,000 aliens in Guam now working for the military. Some of these are skilled workers, and some are nonskilled. There are only a little over 1,000 local citizens who are working for the military.

In the Government of Guam there are over 2,000 locally employed people.

The reason why there are not so many local people employed by the military on Guam is because many of them do not have the necessary experience and training whereby they could fit into the various positions required by the services over there.

As you know, our educational system in Guam had to start over again after the war. Education had been held back for the duration of the war by the occupation of the Japanese. However, education on Guam has been restricted only to the elementary and secondary schools. There has been no vocational training or any other forms of training or education beyond the elementary and secondary school.

TERRITORIAL COLLEGE

However, after the war and since the enactment of the authorizing law, we have instituted higher education. More recently we have the Territorial college, which is only comparable to a junior college on the mainland.

Because we recognize the need for adequately trained personnel people to work for the local government as well as the military, we feel that vocational training should be instituted. Along that line, the military have recognized the importance of that need. So they have recently instituted what they call an apprenticeship program.

Also, the Department of Education has instituted a 2-year training program in clerical and stenographic and accounting work. Other than that, there is very little training in the trades and industry, but training has been done.

For that reason, whatever help we can get from the Federal Government along the lines of vocational training will be a great help, not only to the local people, but also to the national interests, because by so doing I think that sound judgment dictates, if not suggests, that the training of local people to fill the needs of the government of Guam, which is a very natural need in that area, will lead to a sound and very stable program as well as a sound and stable economy.

Senator HILL. Mr. Speaker, have you received any funds for this purpose in the past?

BASIC LEGISLATION

Mr. WON PAT. No, sir. The enactment of Public Law 986 by the Congress last year has not been implemented this year, and it is the only time that Guam has to participate in it. Heretofore we have never participated in any Federal benefits for grants.

Senator HILL. Do you know why the House struck out the \$80,000? Do you know why that action was taken?

Mr. WON PAT. I was amazed when we learned about that matter only in about the last week, sir.

Senator HILL. The House committee in its report just said that the item is stricken, but did not give any reasons for striking it. The basic act, as you say, Public Law 896, of the 84th Congress, section 9, provides:

SEC. 9. (a) Guam shall be entitled to share in the benefits of the Vocational Education Act of 1946 (60 Stat. 775), and any act amendatory thereof or supplementary thereto, upon the same terms and conditions as any of the several States. There is hereby authorized to be appropriated, for the fiscal year ending June 30, 1955, and annually thereafter, the sum of \$80,000, to be available for allotment to Guam under such act and the modifications hereinafter provided.

Are you prepared to go forward with the vocational education programs if the Congress should appropriate the \$80,000 requested?

Mr. WON PAT. Definitely, sir. As a matter of fact, we have already instituted the necessary program.

Senator HILL. In other words, your legislature has already acted and you are ready to go forward with the programs you have in mind if you receive the \$80,000; is that correct?

Mr. WON PAT. Yes, sir. Of course, even with part of it, we are trying to do our best. But it must be understood that we are limited in our resources.

Senator HILL. Did this provision of the act put you on the same terms and conditions as any of the States?

Mr. WON PAT. Yes, sir.

Senator HILL. In other words, you have the same obligations and requirements that any of the States would have?

Mr. WON PAT. Yes, sir.

I might also say that I feel it would be a breach of faith on the part of the Congress to withdraw these funds after authorizing them by law and acting on them; that this would be something like a discriminatory act if they exclude Guam while the other States and Territories will continue to have such benefits.

TOTAL ENROLLMENT IN GUAM SCHOOLS

Senator HILL. Approximately how many children would you say you have in your schools there in Guam today?

Mr. WON PAT. Approximately 11,000.

Senator HILL. Is that in your elementary and secondary schools?

Mr. WON PAT. Yes, sir.

Senator HILL. Senator Smith, do you have any questions?

Senator SMITH. No; I have no questions, Mr. Chairman.

Senator HILL. Senator Dworshak.

ADULT EDUCATIONAL TRAINING

Senator DWORSHAK. Would you have adult educational training also, Mr. Won Pat?

Mr. WON PAT. Yes, sir. We are now having what we call in-service training for those people working for the government.

Senator DWORSHAK. Is that under the supervision of the schools, or has it gone outside of the schools?

Mr. WON PAT. It is within the schools, sir. We also even send some of our men abroad, where the training is available.

Senator DWORSHAK. Where do you send them?

Mr. WON PAT. To the mainland, here.

Senator DWORSHAK. United States?

Mr. WON PAT. Yes, sir.

Senator DWORSHAK. What kind of training do they receive?

Mr. WON PAT. Some of them go to teachers colleges; others go to counties, the government, those that are working for the government. And they are also sent to trade schools here.

Senator DWORSHAK. Is that at government expense?

Mr. WON PAT. At government expense.

Senator DWORSHAK. And as soon as get the training, do they go back to Guam?

Mr. WON PAT. They go back.

Senator SMITH. You have a Governor out there in Guam now, do you not?

Mr. WON PAT. Yes, Madam. The present Governor is Richard Barrett Lowe, who is a Republican, and was appointed by the President.

Senator HILL. Is there anything else you would like to add to your statement?

Mr. WON PAT. I would be very glad to answer any questions that may be propounded by the committee.

Senator HILL. Mr. Perez, is there anything you would like to add to Mr. Won Pat's statement, sir?

REQUEST FOR RESTORATION

Mr. PEREZ. The only statement I would like to make before this committee, Mr. Chairman, and honorable members of the committee, is to request this committee to forward a recommendation to the Senate to restore the \$80,000 in the appropriation requested by the Depart-

ment of Health, Education, and Welfare, for the reasons already mentioned by the honorable speaker of our legislature.

We were very much surprised at the action taken by the House in not making the attempt to find out the various matters confronting vocational education on Guam. I think there has been much stated on the subject, Mr. Chairman.

The only statement I have to make is to ask this committee to recommend to the Senate the restoration of the \$80,000, Mr. Chairman.

Senator HILL. Are there any questions?

Is there anything else you want to add, Mr. Speaker?

Mr. WON PAT. That is all, sir, except to say that there are also other phases of the health, education, and welfare program under which Guam comes for the first time. We would certainly appreciate it if the committee would give due consideration to such programs. All that has been authorized by law. We are not asking for anything not yet considered by Congress.

Senator HILL. Thank you, gentlemen. We have very much appreciated having you before us here. I assure you we did want to have you appear here.

Mr. WON PAT. Again, I express our appreciation. Thank you, sir.

Senator HILL. Come any time you wish. We are always glad to have you.

Mr. STAHR. Mr. Chairman, Under Secretary Perkins was out to the airport to greet the Secretary this morning, and we thought we would bring him along to introduce Mr. Josephs, who will speak on the President's Committee on Education Beyond the High School.

Senator HILL. We will be glad to have you do so, Mr. Secretary.

PRESIDENT'S COMMITTEE ON EDUCATION BEYOND THE HIGH SCHOOL

STATEMENTS OF JOHN PERKINS, UNDER SECRETARY, DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE; ELVIS J. STAHR, JR., EXECUTIVE DIRECTOR, AND DEVEREUX C. JOSEPHS, CHAIRMAN, PRESIDENT'S COMMITTEE ON EDUCATION BEYOND THE HIGH SCHOOL

APPROPRIATION ESTIMATE

"Salaries and expenses: For salaries and expenses for the President's Committee on Education Beyond the High School, including services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a), and expenses of attendance at meetings, **[\$150,000] \$300,000.**"

Amounts available for obligation

Description	1957 appropriation		1958 estimate		House allowance	
	Positions	Amount	Positions	Amount	Positions	Amount
Appropriation or estimate (total obligations)-----	11	\$150,000	31	\$300,000	-----	-----

Obligations by activities

Description	1957 appropriation		1958 estimate		House allowance	
	Posi- tions	Amount	Posi- tions	Amount	Posi- tions	Amount
Staff services, administration, and re- search (total obligations)-----	11	\$150,000	31	\$300,000	-----	-----

EFFECT OF HOUSE ACTION

The House action denied the total amount requested for this activity, which would result in halting the committee's work abruptly and prematurely without realizing full benefit on even the work already done. This program reduction would—

(a) Require starting liquidation in May;

(b) Make it impossible to produce a final report;

(c) Make it much more difficult for the task assigned to the committee by the President to be undertaken by others, because it would create the impression that education beyond the high school is considered a matter of little importance to the Nation; and

(d) Largely waste the great effort and the funds already expended.

Obligations by objects

Object classification	1957 appro- priation	1958 budget estimate	House allow- ance
SUMMARY OF PERSONAL SERVICES			
Total number of permanent positions-----	11	31	-----
Full-time equivalent of all other positions-----	1	3	-----
Average number of all employees-----	11	29	-----
DIRECT OBLIGATIONS			
01 Personal services-----	\$75,000	\$200,200	-----
02 Travel-----	53,500	35,500	-----
03 Transportation of things-----	250	500	-----
04 Communication services-----	2,500	8,000	-----
05 Rents and utility services-----		3,000	-----
06 Printing and reproduction-----	3,250	30,000	-----
07 Other contractual services-----	13,500	5,000	-----
08 Supplies and materials-----	1,500	5,000	-----
09 Equipment-----		5,000	-----
11 Grants, subsidies, and contributions: Contribution to retirement fund-----		6,300	-----
15 Taxes and assessments-----	500	1,500	-----
Total direct obligations-----	150,000	300,000	-----

New positions requested for fiscal year 1958

Title	Grade	Number	Annual salary
Departmental:			
Educational specialist-----	14	3	\$30,960
Information specialist-----	14	1	10,320
Research assistant-----	11	4	25,560
Editor-----	11	1	6,390
Administrative assistant-----	7	1	4,660
Secretary-----	5	4	14,680
Do-----	4	2	7,170
Subtotal-----		16	99,740
Field: Field representative-----	14	4	41,280
Total-----		20	141,020

Summary of changes

1957 actual appropriation.....	\$150, 000
1958 appropriation request.....	300, 000
Net change requested.....	+150, 000

	1958 estimate	House allowance
For mandatory items.....	\$11, 196	—\$11, 196
Annualization of positions new in 1957.....	8, 098	—8, 098
Extra day of pay.....	312	—312
Retirement contribution (11 base positions).....	2, 786	—2, 786

	Positions	Amount	Positions	Amount
For program items:				
Staff services, administration, and research.....	+20	+\$138, 804	—31	—\$288, 804
Total change requested.....	+20	+150, 000	—31	—300, 000
House allowance.....			—31	—300, 000

New positions requested for fiscal year 1958

Title	Grade	Number	Annual salary
Departmental:			
Educational specialist.....	14	3	\$30, 960
Information specialist.....	14	1	10, 320
Research assistant.....	11	4	25, 560
Editor.....	11	1	6, 390
Administrative assistant.....	7	1	4, 660
Secretary.....	5	4	14, 680
Secretary.....	4	2	7, 170
Subtotal.....		16	99, 740
Field: Field representative.....	14	4	41, 280
Total.....		20	141, 020

GENERAL STATEMENT

Senator HILL. You may proceed, Mr. Secretary.

Mr. PERKINS. Senator Hill, Senator Margaret Chase Smith, Senator Dworshak, it is a real privilege for me come here this morning and introduce to you Mr. Devereux C. Josephs. We have such a very real interest in this President's Committee that I could not forebear appearing with these gentlemen, and recommending their cause to you.

In Mr. Devereux C. Josephs, who is former president of the Carnegie Corp., a philanthropic educational institution, and who now is chairman of the Board of New York Life Insurance Co., we have but one representative of the very capable and distinguished and conscientious Committee that is working on this very important problem of education behind the high school. I wanted you to talk to him directly. We would like to have you gentlemen hear him.

Senator HILL. Mr. Josephs, will you proceed in your own way, sir?

PREPARED STATEMENT

Mr. JOSEPHS. It might conserve the committee's time if I just file for the record the statement I have and then give a short summary of that statement which I think will give the main facts.

Senator HILL. Very well.

(The statement referred to follows:)

STATEMENT OF MR. DEVEREUX C. JOSEPHS, CHAIRMAN, PRESIDENT'S COMMITTEE ON
EDUCATION BEYOND THE HIGH SCHOOL

Mr. Chairman, I scarcely need remind you that a very great challenge is confronting us all in the field of education beyond the high school, and that but little time is left if that challenge is to be met before it reaches crisis proportions. The first ripple of the wave of students now engulfing the Nation's elementary and secondary schools has not yet graduated from high school, but will do so this year. Thereafter the impact of the greatly increased birthrates since 1940 will be felt with mounting intensity year by year as far into the future as we can foresee. Yet already, by last fall, enrollments in our colleges and universities were the highest in history, higher even than at the height of veterans' enrollment in the late forties. The percentage of college-age youth actually attending college has been growing steadily for many years, and the rate of increase has stepped up just in the past 2 or 3 years. At the same time, the demands within our society for people with more than a 12th-grade education have been increasing faster than the supply, and we see nothing on the horizon but indications that these demands will increase even more rapidly in the next two decades.

The twin factors of meeting the educational needs and demands of growing proportions of vastly increased numbers of youth and adults, on the one hand, and developing the quality of manpower needed by the Nation for security, health, technological advancement, self-government, and an expanding economy, on the other, present us with both a challenge and an opportunity. The challenge is at our doorstep, and a stitch in time saves nine.

In general the American people are only dimly aware of the coming crisis. In general only some first beginnings have been made by our States and institutions, by way of planning to meet the situation. In general there is considerable confusion as to the nature and magnitude of the problems and as to where lie responsibilities for solution.

It was these considerations, I believe, which led the President to appoint the Committee on Education Beyond the High School last year, and to give it this threefold task: First, to find the salient facts and identify the most urgent problems of post-high-school education in the United States during the next 10 to 15 years, and to lay those facts and problems before the American people; second, to stimulate active and systematic attack on those problems; and, third, to develop, through studies and conferences, proposals in this educational field.

During the current year the President's Committee has made substantial progress in developing and implementing its program.

To date the full Committee has held seven meetings, and there have been numerous subcommittee meetings. A first interim report has been submitted to the President and the Congress. A sourcebook of facts is in the hands of the printer. Plans have been completed for conferences of laymen and educators to be held in April and May in 5 regions, comprising all the States and Territories and involving more than 1,500 people. A second interim report is planned following these conferences.

As you know, the first interim report contained several preliminary conclusions which identify those problems of education beyond the high school which the Committee feels should be given priority. More than 20,000 copies of the report have been distributed by the Committee to interested organizations and individuals throughout the country and a copy was sent to each of you as Members of Congress. We have had a wider distribution of the report than our limited funds would have allowed by the cooperation of various national organizations which have reproduced it for their membership.

The response to the first report was very gratifying. One of its chief purposes was to elicit comment from both laymen and educators with a view to aiding the Committee in its own deliberations. Through the literally hundreds of letters evoked by the first report, we have tapped the thinking of large numbers of people representing a great variety of interests in education.

In preparation for the next report three new subcommittees have been formed to study those central issues identified by previous subcommittees. These groups are focusing upon, respectively, problems from the student's point of view, problems of resources from the institution's point of view, and problems of providing the needed diversity of educational opportunities beyond the high school.

In addition to the Committee's own studies, the program of regional conferences has been initiated as a means of, first, bringing the basic facts and problems to the attention of lay and professional leaders across the land and stimulating public discussion; and second, getting reflected back to us the great variety of opinion in each region which our Committee will need if it is to have a valid report. This program was undertaken in October and November when regional workshops were held in five regions of the country to recommend ways and means of planning and conducting regional conferences. Planning committees in each of these regions have now made detailed plans for the upcoming regional conferences. The conferences, which will be composed of approximately equal numbers of laymen and of educators representing all phases of education beyond the high school, will also serve as introductions to and models for individual State conferences and studies to be conducted this summer and fall by State committees on education beyond the high school in all the States and Territories.

In sum, by the end of the current fiscal year the program of the President's Committee will have been well started, but its potential will only be on the verge of being realized.

The budget now before you seeks to provide the funds necessary for the President's Committee to complete its work. During the period July 1 to December 31, 1957, when the Committee's final report is due by law, the Committee's own studies, which have been necessarily limited this year, are to be pushed forward intensively in order to provide the basis for a final report worthy of a Presidential Committee studying such an important field. This will require some enlargement of the present small staff. Additional staff is also needed to assist committees on education beyond the high school in the States and Territories in the planning of their initial activities and coordinating of their State conferences with the timetable of the President's Committee, as well as in the preparation of materials for the State conferences. A "case-book" of solutions will be prepared, making available to all States and public and private agencies and institutions a current record of solutions of major problems actually being applied or tried in various places throughout the country. In addition, plans will be developed for bringing the facts and the problems to the attention of the American people.

EFFECT OF HOUSE ACTION

The effect of the House action on the proposed budget, if sustained, would be to halt the Committee's work abruptly and prematurely without realizing full benefit on even the work already done. Much effort, and the funds already expended, will have been largely wasted. The grave problems with which the Committee is dealing will not go away, and the time for forestalling crisis will continue to dwindle, yet the public may be lulled into a complacency deeper than if the Committee had not been appointed in the first place.

The funds which were recommended by the House Committee on Appropriations, namely, \$200,000 for the first 6 months of the fiscal year and for liquidation purposes thereafter, represent a cut of one-third in the original request. However, this amount would in my opinion be sufficient to carry out the most essential and important features of the Committee's mission, to produce a final report which can be useful to the Nation, to realize on the investment already made, and to bring the Committee's own activities to an orderly close.

On the other hand, if the House action in deleting all funds should be sus-

tained, none of these things could be done. The Committee's current appropriation is budgeted down to the last dollar and there is no leeway for orderly liquidation after June 30. I am advised that this means that liquidation would have to begin not later than May. Thus, not only would next year's program be eliminated but a shambles would be made of this year's program. I see no true economy in this, even if the Committee's work were in some relatively unimportant field instead of a field of the most serious importance.

There are two further points which may need clarification. The request before you is for staff salaries and other expenses necessary to complete the work of the President's Committee. No other funds are requested here or elsewhere for use of this Committee. There has been no request for extension of the statutory deadline for the Committee's final report. There apparently was some misconception on these points in the House.

Mr. Chairman, the President's Committee is composed of a number of public-spirited citizens from all regions of the Nation who have been asked by the President and authorized by the Congress to do a particular job. The members are all busy people, as I am sure you know, and they serve without compensation, but they believe that the job they have been given is so important that they are more than willing to donate their time and energies to finishing it if our Government wishes them to do so. It is not the President's Committee as such which is important, it is the job we have been given to do. That job must be done by someone, in the national interest. It will be much harder for anyone to do if the present effort is abruptly halted.

If the House action is sustained, it seems to me inevitable that, whether intended or not, the impression would be created among the American people that the future of education beyond the high school in this country is considered a matter of no particular importance. This would be a grave disservice to the future.

CHALLENGE IN EDUCATION BEYOND HIGH SCHOOL

Mr. JOSEPHS. We scarcely need remind you that a very great challenge is confronting us all in the field of education beyond the high school and that little time is left if that challenge is to be met before it reaches crisis proportions.

The twin factors of meeting the educational needs and demands of growing proportions of vastly increased numbers of youth and adults, on the one hand, and developing the quality of manpower needed by the Nation for security, health, technological advancement, self-government, and an expanding economy, on the other hand, present us with both a challenge and an opportunity.

The challenge is at our doorstep, and a stitch in time saves nine.

In general, the American public are only dimly aware of the coming crisis. In general, only some first beginnings have been made by our States and institutions, by way of planning to meet the situation. In general, there is a considerable confusion as to the nature and magnitude of the problems and as to where lie the responsibilities for solution.

FUNCTIONS OF COMMITTEE

It was these considerations, I believe, which led the President to appoint the Committee on Education Beyond the High School last year and to give it this threefold task: First, to find the salient facts and identify the most urgent problems of post-high-school education in the United States during the next 10 to 15 years, and to lay those facts and problems before the American people; second, to stimulate active and systematic attack on those problems; and, third, to develop, through studies and conferences, proposals in this educational field.

During the current year the President's Committee has made substantial progress in developing and implementing its program.

The activities are described more fully in the opening statement, but this is a brief summary. We have published an interim report. We organized regional workshops, and now regional meetings are going forward with the lay people and educators. A great deal, of course, has been done by way of discussions with other Government departments, commissions, legislators, organizations, and so forth.

EFFECT OF HOUSE ACTION

The effect of the House action on the proposed budget, if sustained, would be to halt the Committee's work abruptly and prematurely without realizing full benefit on even the work already done. Much effort, and the funds already expended, will have been largely wasted. The grave problems with which the Committee is dealing will not go away, they will not disappear with time, but will be aggravated. The time for forestalling crisis will continue to dwindle, yet the public may be lulled into a complacency deeper than if the Committee had not been appointed in the first place.

The funds which were recommended by the House Committee on Appropriations, namely, \$200,000 for the first 6 months of the fiscal year and for liquidation purposes thereafter, represent a cut of one-third in the original request. However, this amount would, in my opinion, be sufficient to carry out the most essential and important features of the Committee's mission, to produce a final report which can be useful to the Nation, to realize on the investment already made, and to bring the Committee's own activities to an orderly close.

On the other hand, if the House action in deleting all funds should be sustained, none of these things could be done. The Committee's current appropriation is budgeted down to the last dollar and there is no leeway for orderly liquidation after June 30.

I am advised that this means that liquidation would have to begin not later than May. Thus, not only would next year's program be eliminated but a shambles would be made of this year's program. I see no true economy in this, even if the Committee's work were in some relatively unimportant field instead of in a field of the most serious importance.

Mr. Chairman, the President's Committee is composed of a number of public-spirited citizens from all regions of the Nation who have been asked by the President and authorized by the Congress to do a particular job. The members are all busy people, as I am sure you know, and they serve without compensation, but they believe that the job they have been given is so important that they are more than willing to donate their time and energies to finishing it if our Government wishes them to do so. It is not the President's Committee as such which is important, it is the job we have been given to do. That job must be done by someone, in the national interest. It will be much harder for anyone to do if the present effort is abruptly halted.

BUDGET ESTIMATE

Senator HILL. You asked for \$300,000. That was the request of the Bureau of the Budget; was it not?

Mr. JOSEPHS. That is correct.

Senator HILL. Then the House Committee on Appropriations reduced that \$300,000 to \$200,000; is that correct?

Mr. JOSEPHS. That is correct.

Senator HILL. They recommended \$200,000. Then on the floor of the House, the \$200,000 was struck out; is that correct?

Mr. JOSEPHS. That is correct, sir.

TOTAL EXPENDITURES TO DATE

Senator HILL. How much money has the President's Committee expended up to date, Mr. Josephs?

Mr. JOSEPHS. Our appropriation for the current year is \$150,000. That will be all spent. About \$42,000 came from an emergency fund to put us in business, and then we have had donated services from private organizations, from educational associations, foundations, and others, amounting to a considerable sum, perhaps \$100,000 in all.

Of course, they would not have donated or given that money except for the status of a national committee. That is the important factor in this.

Senator HILL. How much do you say you have been given now, the total?

Mr. JOSEPHS. We have been given \$150,000 as of last year.

CONTRIBUTIONS FROM OUTSIDE SOURCES

Senator HILL. I understand that. I am referring to outside sources.

Mr. JOSEPHS. I think it must amount to \$100,000 in cash.

Senator HILL. Is that the amount you got from other sources?

Mr. JOSEPHS. From other sources.

That was simply to fill out our funds, because our budget was cut last year from \$300,000 to \$150,000 at the last moment, and we were already in operation and it was necessary somehow to continue to do our work.

Senator HILL. If you had the \$200,000 which the House committee recommended, do you think that would be sufficient now to let you do the important things and make a good report and bring your work to a conclusion?

Mr. JOSEPHS. I do not know if it would be a good report, or not, but we could bring it to an orderly conclusion at the end of this year. This is a field in which any amount of money can be spent, and you can buy a report for almost any price.

I think we could get a good, workable report for this \$200,000.

Senator HILL. Would you get as good a report as the President's Committee contemplated when it first began to do its work?

Mr. JOSEPHS. No, sir. That is because part of our assignment was to get people interested, get matters under discussion, work with the States and localities, and to get the planning underway, or pointing out the directions of planning. If we go out of business on December 31, that will be lost. But we at least should have a document by that time which should be a workable document for others to carry on in the future.

If, however, we had the full \$300,000 and had a life lasting until June 30, of next year, we could do a better job.

Senator HILL. In speaking about going out of business about the end of the year, you are speaking about the calendar year, are you not?

Mr. JOSEPHS. The calendar year.

Senator HILL. Then would you contemplate making your report on January 1, 1958?

Mr. JOSEPHS. December 31, 1957.

Senator HILL. When you asked for the \$300,000 you contemplated making your report on June 30, 1958, is that correct?

Mr. JOSEPHS. That is correct.

Senator HILL. Is there anything you want to add there, Dean Stahr?

REPORT DUE DECEMBER 1, 1957

Mr. STAHR. That is true to this extent: the President's Committee's own report, the physical document containing findings, conclusions, and recommendations, is due, by law, on December 31, 1957. The authorization for funds runs until June 30, 1958. The major purpose of the second 6 months, that is, the additional \$100,000 were it appropriated, would be to lay this report before the people and stimulate some kind of action with respect to it.

I think the Committee would expect to produce the report itself by December, in any event, inasmuch as the law requires it.

Senator HILL. Do you have any questions, Senator Smith?

COOPERATION WITH OFFICE OF EDUCATION

Senator SMITH. Yes, Mr. Chairman.

Mr. JOSEPHS, do you work through the Office of Education?

Mr. JOSEPHS. No. They have been kind enough to let us have some office space here, but we are an independent committee, with an independent staff.

Senator SMITH. Do you use any of their statistics or the information that they have gathered?

Mr. JOSEPHS. Yes, indeed; insofar as there are statistics in this field.

Senator SMITH. How is the Committee's money spent generally? Is it spent for personnel, or otherwise?

Mr. JOSEPHS. It has been almost all personnel. Our Committee is composed of 35 members. The travel allowance has to bring them to the meetings. We have had seven meetings to date, plus a certain amount of printing and stenographic work. It takes almost everything.

Senator SMITH. Is there an executive secretary to manage the office?

Mr. JOSEPHS. Dean Stahr is the executive director of the staff.

STUDY PROCEDURES

Senator SMITH. How are the studies made? Are the members of the Committee at work in the field or is that done through conferences here?

Mr. JOSEPHS. We have had some subcommittees. Half of the members of the Committee are educators and the other half are interested lay people. They use studies that have been made in other directions

and for other purposes perhaps, and we have done the best we could to summarize them. We have not had enough money to do any independent research.

Senator SMITH. What was the date originally for the termination of the President's Committee, or was there no date?

Mr. JOSEPHS. We were directed to report at December 31, 1957, but I think no termination date for the Committee was set, other than just the substantive legislation which was to continue us until June 30, 1958.

Senator SMITH. It was not contemplated, then, to have a continuing study of this problem; is that correct?

Mr. JOSEPHS. No, I think it was not so contemplated. However, I think all the educational associations, the various regions and the various States and the governors and others that are interested had expected that we would continue on due to the substantive legislation having been passed. They expected that we would continue on beyond this June 30.

Senator SMITH. If the Senate does not restore any of the money, even a small part of it, what will become of the work that you have done? Will anything have been accomplished?

Mr. JOSEPHS. Yes. We will get out a report even if it has to be typed in my own office in New York. It will be a report. There may be a lot of people who will wonder why it was done so hastily and, if I may say so, so economically, but we will get a report out.

Senator SMITH. Do you think the report will have something constructive in it by which we can benefit?

Mr. JOSEPHS. Probably. But I would suspect that it would not have much status because it would represent a disavowal on the part of the congressional committee.

MEMBERSHIP OF THE COMMITTEE

Senator SMITH. Mr. Chairman, I think we might like to have a list of the membership of this President's Committee.

Senator HILL. We would like to have that in the record now. Do you have that, Dean Stahr? Do you have a list of the membership of that Committee?

Mr. STAHR. Yes, sir.

Senator HILL. Will you supply that for the record here?

Mr. STAHR. I will be delighted to do so.

There was one new member appointed by the President only a week or two ago, and I will add his name to the list.

Senator SMITH. Are these all Presidential appointments?

Mr. STAHR. Yes.

Senator HILL. We will be very glad to have that for the record.

Mr. STAHR. I have it right here.

(The document referred to follows:)

THE PRESIDENT'S COMMITTEE ON EDUCATION BEYOND THE HIGH SCHOOL

Devereux C. Josephs, Chairman, chairman of board, New York Life Insurance Co.	Robert R. Hudelson, former dean, College of Agriculture, University of Illinois
David D. Henry, Vice Chairman, president, University of Illinois	Rees H. Hughes, president, Kansas State Teachers College
Albert F. Arnason, commissioner, North Dakota Board of Higher Education	Seymour H. Knox, chairman of board, Marine Trust Company of Western New York
George P. Berry, dean, Harvard Medical School	Roy E. Larsen, president, Time, Inc.
Lawrence L. Bethel, president, Fashion Institute of Technology	Katharine E. McBride, president, Bryn Mawr College
Horace M. Bond, president, Lincoln University	James McKinney, chairman of board, American School
Sidney P. Brown, attorney	James Lewis Morrill, president, University of Minnesota
Samuel Miller Brownell, superintendent, Detroit Public Schools	Kenneth E. Oberholtzer, superintendent, Denver Public Schools
Harold C. Case, president, Boston University	Paul C. Reinert, S. J., president, St. Louis University
Dorothy Buffum Chandler, assistant to the president, Times-Mirror Co.	Howard C. Petersen, president, Fidelity-Philadelphia Trust Co.
Catherine B. Cleary, vice president, First Wisconsin Trust Co.	Dean M. Schweikhard, State Commissioner of Education, St. Paul, Minn.
John D. Connors, director, AFL-CIO Department of Education	Edgar W. Smith, former president, Oregon State Board of Higher Education
Arthur G. Coons, president, Occidental College	Edgar B. Stern, trustee, Tulane University
J. Broward Culpepper, executive director, Board of Control of Florida Institutions of Higher Learning	Anna Lord Strauss, trustee, Connecticut College
Arthur Hollis Edens, president, Duke University	John Hay Whitney (resigned) (Ambassador to Great Britain), senior partner, J. H. Whitney & Co.
Paul L. Essert, professor of education, Columbia University	Laurence F. Whittemore, chairman of board, Brown Co.
Crawford H. Greenewalt, president, E. I. du Pont de Nemours & Co., Inc.	Theodore O. Yntema, vice president, Ford Motor Co.
James P. Hart, Texas (resigned in December 1956), attorney	Elvis J. Stahr, Executive Director
Leo A. Hoegh, Governor of Iowa	
Frederick L. Hovde, president, Purdue University	

BASIC POLICY AS GUIDELINE

MR. PERKINS. If I may interrupt to answer Senator Smith's inquiry, our hope is that this President's Committee will give to the Department of Health, Education, and Welfare a basic policy which we might look to as a guideline, so to speak, to carry us into this period when we are going to have these exceedingly great increases in school enrollment.

It is our hope that a specific way to follow up on the Committee's report is to have the Division of Higher Education in the Office of Education carry on from there.

This is an assignment of such magnitude and requiring so much citizen consideration that it was above and beyond the regular work of the Office of Education in our Department, the Division of Higher Education.

SENATOR SMITH. I wonder if the Office of Education could take the findings of this President's Committee to date, if you are obliged to discontinue your work, if you should not get the money to continue, so that you could make some use of your findings.

The thing that concerns me is spending \$200,000 or \$250,000 and not getting anything out of it when spending a little more money would make full use of what has been already spent.

Mr. PERKINS. That is our great tragedy in the matter, really, if the Committee should not be able to carry on and complete their work as they have begun it, which has been most economically and with a great deal of philanthropic as well as governmental help, to bring it to the conclusion that the high caliber of thinking that the Committee's personnel constitutes has inevitably brought to this great question.

It is something that none of us in Government per se could very well do for ourselves and for the people of the country. We need to have citizen participation, of people such as are on this list that Mr. Stahr has presented here, people who are presidents of some of our great private institutions, some of our great public institutions, businessmen, who have had for a long time a special interest in higher education. They have all combined their thinking and have been thinking hard and have been discussing much to implement their thinking.

It would be a great shame if this work were not carried through now to a very significant conclusion.

I think Chairman Josephs is very modest about at least our expectations as to the results of the thinking of his group. It will be a good report. I will speak for him in that respect.

Senator SMITH. Mr. Josephs, would there be any money available from other sources to help finish this program of your committee?

Mr. JOSEPHS. I do not think so, because other money comes in simply because we were already in being. But if the Congress does not think we are worth going ahead with, no one else will.

The point of a national committee is the enormous influence and status it has throughout the country. Even though I think we may not say anything in our report that is very new or very dramatic, people probably will listen to it simply because it has this status. But if we do not have this status we are just one more committee reporting, and the road to ineffectiveness is really paved with reports.

Senator HILL. In other words, in that case you would not speak with authority, is that about it?

Mr. JOSEPHS. No authority at all. We can get money to write a report, but you cannot get this type of people to donate their time and attention to it.

INTEREST OF FORD FOUNDATION

Senator DWORSHAK. Have you had any recognition of this study and this project, Mr. Josephs, from any of the foundations, such as the Ford Foundation, or other groups?

Mr. JOSEPHS. Yes. The Ford Foundation is following it with great interest. One of the other foundations is giving us support. The Ford Foundation will be helpful and has done some research for us.

Senator DWORSHAK. They are probably waiting to do something after your report is submitted rather than helping you prepare it, is that it?

Mr. JOSEPHS. That is correct. If the Congress does not think it is worth doing, then the Ford Foundation will say, "This has been disavowed and we had better follow something else."

Senator DWORSHAK. What is this crisis that you refer to in your statement; can you elaborate on that a little bit?

INCREASE IN PERCENTAGE OF POTENTIAL COLLEGE STUDENTS

Mr. JOSEPHS. Yes, Senator Dworshak.

Twice as many children were born in 1956 as were in 1936. Eighteen or twenty years from now we will have twice as many 18-year-old children as now. The percentage going to college has been rising and it is around 33 percent now, probably 35 or 40 percent will be the figure by that date. So that you will have twice as many or more people of college age and people entering college.

Senator DWORSHAK. Has your group been interested in the apparent failure in this country to turn out college graduates on a comparable basis, for instance, with the Soviet nation? Are you considering that aspect of the problem?

Mr. JOSEPHS. Yes. However, we would hope that our graduates would not be on a comparable basis in the sense of being the special elite.

Senator DWORSHAK. I am glad to have the record changed in that respect. That is a good correction. I meant merely as to completing engineering courses instead of learning to play ping-pong or to play poker or something else. That was the implication of my comments.

Mr. JOSEPHS. That has been part of our discussions, a great deal of it. The statistics are not too clear on it and we are puzzled a little bit about that.

Senator DWORSHAK. Are you studying that aspect of the matter, or do you think that should come subsequently to the filing of your report?

Mr. JOSEPHS. Those statistics and the accuracy of them will come in irrespective of our work.

Senator DWORSHAK. I do not think, Mr. Josephs, there is much question as to the reports or the authenticity of the reports we receive. Many Members of Congress have visited behind the Iron Curtain in the last 2 or 3 years. Senator Smith was one of the first Members of Congress to go there and I was with the group in September in 1955.

FULL UTILIZATION OF EDUCATIONAL FACILITIES

I might say that while we think we are a superior race in this country, it is apparent that we have not made the most beneficial use of our educational facilities, in this country.

For instance, I was visiting in the great University of Moscow at 6 o'clock on a Saturday afternoon, and their classes were in full progress at that time. Here in our country you would find your campuses deserted at that time of day except perhaps for the football field or the sports arena or some such place.

I know that we pride ourselves in America about being a superrace, but, realistically and professionally, our educational system has been lagging. Is your group aware of that fact and is that part of this crisis that you refer to?

Mr. JOSEPHS. That is part of it, and a very important part of it.

Senator DWORSHAK. Getting our younger Americans into colleges does not accomplish much unless they do something worthwhile with their time while they are there.

Mr. JOSEPHS. That is right. And anything that can be done to call people's attention to the problems of higher education will presumably

improve the situation and make people think of higher education as a much more serious affair than I think many of them do today.

Senator DWORSHAK. I can agree with you wholeheartedly on that, and I shall certainly look forward to your report because I think the American people must be shocked into a realization that we cannot just coast along blindly as we have been doing for a good many years.

Mr. JOSEPHS. I hope our report will receive enough endorsement so it will not have to be typewritten up in New York.

Senator HILL. Do you feel your report will contribute much to the thought that has been suggested by Senator Dworshak?

Mr. JOSEPHS. I am sure it will directly, but probably more indirectly than directly.

Senator HILL. Are there any further questions?

Senator SMITH. No further questions, Mr. Chairman.

Senator DWORSHAK. No questions.

Senator HILL. Is there anything you would like to add, Mr. Secretary?

Mr. PERKINS. No, sir.

Senator HILL. Dean Stahr, is there anything you would like to add, sir?

REGIONAL CONFERENCES

Mr. STAHR. Senator, I would just like to point out that the staff of the President's committee has been working very busily. I would just like to show you a source book of facts which has just come from the printer in preliminary form for the regional conferences. I also have one which was prepared for the Far Western Conference, and something similar to this will be prepared for all of the five regional conferences.

The Far Western Conference is the only one that has been held, and it was held last week. The Southern Conference will be held next week and the Mid-Atlantic Conference will be held the end of this month, the Midwest on the 10th and 11th of May, and the New England Conference on the 13th and 14th of May.

I think it would be an almost reckless waste if the President's committee has to cease its work before they even had an opportunity to evaluate the results of these conferences and to get some notion of what this discussion among laymen and educators throughout the Nation is producing.

Senator DWORSHAK. Is this entirely for use at the national level? Or do you have some implementation at State levels?

Mr. STAHR. What is within the program is more fully described in Mr. Josephs' complete statement. Our whole idea has been to push this thing closer and closer to the grassroots. The regional conferences, as the Committee's program was projected, would be followed by the State conferences, and then by community conferences, and by institutional planning and development programs, which we not only hope but which we expect and plan to have continue after this Committee has ceased its own work.

RESPONSIBILITY FOR REMEDIAL MEASURES

Senator DWORSHAK. Is it essentially a factfinding proposal or survey and there is no intention at this time to place the responsibility

upon the Federal Government to undertake any remedial measures which may be recommended?

Perhaps it is a little premature to ask a question like that, but I am just wondering to what extent the various States, through their educational systems, will be able to participate and benefit possibly from these studies.

Mr. STAHR. We hope they will be able to participate to the fullest possible extent. They are already in these regional conferences. In many of the States the governors have even selected at least part of the participants to go to these conferences.

Senator HILL. Mr. Secretary, do you have anything to add here?

Mr. PERKINS. I would say, in respect to Senator Dworshak's question, that there is a supplemental request in one of the supplemental bills, which would give Federal help in holding conferences not only on the regional level but those which are now going forward.

Our concern is to have these people on every level in the regions and in the States quite as much as on the national level worrying about this problem and seeking solutions for themselves. That is something that will come before your committee in the regular course of events.

Senator HILL. Is there anything else, gentlemen?

If not, I want to say we appreciate very much your presence here, Mr. Josephs and Mr. Secretary and Mr. Stahr. Thank you.

OFFICE OF VOCATIONAL REHABILITATION

STATEMENT OF MARY E. SWITZER, DIRECTOR

APPROPRIATION ESTIMATE

OFFICE OF VOCATIONAL REHABILITATION

"Grants to States and other agencies: For grants to States and other agencies in accordance with the Vocational Rehabilitation Act, as amended, **[\$39,500,000]** \$45,100,000, of which **[\$35,000,000]** \$40,000,000 is for vocational rehabilitation services under section 2 of said Act; \$1,500,000 is for extension and improvement projects under section 3 of said Act; and **[\$3,000,000]** \$3,600,000 is for special projects under section 4 of said Act: *Provided*, That allotments under section 2 of said Act to the States for the current fiscal year shall be made on the basis of **[\$45,500,000]** \$53,000,000, and this amount shall be considered the sum available for allotments under such section for such fiscal year.

"Grants to States, next succeeding fiscal year: For making, after May 31 of the current fiscal year, grants to States under sections 2 and 3 of the Vocational Rehabilitation Act, as amended, for the first quarter of the next succeeding fiscal year such sums as may be necessary, the obligations incurred and the expenditures made thereunder to be charged to the appropriation therefor for that fiscal year: *Provided*, That the payments made pursuant to this paragraph shall not exceed the amount paid to the States for the first quarter of the current fiscal year."

Amounts available for obligation

	1957 appropriation	1958 budget estimate	House allowance
Appropriation.....	\$39, 500, 000	\$45, 100, 000	\$45, 100, 000

Obligations by activities

Description	1957 appropriation	1958 budget estimate	House allowance
Vocational rehabilitation services.....	\$35,000,000	\$40,000,000	\$40,000,000
Extension and improvement projects.....	1,500,000	1,500,000	1,500,000
Special research and demonstration projects:			
(a) Expansion projects.....	1,000,000		
(b) Unique special projects.....	2,000,000	3,600,000	3,600,000
Total.....	39,500,000	45,100,000	45,100,000

Obligations by object

	1957 appropriation	1958 budget estimate	House allowance
11 Grants, subsidies, and contributions.....	\$39,500,000	\$45,100,000	\$45,100,000

Summary of changes from 1957

Grants to States and other agencies :

1957 appropriation.....	\$39,500,000
1958 appropriation request.....	45,100,000
Net change requested.....	5,600,000

For program items :

Vocational rehabilitation services.....		5,000,000
Special projects.....	\$1,600,000	
Expansion projects.....	—1,000,000	
Total.....		600,000
Total.....		5,600,000

TABLE 4.—*Support grants, sec. 2 of the Vocational Rehabilitation Act*

State or territory	Amount of grant			Percent grant is of allotment		
	1956 actual	1957 estimate	1958 estimate	1956	1957	1958
Total.....	\$30,000,000	\$35,000,000	¹ \$40,000,000	83.3	76.9	75.4
Alabama.....	962,134	1,230,874	1,524,423	88.9	98.6	87.9
Arizona.....	222,362	292,986	317,444	96.5	95.2	86.1
Arkansas.....	601,369	755,304	959,092	87.1	81.9	86.8
California.....	1,780,220	2,071,733	2,243,070	85.3	82.2	83.4
Colorado.....	234,938	284,128	393,284	74.3	67.3	77.7
Connecticut.....	² 368,114	² 363,391	² 353,396	100.0	100.0	100.0
Delaware.....	179,861	¹ 183,218	² 179,943	96.0	100.0	100.0
Florida.....	1,042,942	1,112,342	1,329,830	83.8	74.7	89.5
Georgia.....	² 1,750,735	² 1,883,882	2,017,662	100.0	100.0	95.5
Idaho.....	75,901	85,650	134,561	65.2	55.1	72.3
Illinois.....	1,359,118	1,358,759	1,543,260	91.0	77.6	78.7
Indiana.....	410,011	416,912	490,907	59.2	45.1	44.3
Iowa.....	488,652	555,151	637,541	92.6	78.8	75.5
Kansas.....	312,935	377,977	486,655	74.0	66.9	71.9
Kentucky.....	261,482	² 358,306	¹ ² 429,331	97.4	100.0	100.0
Louisiana.....	² 919,752	² 1,228,161	¹ ² 1,471,613	100.0	100.0	100.0
Maine.....	² 175,351	229,681	214,420	100.0	98.1	76.4
Maryland.....	333,028	374,414	410,570	60.7	54.4	54.4
Massachusetts.....	428,887	630,663	661,121	88.8	97.8	85.6
Michigan.....	1,160,041	1,242,073	1,284,466	87.6	74.6	72.2
Minnesota.....	² 603,240	² 805,517	898,699	100.0	100.0	93.1
Mississippi.....	440,165	515,486	¹ 573,873	61.1	53.6	49.8
Missouri.....	694,584	717,687	861,926	82.0	63.4	63.6
Montana.....	156,879	166,864	182,066	93.6	93.2	81.8
Nebraska.....	241,419	238,308	296,867	66.8	50.1	51.3
Nevada.....	² 30,584	² 31,681	33,696	100.0	100.0	95.9
New Hampshire.....	69,452	72,305	121,622	70.9	55.2	77.5
New Jersey.....	690,704	1,017,618	1,037,870	85.0	98.1	98.6
New Mexico.....	141,448	245,650	257,465	67.7	88.1	77.0
New York.....	2,033,023	2,578,662	2,797,608	96.6	96.0	81.6
North Carolina.....	1,214,010	1,413,902	1,462,937	81.6	71.2	61.5
North Dakota.....	² 168,272	² 224,696	250,689	100.0	100.0	93.1
Ohio.....	624,322	642,681	731,891	68.8	53.1	50.4
Oklahoma.....	633,941	707,599	909,121	74.4	71.1	86.3
Oregon.....	² 381,218	425,508	496,535	100.0	89.8	86.0
Pennsylvania.....	2,339,559	² 3,021,275	3,349,750	97.9	100.0	93.5
Rhode Island.....	140,697	228,969	245,877	72.7	94.4	95.3
South Carolina.....	520,662	563,252	805,254	56.6	45.9	54.7
South Dakota.....	138,441	135,532	183,806	92.1	67.6	76.4
Tennessee.....	854,899	781,399	999,811	70.7	48.4	51.7
Texas.....	1,028,591	1,033,094	1,357,206	57.3	43.1	47.3
Utah.....	175,294	194,056	280,766	63.2	67.9	81.9
Vermont.....	² 133,744	² 160,363	173,943	100.0	100.0	94.7
Virginia.....	806,291	1,046,184	¹ 1,062,033	87.7	85.2	72.2
Washington.....	535,991	560,388	658,083	90.7	88.5	90.4
West Virginia.....	752,869	768,014	963,205	98.3	79.8	82.1
Wisconsin.....	576,763	637,408	807,527	66.7	58.5	59.8
Wyoming.....	89,002	² 100,035	103,322	87.0	100.0	97.8
Alaska.....	² 76,340	83,821	106,186	100.0	82.2	86.9
District of Columbia.....	² 248,209	² 242,624	² 238,284	100.0	100.0	100.0
Hawaii.....	182,115	187,595	² 186,745	93.6	98.7	100.0
Puerto Rico.....	249,439	411,626	482,748	46.4	57.3	56.1
Rounding adjustment.....		4,576				

¹ Except for the 4 States which have already appropriated matching funds for 1958 (identified by footnote 1), it is not possible at this time to develop final grant requirements on a State-by-State basis. For this reason, the amounts shown, except for the 4 States identified, have been estimated by distributing on a pro rata basis the increase in the 1958 estimate over the 1957 appropriation. The figures for the 4 States which have already appropriated are based on State funds as reported by them. (See p. 8 of the narrative justification.)

² States which can earn full allotment.

TABLE 5.—*Extension and improvement grants, sec. 3 of the Vocational Rehabilitation Act*¹

State or Territory	1956 actual	1957 estimate	1958 estimate ²
Total allotments.....	\$1, 500, 000	\$1, 500, 000	\$1, 500, 000
Unmatched.....	496, 889	148, 455	104, 450
Total grants.....	1, 003, 111	1, 351, 545	1, 395, 550
Alabama.....	\$ 28, 196	\$ 26, 890	\$ 26, 802
Arizona.....	2, 097	\$ 8, 689	\$ 8, 659
Arkansas.....	\$ 17, 255	\$ 15, 862	\$ 15, 809
California.....	\$ 113, 418	\$ 115, 541	\$ 115, 166
Colorado.....	6, 512	3, 432	3, 288
Connecticut.....	16, 038	\$ 19, 869	\$ 19, 803
Delaware.....	\$ 5, 000	\$ 5, 000	\$ 5, 000
Florida.....	17, 870	\$ 30, 606	\$ 30, 504
Georgia.....	17, 324	\$ 32, 104	\$ 31, 997
Idaho.....			
Illinois.....	18, 060	82, 500	\$ 82, 720
Indiana.....	1, 500	1, 500	30, 291
Iowa.....	23, 325	\$ 23, 868	\$ 23, 788
Kansas.....	13, 525	\$ 18, 264	\$ 18, 203
Kentucky.....	25, 893	\$ 26, 642	\$ 26, 554
Louisiana.....		\$ 25, 950	\$ 25, 865
Maine.....	7, 722	\$ 8, 024	\$ 7, 997
Maryland.....			
Massachusetts.....	38, 039	\$ 44, 472	\$ 44, 325
Michigan.....	30, 506	\$ 64, 155	\$ 63, 942
Minnesota.....	22, 341	\$ 28, 141	\$ 28, 047
Mississippi.....			
Missouri.....	8, 411	32, 772	\$ 36, 477
Montana.....		\$ 5, 612	\$ 5, 594
Nebraska.....	9, 675	\$ 12, 244	\$ 12, 203
Nevada.....	1, 716	2, 658	4, 500
New Hampshire.....	\$ 5, 000	\$ 5, 000	\$ 5, 000
New Jersey.....	\$ 47, 430	38, 442	38, 442
New Mexico.....	\$ 7, 056	\$ 7, 048	\$ 7, 025
New York.....	130, 275	\$ 142, 955	\$ 142, 482
North Carolina.....	\$ 38, 396	\$ 37, 991	\$ 37, 865
North Dakota.....	4, 211	\$ 5, 692	\$ 5, 673
Ohio.....	56, 737	71, 094	\$ 79, 230
Oklahoma.....	\$ 20, 490	\$ 19, 221	\$ 19, 158
Oregon.....	\$ 14, 896	\$ 14, 797	\$ 14, 748
Pennsylvania.....	40, 378	\$ 98, 935	\$ 98, 609
Rhode Island.....	3, 718	\$ 7, 492	\$ 7, 467
South Carolina.....	12, 000	\$ 20, 241	\$ 20, 175
South Dakota.....	3, 777	\$ 6, 003	1, 200
Tennessee.....	9, 690	21, 090	22, 500
Texas.....	47, 458	\$ 75, 919	\$ 75, 668
Utah.....	\$ 6, 839	\$ 6, 925	\$ 6, 901
Vermont.....		\$ 5, 000	\$ 5, 000
Virginia.....	31, 077	\$ 31, 731	\$ 31, 627
Washington.....	22, 367	17, 829	17, 820
West Virginia.....	\$ 17, 590	\$ 17, 750	\$ 17, 691
Wisconsin.....	25, 099	31, 506	31, 506
Wyoming.....		\$ 5, 000	\$ 5, 000
Alaska.....	\$ 5, 000	\$ 5, 000	\$ 5, 000
District of Columbia.....	6, 319	\$ 7, 563	\$ 7, 538
Guam.....			
Hawaii.....	3, 000	\$ 5, 000	\$ 5, 000
Puerto Rico.....	\$ 20, 065	11, 625	\$ 19, 697
Virgin Islands.....			

¹ Amounts allotted on basis of population. Amounts cannot be redistributed.² The State allotments for 1958 include Guam. Consequently allotments to other States changed proportionately, from 1957 amounts.³ States that earn full allotment.STATEMENT BY DIRECTOR, OFFICE OF VOCATIONAL REHABILITATION ON GRANTS
TO STATES AND OTHER AGENCIES

GENERAL REMARKS

Mr. Chairman and members of the committee, there has been a healthy growth in the vocational rehabilitation program during fiscal year 1956 and the first half of 1957. The accomplishments of this period provide abundant evidence of enthusiastic interest and support on the part of State agencies—and this support is basic—voluntary groups and many leaders in public and civic life. The plans for future development in 1958 have been drawn on the basis of this experience which is highlighted by the following :

State financial support has increased substantially, with 1957 State funds about 18 percent greater than in 1956.

A record high in the number of disabled persons rehabilitated was achieved in 1956, with 66,300 restored to activity and useful jobs, and over 221,000 receiving services during the year.

More than 13,000 disabled people who had been receiving public assistance were included in those rehabilitated during 1956.

The severely disabled have received more attention, more funds, and more services than ever before, with resulting increases in the numbers rehabilitated by the State vocational rehabilitation agencies.

The professional training of personnel urgently needed in rehabilitation has been stepped up, with increases in the number of rehabilitation counselors, physicians in rehabilitation, and others pursuing long-term courses of study.

State participation in the extension and improvement grant program in 1956 was more than double that of 1955, and in 1957 is expected to exceed 1956 by at least one-third.

One hundred and two expansion-project grants were made in 1956 to assist State agencies and cooperating voluntary agencies to expand services, and to establish workshops and facilities, many of which are serving the severely disabled.

Sixty-seven research and demonstration projects have been approved and launched through special project grants to secure new knowledge and new methods of rehabilitating more disabled individuals.

Community participation in rehabilitation

The public program of vocational rehabilitation and the hundreds of agencies and institutions working cooperatively with it have entered the beginning phases of a national approach to the problems of disability among the American people. It is national in character because it is reflecting the interests, the activities and the participation of hundreds of community groups spread across every State in the Nation. At the heart of this widespread interest is a growing awareness—in the minds of individual citizens, community leaders, local and State officials—of the human misery, the personal and public financial burdens, and the production losses which neglected disability now imposes upon us.

We believe that the greatest measure of success in mastering disability can be achieved in the shortest time by using the resources of the Federal Government to foster this community and State awareness, and to continue to provide the spark of encouragement and support which will help communities translate hope and plans into action.

In the great majority of these communities, the public vocational rehabilitation agencies are functioning as integral parts of the total community effort. Their responsibilities and those of the local voluntary groups are closely interwoven. The general response of the States to the opportunities to broaden and expand their rehabilitation programs has been very heartening—not alone because of the increased State funds and services, but equally because governors, State legislators, and other officials have responded with enthusiasm and sustained support.

The State vocational rehabilitation agency is the natural community leader to mobilize services for the disabled. One of the truly exciting facts of the present situation is the manner in which key members of the State and local public rehabilitation staffs have responded to the challenge of this opportunity for leadership and have organized to extend services in many different ways.

Cooperative action with other Federal agencies

I am pleased to report to the committee that the vocational rehabilitation program enjoys the highest degree of working cooperation with other Federal agencies that we have ever known. We are in daily communication with the President's Committee on the Employment of the Physically Handicapped, to carry out a number of joint programs to induce more employers to hire handicapped workers. Last month we completed the fourth in a series of cooperative regional conferences aimed at demonstrating to employers, organized labor, and the general public the tremendous potential for securing competent help from among those who have a physical disability.

In our plans to restore more disabled people to activity and employment, we have counted heavily on the assistance of the United States Employment Service and the State employment services. We have underway at present several important projects with the United States Employment Service which I believe

will improve our joint placement efforts tremendously. Even more important, however, is the fact that the State vocational rehabilitation agencies and the State employment services are constantly finding better ways to work together in securing suitable jobs for the handicapped people they both serve.

You will recall that the vocational rehabilitation amendments of 1954 made specific provisions for including special staff members in each Employment Service office, to concentrate on the placement of the physically handicapped. This is an important element in our total plan for employing more handicapped people. I know the committee will recognize this vital activity for the disabled when it considers the appropriation request for the Employment Service.

Economic gains

In these days of tight budgets it is well to note again the economic gains that the past year has seen. Through the work of the vocational rehabilitation program in 1956, our productive strength has been increased by the addition of 56 chemists, 426 accountants and auditors, 274 engineers, 66 pharmacists, 557 draftsmen, 1,314 teachers.

Of the 66,300 rehabilitants during 1956, more than 13,000 had been receiving public assistance. Following rehabilitation services, they were earning wages estimated to total \$127.3 million yearly. This year we expect that about 15,000 disabled people who had depended upon public relief funds will be placed in jobs and that their annual earnings will exceed \$147 million. During 1958, we anticipate the rehabilitation of about 18,000 persons who have received public assistance and that their earnings will amount to nearly \$175 million yearly.

The severely disabled

Without question the greatest single element of change in the nature of the rehabilitation job to be done is the steadily growing volume of demand for rehabilitation services for persons who are so severely disabled that, only a few years ago, they would have been considered "hopeless" by everyone concerned. Today, thanks to a long list of advances in medical, industrial, and rehabilitation fields, many of these persons can be restored to activity and many of them to employment. As individuals, they frequently are on the perimeter of rehabilitation, but an accomplished expert seldom can predict just how far up the ladder of recovery and activity the disabled person may rise. It is among this group that the great challenge lies. But in moving further into the needs of the severely disabled, all of our rehabilitation service programs, public and voluntary, must be prepared to invest substantial sums in many thousands of cases in which the outcome, in terms of level of recovery, employability, and other criteria, is at best unpredictable. This calls not only for great skill in evaluation and service to the disabled, but equally for courage on the part of those who are responsible for spending funds and for steadfast support on the part of those who provide the funds.

Fortunately, the public vocational rehabilitation program already has acquired a substantial body of experience in this field. In 1956, 755 mentally retarded persons were rehabilitated—an increase of 42 percent over 1955. The number rehabilitated among the mentally ill was up 23 percent, of the blind was up 8 percent, of arthritics was up 20 percent, and of the cerebral palsied was up 11 percent.

These increases reflect greater attention and effort to the needs of the severely disabled. In the basic program, our counselors have devoted more time and more funds to the severely disabled. The restoration of many of these people come about as a direct result of the program of extension and improvement grants, through which States are encouraged to move into fields which have been inadequately covered, and to raise their standards of performance. For example, 13 extension and improvement projects were conducted in 1956 for the homebound and other severely disabled; 4 for the mentally retarded; 2 for the blind in rural areas; 10 for the mentally ill.

Much of the work done in research and demonstrations under the special project program was concentrated on such seriously disabling conditions as cerebral palsy, blindness, mental illness, and epilepsy.

In their report on the 1958 appropriation bill the House committee expressed disappointment that the advance in numbers of the seriously disabled rehabilitated was not greater than the advance in the total number of cases rehabilitated. The committee noted that the difficult cases take more time, however, and the committee is expecting more progress to be shown when the 1959 budget

is presented. The Office of Vocational Rehabilitation feels that the great progress now being made in the State-Federal program will produce the results anticipated by the House committee.

An exceptional opportunity for cooperative action

We are now in the final year of the expansion-grant program, which the Congress adopted as a special measure to expedite the rapid development of community and public resources in rehabilitation. The expansion grants have exceeded our most optimistic hopes for generating local action and bringing closer together in a common effort the voluntary groups and the public agencies. Because of these grants, made mostly to local voluntary agencies:

1. More disabled people have been rehabilitated.
2. More and better facilities are available which will be serving disabled people for many years to come.
3. We have a clear picture, at close range, of the intense desires of hundreds of communities to do something specific, practical, and effective to restore their own disabled men and women.
4. We have gained experience on which to base our future plans.

To capitalize on this experience, we should direct our attention to building upon this broad base of community interest. In doing this, it seems wise to follow a course of selective support in those areas where the need among the disabled is great and the prospects for community and State agency involvement and participation are extensive.

With this in mind, we are proposing, as part of our request for special project funds, that a series of national demonstration programs be carried out in certain fields, under the existing authority (sec. 4) of the act. It is imperative, of course, that the primary emphasis in the special projects program must be on research. But it is equally important that the results of this research, particularly where it has been coupled with demonstrations of techniques of service, be made available as quickly as possible to the country as a whole. To make a start in this direction in 1958, we are hoping to combine forces with the State vocational rehabilitation agencies and the voluntary groups which have been working with us on a research and experimental basis to launch demonstration programs, on a scale which recognizes the dimensions of the problem, and which is aimed at specific, widespread needs of certain groups such as the cerebral palsied, the blind, the severely disabled in nursing homes, and others. We know, for example, that thousands of cerebral-palsied adults could acquire the general work habits, the occupational skills, and the personal preparation they need to get and hold jobs—but this requires special facilities for this specialized work. Much the same is true for those who are mentally retarded. Other thousands of person, now "legally" blind and unable to work, could have their vision restored to a point where they could read printed material, get about, and hold jobs, if we were able to fully capitalize on recent technical advances in optical aids. This Office has already held two optical aids institutes, as an opening effort to help get more service to these people—but this is on a pitifully small scale for such a tremendous opportunity.

Awaiting us in such projects as these are many national organizations of repute, experience, and stability, which, together with their hundreds of local affiliates, are prepared to cooperate in planning, financing, and carrying out such demonstrations. Perhaps as important as the expansion of these services is the opportunity offered for greater partnership between the public program, State and Federal, with dedicated citizens working in voluntary organizations all over our land. It is through this partnership, already begun, that we can report the exciting progress already mentioned.

The rehabilitation program and OASI disability benefits

During 1958, and in the years following that, we must be prepared to carry out the extensive new responsibilities placed upon us in connection with the disability cash benefit provisions of the Social Security Amendments of 1956. In providing for cash payments to disabled covered workers aged 50 or over, under the old-age and survivors insurance system, the Congress also called for rehabilitating as many of these disabled workers as possible. It indicated the State vocational rehabilitation agencies as the agencies of choice to make determinations of disability, for benefit purposes, and required that benefits be withheld or reduced where beneficiaries refused rehabilitation services without good cause. Forty-seven State rehabilitation agencies now are preparing to perform the disability determinations, and all 88 agencies are gearing their

service programs to meet the additional needs of the disabled workers applying for OASI benefits. Thus the vocational rehabilitation program is now deeply involved in the total benefit process whenever a covered worker aged 50 or over becomes disabled and unable to engage in substantial work.

Impact of OASI disability benefits on rehabilitation program operations

With reference to disability cash benefits, we have tried to plan realistically for the tremendous impact which this new program will have on both the State rehabilitation agency operations and upon the staff activities and requirements of this Office, both centrally and in the field. The States must recruit some 640 professional employees by June 30, 1958, all of them with some basic rehabilitation training. Of this total, about 140 will be required to staff disability determination operations and about 500 will be required to staff the expanded vocational rehabilitation program. This Office is already deeply involved in a series of actions in cooperation with the Bureau of Old-Age and Survivors Insurance—special recruitment assistance to many States, conduct of short-term training for new personnel, and many other activities—to help insure that this new benefit program is gotten underway promptly and with full provision for maximum rehabilitation services to disabled covered workers.

Disability and rehabilitation among the aging

The disability benefits program dramatizes the need for more attention to rehabilitation of the older worker. It is wasteful not to retain as many experienced workers as possible in the labor market. Our Office is emphasizing the importance of rehabilitation, not only from the point of view of retaining experienced workers in the labor market and maintaining a high level of production, but also from the point of view of the individual himself.

We have made a creditable beginning in the vocational rehabilitation program. We believe we can—indeed, we must—do considerably more in 1958 to meet the needs of those who are identified in the disability cash benefits program.

In 1956, the State vocational rehabilitation agencies rehabilitated 17,751 disabled persons aged 45 and over. This was an increase of 2,465 over 1955.

In search of better ways to bring more service to the older age group, we have studied the performance of the individual State agencies. We find surprising extremes; in one State, 42 percent of those rehabilitated in 1956 were over age 45, while at the other end of the scale, a State reported only 9 percent of rehabilitants in that age group. The national average is 26 percent. We are trying to learn more about why State agencies do and do not accept older disabled persons. A field study of agency's policies and of the operation of the 42-percent State just mentioned has been completed and is being analyzed; we are attempting to establish a basis for working with the States to increase the attention and services given to older disabled individuals.

Special workshops for the disabled

At present we are faced with a pronounced shortage of sheltered workshops for those disabled people who are not able to enter the regular labor market. Preliminary results of one current study indicate that roughly one-half of the disabled people in this country, who are potentially capable of performing some kind of work, will require sheltered employment, either permanently or as a step toward full, competitive employment. Few of our communities presently are prepared for such a need. We feel that plans should be developed on a more comprehensive scale than has been done to date. As a basis for such planning, this Office has recently published *Workshops for the Disabled*, which is the first document to provide thorough coverage of the many phases of this important field.

The achievements of the vocational rehabilitation program during 1956 and thus far in 1957, reported herein to the committee, reflect substantial accomplishments on the part of the State agencies and the many cooperating voluntary groups. We must, however, face realistically the fact that this country still is rehabilitating only a fraction of those who should be restored to useful, satisfying lives and made a part of our productive labor force. There is no single step which will bring our rehabilitation effort to the point where it meets the national need, nor can the job be done in any one year. Progress will require many actions in several related fields and a continued and expanding effort over the next several years. We have endeavored, in this request, to set forth a balanced approach to these objectives.

GRANTS FOR VOCATIONAL REHABILITATION SERVICES

Estimated requirements

The estimated requirements for 1958 for basic support grants under section 2 of the act total \$40 million. This is 14 percent greater than the 1957 estimate. The House approved the budget request as submitted.

In the following table, State and Federal funds for basic support are furnished, reflecting actual funds in 1956 and estimates for 1957 and 1958.

	1956 actual	Percent of total	1957 estimate	Percent of total	1958 estimate	Percent of total
State funds.....	\$18, 129, 478	38	\$21, 300, 000	38	\$24, 500, 000	38
Federal funds.....	30, 000, 000	62	135, 000, 000	62	40, 000, 000	62
Total.....	48, 129, 478	100	56, 300, 000	100	64, 500, 000	100

¹ Includes \$1,500,000 proposed supplemental for 1957.

Nature and purpose

These grants are made to States for support of basic vocational rehabilitation services designed to develop, preserve, or restore the ability of disabled men and women to perform useful and gainful employment. Vocational rehabilitation services provided under Federal grants include individual counseling, guidance, and placement in a job; diagnosis and evaluation of the disability and the services needed by the individual; surgery, medical rehabilitation, treatment, and hospitalization; prosthetic appliances; training, including occupational training and adjustment training for the blind and other severely disabled; and auxiliary services such as maintenance and tools and equipment. In 1956, about one-third of all funds spent by the States for such case services to individuals was used to provide surgery, treatment, and prosthetic appliances to about 46,000 persons and hospitalization to about 17,000 disabled. These services were given to fit them for employment. Another third was used to provide training to 48,000 disabled men and women to prepare them for jobs.

Federal funds are also used to support the establishment of small-business enterprises and rehabilitation facilities and workshops for the severely disabled.

In the current year, 251,000 disabled persons are expected to receive service from the State public rehabilitation programs, and 76,000 of them are expected to be restored to self-support by the end of the fiscal year. Similarly, in fiscal year 1958, some 287,000 are expected to be furnished services, and some 90,000 are expected to be rehabilitated.

Allotment base

Federal funds are allotted to the States under an allotment base which is designed to provide full Federal support for those States having sufficient funds to match the total authorization contained in the basic act. This arrangement has been indispensable in encouraging State agency growth and development and in bringing the maximum amount of Federal and State funds to bear in increasing services for disabled persons, while at the same time keeping appropriated Federal funds at the lowest possible figures consistent with this objective. We are, therefore, asking that, along with the appropriation request of \$40 million, an allotment base of \$53 million be authorized for 1958. It should be noted that, in developing their plans for 1958, the States have been guided by the authorization carried in the basic act. The allotment base of \$53 million was approved by the House.

Comments on State funds estimate

This year, and in each alternate year, the majority of State agencies are going through their own budget and appropriation procedures at the same time this Office must estimate for the Congress the amount of State funds which will be available for basic support grants. As a result, all but four of the State agencies have had to make their estimates of 1958 funds to us while they are still in the midst of the State appropriation process.

In the House report mention was made of a \$25 million State fund minimum estimate for 1958 compared with \$24,500,000 in State funds estimated in the budget to be used in matching the \$40 million requested for section 2 grants.

Unfortunately the relationship of the two State fund figures was not clarified in the House hearings. The \$25 million represents an estimated minimum State matching fund figure for both basic support grants (\$24,500,000) and extension and improvement grants (\$500,000).

We have allowed for "shrinkage" and estimated conservatively in preparing the grant request for 1958. We may find that, as the legislative process in the States progresses and firmer figures become known, our current estimate of \$40 million will change. When considered in light of the growing State interest and financial support, it appears unlikely at this time that final needs will fall below the current estimate. However, there is a possibility that the need may later exceed the request of \$40 million. We will continue in close touch with State appropriation progress, and as new information becomes available, we will furnish to the Congress revised estimates of State funds and grant requirements. Last year at this time it appeared that our appropriation request for 1957 of \$33.5 million would be sufficient to match available State funds. Even so, the States now have available matching funds in excess of the original estimate which, when matched, will require \$35 million in Federal grants, an increase of \$1.5 million over our current appropriation. A request for a supplemental appropriation in this amount is pending in the Congress.

GRANTS FOR EXTENSION AND IMPROVEMENT PROJECTS

One million five hundred thousand dollars is requested for extension and improvement grants, the same amount as appropriated for 1957. The request was approved by the House. State and Federal funds involved for 1956 (actual) and 1957 and 1958 (estimated) are as follows:

	1956 actual	Percent of total	1957 estimate	Percent of total	1958 estimate	Percent of total
State funds required.....	\$334, 370	25	\$500, 000	25	\$500, 000	25
Federal funds	1, 003, 111	75	1, 500, 000	75	1, 500, 000	75
Total.....	1, 337, 481	100	2, 000, 000	100	2, 000, 000	100

Nature and purpose

Extension and improvement grants, under section 3 of the act, are designed to aid State agencies in extending their activities into fields not ordinarily reached through the basic program of services, without diverting or interrupting the ongoing program. This type of grant gives full recognition to differences between States in terms of their existing services as well as recognition of their needs, potentialities, and readiness to extend and improve their vocational rehabilitation services. Responsibility for the initiation and decision for such action rests with the States rather than the Federal Government. This type of grant offers encouragement and incentive for such action by the State, by providing additional Federal financial support during the initial period of the project.

Progressive growth of extension and improvement activities

In 1955, the first year under the 1954 act, 33 States established 66 extension and improvement projects involving \$473,000 in Federal funds. In 1956 there was an increase to 45 States, 104 projects, and \$1,003,000 in Federal funds. In the present year it appears there will be a total of 49 States participating in 110 projects. Our estimate for 1958 provides for approximately the same number of projects.

Types of extension and improvement projects

These grants are currently helping States to "move in" on many phases where rehabilitation services have been nonexistent or inadequate. This is particularly true with respect to various types of severe disabling conditions, where the outlook for rehabilitation and employment so often cannot be predicted with confidence. In 1956 there were 10 extension and improvement projects for the mentally ill, 4 for the mentally retarded, 13 for the homebound and severely disabled, 16 to expand workshops for those so severely disabled they cannot be absorbed in the regular labor market, 2 for epileptics and numerous others.

Most of the projects in operation in 1956 are continuing in 1957 and many of them, of course, will continue through 1958. Since Federal financial participation under the extension and improvement allotment is limited to 3 years for a particular project, the projects initiated in 1955 will no longer be financed under this section of the act in 1958. They will be either completed or absorbed under the support program. In a number of States, therefore, new extension and improvement projects will be initiated in 1958. It is anticipated that new projects in 1958 will include the fields listed above, with particular emphasis on meeting needs of the mentally retarded through workshop development, and on programs for the cerebral palsied, older workers including those applying for disability insurance, and other groups of the severely disabled.

GRANTS FOR SPECIAL RESEARCH AND DEMONSTRATION PROJECTS

The research grant and development program of the Office of Vocational Rehabilitation is still a young enterprise. As an arm of our national effort, it is responsible for some of the most creative and imaginative work being done in rehabilitation today. In its short history, it has impressively shown that the horizons of rehabilitation work can be extended—that an effective attack can be made against many of the severe handicapping conditions—and that there is promise for reaching many of the groups not now being served. The 67 projects approved thus far involve the joint participation of some of the most resourceful and talented organizations and individuals in the country.

Nature, purpose, and funds

Under section 4 (a) (1) of the act, grants are made on a project basis to States and public and other nonprofit organizations and agencies to pay part of the cost of research and demonstration projects. The Office is guided in the development of the special project program by the 12-member National Advisory Council on Vocational Rehabilitation which considers and makes recommendations on each special project application.

During 1956, \$924,045 in Federal funds was granted for 29 new projects. Continuation grants totaling \$256,674 were approved for 10 projects initiated during fiscal year 1955. In 1957 grants totaling \$2 million will be made to help finance about 70 projects, new and continuation. Our request, approved by the House, is \$3.6 million for 1958.

Project developments

It can be truly said that the past year and a half has been one of steady progress in rehabilitation research and development, which has extended itself into many avenues of investigation. Projects are already underway in the major categories of the severely disabled, such as cerebral palsy, mental retardation, epilepsy, the homebound, multiple sclerosis, arthritis, industrially injured and the deaf-blind. As in most fields which concern themselves with serious medical conditions, much of the future growth of rehabilitation rests with research.

Specific attainments by grantees, even this early, show that some disabling conditions can be modified and others more effectively controlled. For example, one investigator has been assessing the productive capacities of 50 persons whose epileptic seizures cannot be brought under complete control.

Between January and July 31, 1956, 30 persons were employed. Only four were terminated. During this period, 4,105 hours were spent in training and 11,681 in productive work. One dollar and forty cents represents the average hourly wage per employee.

A total of 99 seizures were experienced during this period. The average time lost from job per seizure was 21 minutes. Forty-nine of the total number of seizures were accounted for by one patient, while the other 50 percent of the seizures occurred to 13 workers. Approximately 50 percent of the employees experienced no seizures.

The patients having most of the seizures had the majority of their attacks during the first few weeks of their employment. There appears to be a decrease in frequency with the passage of time and the acquisition of confidence in their jobs.

Another project, through refining methods for evaluating the latent capacities of cerebral palsied adults, has improved practices of selecting persons capable of either industrial or workshop employment.

Through one project, some facts, figures, and results are being sought regarding the potential for rehabilitation of persons in nursing homes, public and private. This is one of the least explored areas in rehabilitation, for extremely little has been done—either in evaluation and gathering of facts, or in provision of services—for these disabled people, most of whom are of advanced years.

Another grantee, working with 46 older patients in a county hospital for the chronically ill, has achieved 16,532 working hours within a 6-month period, and the work tolerance for 20 patients was increased from 2 hours to 7 hours per day.

These projects are illustrative of the breadth and variety of the special project program. If the interest and ingenuity of the research workers of our country hold up, as seems likely, we anticipate a continued increase in projects like these.

Proposals for 1958

Of the \$3.6 million requested for 1958, a minimum of \$1.8 million will be required to continue projects already underway. We hope that at least half of the balance will be requested for demonstrations to make more widely available knowledge gained from previous projects in special disability fields. The National Advisory Council on Vocational Rehabilitation will plan these with us and with representatives of State agencies and voluntary groups.

Experience during the past 2 years has demonstrated overwhelmingly that national voluntary organizations, through their local affiliates, are ready and willing to pool their resources with those of the State and Federal Governments to extend rehabilitation services for persons who have been difficult to reach under the public program alone. At the same time these projects will provide community resources and experience upon which State programs can draw to extend services to greater numbers of the more difficult cases.

Some of the program areas in which immediate action is feasible, under a national demonstration effort, are:

1. *Occupational centers for the mentally retarded.*—There is a movement throughout the country to provide appropriate vocational adjustment service for the mentally retarded. There are hundreds of thousands of mentally retarded persons who could be placed in employment. At least 15 communities are prepared to establish occupational centers for the mentally retarded. Thus far, we have two special demonstration projects dealing exclusively with training and employment methods for the mentally retarded.

2. *Occupational classification and workshop units for cerebral palsied.*—At least 300,000 adults disabled by cerebral palsy are unemployed. Active national organizations with affiliates widely distributed throughout the country are anxious to cooperate further in the rehabilitation of the cerebral palsied. Through one of our research grant projects an effective system to identify and facilitate utilization of the productive capacities of these severely disabled persons has been developed which can be utilized elsewhere. From 5 to 10 such classification and workshop units could be readily introduced.

3. *Optical aids clinics for persons with low visual acuity.*—Dramatic advances in the field of optics has resulted in the development of new and more powerful magnifying devices. Experts estimate 150,000 persons could have their vision substantially improved with these new optical aids and many of this group could be established in useful employment. Sufficient trained personnel are available to initiate at least 10 such clinics.

Other potential areas include the mentally ill, specific employment enterprises for disabled persons over 65 years of age, aphasia rehabilitation centers for hemiplegics, and centralized community workshops.

This plan will provide an effective approach to an accelerated expansion of rehabilitation services to the severely disabled. It will bring about a closer alliance of public and voluntary agencies and augment the resources of the State program. It will spark community action and provide service and facilities upon which an expansion of the public program must depend.

To intensify further our research, we hope, through the efforts of the National Advisory Council on Vocational Rehabilitation, to undertake several comprehensive research surveys highlighting unsolved problems and the laying of long-range plans to initiate new projects. New York University, the University of Chicago, the University of Illinois, and the University of Minnesota are working with us in this aspect of research development.

APPROPRIATION ESTIMATE

Training and traineeships: For training and traineeships pursuant to section 4 of the Vocational Rehabilitation Act, as amended, and for carrying out the training functions provided for in section 7 of said Act, [\$2,950,000, of which not less than \$200,000 shall be available only for a prosthetics education program] \$4,400,000.

TRAINING AND TRAINEESHIPS

Proposed language change

It is requested that the limitation pertaining to the amount available for prosthetics education be eliminated from the training and traineeships appropriation language for fiscal year 1958.

Background

This limitation was included in the training and traineeships appropriation language first in fiscal year 1957. It was inserted by the Congress to insure that at least \$200,000 of the total appropriation for 1957 would be used to support a prosthetics education program.

Two grants totaling \$204,000 have been made from the 1957 appropriation. The 1958 budget includes \$210,000 for continued support of the two programs now underway in prosthetics education.

Since the original intent of the Congress has been carried out through the establishment of training programs in prosthetic education, and since the 1958 budget calls for their continued support above the amount of the limitation, it is felt that the present language is unnecessary.

Amounts available for obligation

	1957 appropriation	1958 budget estimate	House allowance
Appropriation.....	\$2,950,000	\$4,400,000	\$4,400,000

Obligations by activities

Description	1957 appropriation	1958 budget estimate	House allowance
Teaching grants.....	\$1,313,050	\$2,091,900	\$2,091,900
Traineeships.....	1,636,950	2,308,100	2,308,100
Total.....	2,950,000	4,400,000	4,400,000

Obligations by objects

	1957 appropriation	1958 budget estimate	House allowance
02 Travel.....	\$25,000	\$25,000	\$25,000
07 Other contractual services.....	71,850	80,000	80,000
11 Grants, subsidies, and contributions.....	2,853,150	4,295,000	4,295,000
Total.....	2,950,000	4,400,000	4,400,000

Summary of changes from 1957

Training and traineeships:	
1957 appropriation-----	\$2, 950, 000
1958 appropriation request-----	4, 400, 000
Net change requested-----	<u>1, 450, 000</u>
For program items:	
Teaching grants-----	778, 850
Traineeships-----	671, 150
Total-----	<u>1, 450, 000</u>

Training and traineeship awards by State fiscal years 1956 and 1957

State	1956	1957 ¹	1958 ¹
Total-----	\$2, 052, 876. 68	\$2, 750, 802. 79	-----
Alabama-----			
Arizona-----			
Arkansas-----	8, 924. 89	14, 000. 00	
California-----	119, 778. 30	265, 567. 80	
Colorado-----	50, 979. 42	44, 048. 68	
Connecticut-----	7, 547. 00		
Delaware-----			
Florida-----	46, 584. 16	58, 532. 00	
Georgia-----	14, 516. 00	15, 032. 00	
Idaho-----			
Illinois-----	97, 039. 30	107, 582. 93	
Indiana-----			
Iowa-----	19, 836. 00	40, 508. 00	
Kansas-----	22, 244. 00	28, 932. 00	
Kentucky-----	1, 630. 00		
Louisiana-----	31, 865. 38	27, 126. 00	
Maine-----			
Maryland-----			
Massachusetts-----	191, 331. 55	244, 395. 20	
Michigan-----	110, 926. 80	123, 491. 00	
Minnesota-----	70, 301. 28	82, 876. 89	
Mississippi-----			
Missouri-----	61, 065. 37	92, 663. 60	
Montana-----			
Nebraska-----		15, 000. 00	
Nevada-----			
New Hampshire-----	2, 200. 00	3, 299. 00	
New Jersey-----	1, 200. 00		
New Mexico-----			
New York-----	447, 819. 26	717, 847. 96	
North Carolina-----	34, 883. 00	59, 738. 00	
North Dakota-----	8, 400. 00	7, 078. 00	
Ohio-----	88, 629. 00	143, 175. 95	
Oklahoma-----		9, 396. 00	
Oregon-----	5, 641. 00	15, 344. 00	
Pennsylvania-----	158, 523. 66	136, 531. 00	
Rhode Island-----			
South Carolina-----			
South Dakota-----			
Tennessee-----	53, 405. 79	62, 313. 00	
Texas-----	79, 272. 71	106, 350. 40	
Utah-----	48, 420. 00	60, 404. 04	
Vermont-----		13, 921. 00	
Virginia-----	75, 058. 15	88, 762. 73	
Washington-----	40, 836. 57	43, 460. 14	
West Virginia-----	32, 068. 00	38, 188. 00	
Wisconsin-----	14, 530. 00	13, 216. 00	
Wyoming-----			
Alaska-----		650. 00	
Hawaii-----		310. 00	
Puerto Rico-----	6, 160. 00		
Virgin Islands-----	600. 00		
District of Columbia-----	69, 427. 60	65, 214. 00	
Unidentifiable by State-----	31, 232. 49	5, 827. 47	

¹ Table includes grants and traineeships awarded through Dec. 31, 1956. Since training and traineeship appropriations are not allotted by State, it is not possible to estimate on a State-by-State basis grants and traineeships for the remainder of 1957 or for 1958.

STATEMENT BY DIRECTOR, OFFICE OF VOCATIONAL REHABILITATION ON
TRAINING AND TRAINEESHIPS

No responsibility lays more heavily on OVR than the training of personnel. Qualified and dedicated workers are fundamental to any program of service. We have been faced with a difficult dilemma—meeting short-range “crash” requirement and building for the future—in major areas of shortage.

Four million and four hundred thousand dollars is requested for training and traineeship grants for 1958, an increase of \$1,450,000 over the 1957 appropriation. The House approved the request as submitted.

NATURE AND PURPOSE

This training program was conceived as an integral part of the new provisions for expanding and improving the Nation's facilities and services to handicapped individuals. Through sections 4 and 7 of the act, provision is made for teaching grants to educational institutions to build up their teaching resources, for traineeship awards to individual students pursuing training in one of the many professional fields of rehabilitation practice, and for short-term, intensive instruction to enhance the technical proficiency of rehabilitation workers. Where teaching grants are made to a university or other teaching institution, the grantee pays a share of the cost.

THE NEED FOR REHABILITATION PERSONNEL

Training takes years. Now in its third year of operation, the training program in vocational rehabilitation has made a start in overcoming shortages. Every rehabilitant requires the services of one to a dozen highly skilled people. The Congress expects States to adjust to the handling of more difficult cases, and this takes trained staff. The cash disability program, approved by Congress only last year, will result in tens of thousands of these difficult cases being referred to the State rehabilitation agencies. These cases are backlogged now. Thousands require therapy in centers where specialists, including neurosurgeons, orthopedic surgeons, psychiatrists, physical therapists, and occupational therapists will help to restore them to useful life. In centers and elsewhere, thousands will be treated for braces and trained to use them. More thousands will seek the aid of the speech therapists. Almost everywhere these skilled people are in short supply. In many places their services are still nonexistent.

PROGRAM DEVELOPMENT

So far 142 participating universities and teaching institutions have received teaching grants. Cumulatively, since the training program began, and extending through the present fiscal year 1957, 4,467 traineeship awards will have been made, plus 8 research fellowship awards. The dollar amounts, by year, are as follows:

	1955 amount	1956 amount	1957 amount	Total amount
Teaching grants.....	\$536,386	\$1,006,790	\$1,313,050	\$2,856,226
Traineeships.....	253,834	1,037,687	1,596,950	2,888,471
Research fellowships.....		8,400	40,000	48,400
Total.....	790,220	2,052,877	2,950,000	5,793,097

In both teaching grants and traineeships, the preparation of personnel for the expanding State-Federal program of vocational rehabilitation has received first consideration. During the current fiscal year we are placing major emphasis on the preparation of personnel directly related to the day-to-day operation of the State vocational rehabilitation programs. These efforts are directed not merely toward increased supply of trained rehabilitation counselors but also toward the short-term intensive training of newly employed State rehabilitation agency counselors, State agency medical consultants, specialists for the blind, and the like.

REHABILITATION COUNSELORS

Primary attention is being given in the long-term training program to the preparation of rehabilitation counselors since this position is the pivotal one in the provision of services to disabled individuals. Prior to the beginning of this training program in 1955, only 4 institutions in the United States were offering specific training in this field: in 1958 it is expected that 35 programs in 21 States will be in operation in the field of rehabilitation counseling. In contrast to 25 individuals graduated from such training programs in 1955, about 510 individuals will be taking training in fiscal year 1958 under our training-grant support alone—and this will represent only about one-half of the individuals enrolled in rehabilitation counseling. We are proposing for 1958 to make 35 long-term teaching grants in counseling—the same number as were awarded in 1957. Some of the grants, however, must be larger in order to make possible needed improvement in the quality of the instruction and breadth of the curriculum.

In June 1956, the first graduates of the 2-year traineeship program in rehabilitation counseling began to enter the State agency staffs and other groups serving the handicapped. We did a spot check by mail of the fields of employment chosen by these graduates. Questionnaires were sent to 92 graduates and we received an 88-percent return. Of those reporting, the great preponderance were either employed or seeking employment with State vocational rehabilitation agencies and other organizations serving the handicapped. Of those not entering the labor market, most had elected to pursue additional graduate work, some working toward doctor of philosophy degrees. These will augment the supply of faculty staff needed now so urgently to provide teaching in counseling.

REHABILITATION ASPECTS OF MEDICINE

Our training programs in medicine are guided by the advice of our chief medical consultant, Dr. Howard A. Rusk, and a committee of physicians knowledgeable and experienced in medical education and medical rehabilitation. The program has two chief lines of emphasis. First and most important is the production of an ever-increasing number of qualified specialists in physical medicine and rehabilitation. At present, we have 75 traineeships for this residency training and in 1958 we will increase that number to 116 traineeships. The measure of the need may be expressed in several ways. There are 177 residencies in this field of which only 85, or 48 percent, are filled in contrast to 80 percent in medical specialties generally. There are 500 vacant positions requiring a qualified specialist in physical medicine and rehabilitation at the present moment. The key to adequate medical services in rehabilitation centers, hospitals, and many other areas in an ever-increasing supply of adequately trained medical personnel and community leaders. We must provide traineeship support to attract as many physicians as possible into this field.

A second important part of our medical training program is graduate instruction in rehabilitation methods and concepts for other medical specialty fields, with an ultimate goal of having rehabilitation principles applied to the care of the disabled people generally in the practice of medicine. This leadership is accomplished primarily through short-term intensive training courses.

Perhaps most fundamental of all, as teachers are trained to accomplish this mission, is the training of young physicians in the rehabilitation aspects of medicine. Most of the 4-year medical schools in this country offer no such preparation in their undergraduate medical curricula and only 17 schools offer graduate courses. Since our program of grants to medical schools in this area was established 2 years ago, 10 medical schools which had never offered rehabilitation teaching in their undergraduate programs have now added such teaching to their curricula—and next year we expect the addition of 10 more.

SPEECH AND HEARING THERAPISTS

In 1958 we must begin to attack the shortage in another rehabilitation field in which the lack of personnel is widespread and pressing—the field of speech and hearing therapy. Demands for adequately trained personnel in this area have reached the point where action has to be taken; otherwise it will not be possible to staff rehabilitation facilities and community programs with individuals who are equipped to deal with the speech and hearing problems of adults disabled by cerebral palsy, hemiplegia with aphasia, and laryngectomy. Immediate support is needed to increase the number of qualified therapists for employment in speech clinics, hearing centers, hospitals, and rehabilitation centers. We have had to defer a major training effort in this field until the right climate could be created for the development of a constructive program. Agreements had to be reached with professional leaders and educators in this field to reach agreement on curriculums, levels of training, and other considerations in a well-planned program which would emphasize services to the adult disabled. To date, the emphasis has been almost exclusively on the speech problems of children. As a result of a series of conferences with leaders from all over the country, we are ready in 1958 to launch a modest but sound beginning in the preparation of more speech and hearing therapists, with the intention of building up this phase of training in the future.

The House committee noted specifically in their report on the 1958 budget that a portion of the requested increase be used to start a program in the field of speech and hearing therapy, and will expect a good program to be presented for fiscal year 1959.

We have included in our 1958 budget request approximately \$195,000 for the training of speech and hearing therapists. With these funds, we plan to make teaching grants to five universities for the expansion and improvement of their speech and hearing training programs and to provide traineeship grants for about 25 students. The courses financed would give special training in speech and hearing problems of disabled adults by increasing the emphasis on organic speech problems and on experience in a comprehensive rehabilitation center. We would also continue support of short-term intensive courses for speech therapists, in esophageal speech, and hearing therapists seeking additional training in the rehabilitation of the deaf and hard of hearing.

SHORT-TERM TRAINING

The vital importance of short-term training has been brought home to us time and again during the past 2 years. Through short-term training institutes we are able to give intensive courses to new rehabilitation counselors hired by State agencies. This enabled these new counselors to begin serving more disabled clients promptly, and to serve them much more effectively than newly employed staff in the past. Through this device it has also been possible to fill vacancies caused by the transfer of experienced counselors to disability determination units to carry out the disability freeze and cash benefits programs of OASI. In cooperation with OASI we presently are giving special short courses to new staff in the States who will perform the disability determinations and rehabilitation evaluations on applicants for disability cash benefits in such a way that maximum integration of these programs will result in effective rehabilitation programs for the disabled individuals.

The short-term courses have been and will be a key part of our plans to provide more and better services for the severely disabled. Already, for example, we have held several institutes for counselors and other State staff on rehabilitation methods for the mentally ill and in selective phases of rehabilitation of the blind.

Because of the demands made upon leadership and executive ability on the part of the State directors of vocational rehabilitation occasioned by the rapidly

expanding vocational rehabilitation program, a beginning has been made in the conduct of training programs in executive development for such State personnel.

In order to increase services in State agencies to older disabled persons, short-term intensive courses in the rehabilitation of the aging have been established. Of special importance, too, are the short courses which will be held this year for State agency employees who will be assuming responsibility for the development and improvement of the sheltered workshop program. Still other specialized courses on techniques in the vocational rehabilitation of mentally retarded and cerebral palsied youths and adults are scheduled to be held this year. These will do much to raise the present standards of service to these severely disabled people. In 1958 these short courses should be doubled to reach a much larger number of counselors in our State agencies.

PROSTHETICS EDUCATION

In making appropriations for the current year, the Congress made specific provision for the support of prosthetics education, so that the public program might benefit from existing efforts for fuller development and use of modern techniques in the fitting, training and use of prosthetic appliances. This is fundamental in our overall training plans in an area in which we have a wealth of knowledge we are not applying.

So far this year grants and traineeships amounting to \$204,000 have been made to support two prosthetic education training programs covering short-term, intensive courses in the making and fitting of artificial limbs. These programs have reached about 250 physicians, therapists, and prosthetists. In the coming year it is hoped that more of these courses can be held for still more professional persons engaged in serving amputees, and that additional courses, designed especially to meet the needs of vocational rehabilitation counselors and other personnel concerned with purchase of protheses, can be created. The 1958 budget carries an estimate of \$210,000 for support of prosthetics education.

In planning for this proposed increase of \$1,450,000 over the 1957 level, we have kept in mind the urgency of the need for better trained personnel. Skilled professional workers are not produced overnight; their courses of study are lengthy. In many areas of the country disabled people do not have skilled rehabilitation services available because of the scarcity of well-trained personnel. Well planned, specialized training programs in the field of rehabilitation will alleviate the personnel shortage.

APPROPRIATION ESTIMATE

"Salaries and expenses: For expenses necessary in carrying out the provisions of the Vocational Rehabilitation Act, as amended, and of the Act approved June 20, 1936 (20 U. S. C., ch. 6A), as amended, [including not to exceed \$3,000 for production, purchase, and distribution of educational films; \$1,160,000] \$1,445,000."

Amounts available for obligation

	1957 appropriation	1958 budget estimate	House allowance
Appropriation.....	\$1, 160, 000	\$1, 445, 000	\$1, 330, 000

Obligations by activities

Description	1957 appropriation		1958 budget estimate		House allowance	
	Positions	Amount	Positions	Amount	Positions	Amount
State plans, grants and program evaluation.....	68	\$536, 823	91	\$738, 025	83	\$671, 261
Specialized services to States.....	34	323, 714	37	360, 363	34	341, 416
Research and special projects.....	3	35, 961	6	54, 394	3	36, 761
Training and traineeships.....	5	55, 556	7	68, 973	5	57, 957
Administration.....	30	207, 946	30	223, 245	30	222, 605
Total obligations.....	140	1, 160, 000	171	1, 445, 000	155	1, 330, 000

NOTE.—Positions exclude commissioned officer positions on reimbursable detail from PHS.

EFFECT OF HOUSE ACTION

Activity I (State plans, grants, and program evaluation)

The House allowance provides \$38,988 for mandatory items and \$95,450 for 19 new positions in the field including 4 medical consultants who will be commissioned officers on reimbursable detail from the Public Health Service.

The House denied an increase of \$66,764 and 12 positions. The denial of 8 positions in the field means 4 regions will continue without medical consultants, and 4 regions would not be able to provide for 1 of the staff assistants contemplated in our proposed staffing plan. Medical personnel participating in State and voluntary rehabilitation in these regions as well as lay personnel will continue to operate without the guidance and assistance of a regional medical consultant. Similarly the lack of 1 other team member in 4 regional offices will mean that some reviews of State activities and some requests for staff assistance will have to go unheeded.

Three positions for research and statistics—without these positions tabulations and analyses requested by States dealing with special disability groups and special aspects of the program such as intake and types of referrals will not be available to guide the expanded program.

One position to assist States in the rehabilitation aspects of the cash disability program—without this position, overall program planning responsibilities will preclude the possibility of giving States organized and up-to-date manual material on the rehabilitation aspects of the cash disability programs, and will preclude response to many requests for assistance in this new large field of State agency activity.

Activity II (specialized services to States)

The House allowance provides \$17,702 for mandatory items and denies an increase of \$18,947 for 3 positions to assist in State administrative development; the elimination of these 3 positions will mean that material supplied to the Washington office by the expanded regional offices and the flow of material to these regional offices will not be handled on the basis desired for most efficient use of the office staff. It also will mean that the assistance that regional offices would expect from the central office in making periodic reviews will remain at a minimum level.

Activity III (research and special projects)

The House allowance provides \$800 for mandatory items and denies an increase of \$17,633 for 3 positions. The number of applications for research and special projects requiring review, processing and site visits has increased steadily and of necessity this increased workload has to be spread among existing staff. It will be difficult to achieve adequate dissemination of new knowledge and techniques to States and other vocational rehabilitation agencies and develop effective demonstration projects through such knowledge.

Activity IV (training and traineeships)

The House allowance provides \$2,401 for mandatory items and denies an increase of \$11,016 for 2 positions; without the 2 additional personnel requested, OVR will be unable to undertake a more extensive study and evaluation of specific training and traineeship programs by competent specialists. Additional technical assistance to the schools, will be lacking.

Activity V (administration)

The House allowance provides \$14,659 for mandatory items. No additional positions were requested.

Obligations by objects

	1957 appro- priation	1958 budget estimate	House allowances
Total number of permanent positions.....	140	171	155
Full-time equivalent of all other positions.....	2	2	2
Average number of all employees.....	137	158	147
Direct obligations:			
01 Personal services.....	\$976, 430	\$1, 158, 385	\$1, 084, 300
02 Travel.....	78, 700	94, 690	84, 550
03 Transportation of things.....	2, 500	1, 500	1, 500
04 Communication services.....	19, 250	20, 470	19, 250
05 Rents and utility services.....	2, 000	1, 500	1, 500
06 Printing and reproduction.....	32, 500	33, 500	26, 000
07 Other contractual services.....	10, 500	10, 500	10, 500
Services performed by other agencies.....	22, 262	25, 500	22, 260
08 Supplies and materials.....	9, 140	11, 830	9, 140
09 Equipment.....	5, 050	18, 895	10, 830
11 Grants, subsidies, and contributions:			
Contribution to retirement fund.....		66, 910	58, 850
13 Refunds, awards, and indemnities.....	500	150	150
15 Taxes and assessments.....	1, 168	1, 170	1, 170
Total obligations.....	1, 160, 000	1, 445, 000	1, 330, 000

New positions for fiscal year 1958

	Positions	GS grade	Annual salary rate
I. State plans, grants, and program evaluation:			
Departmental:			
Program analyst.....	1	11	\$6, 390
Research analyst.....	1	9	5, 440
Statistician.....	1	7	4, 525
Clerk-typist.....	1	4	3, 415
Subtotal, departmental.....	4		19, 770
Regional offices:			
Assistant regional representative.....	9	11	57, 510
Administrative analyst.....	4	9	21, 760
Clerk-typist.....	6	4	20, 490
Subtotal, regional offices.....	19		99, 760
II. Specialized services to States:			
Specialist (State administration).....	2	11	12, 780
Clerk-typist.....	1	4	3, 415
Total.....	3		16, 195
III. Research and special projects:			
Special project analyst.....	2	12	15, 140
Clerk-typist.....	1	4	3, 415
Total.....	3		18, 555
IV. Training and traineeships:			
Vocational rehabilitation specialist.....	1	12	7, 570
Do.....	1	11	6, 390
Total.....	2		13, 960

¹ Excludes 8 medical consultant positions to be on reimbursable detail from the Public Health Service at an estimated net cost of \$52,000.

Summary of changes

1957 actual appropriation.....	\$1, 160, 000
1958 appropriation request.....	1, 445, 000
Net change requested.....	+285, 000

	1958 budget estimate		House allowance	
	Posi- tions	Amount	Posi- tions	Amount
For mandatory items:				
Extra day of pay.....		\$3,620		\$3,620
Retirement contribution (140 base position).....		59,800		55,660
Annualization of 1957 positions.....		12,080		12,080
For program items:				
Retirement contribution (new positions).....		7,110		3,190
State plans, grants and program evaluation: Field operation.....				
	31	158,609	19	95,450
Specialized services to States.....	3	16,912		
Research and special projects.....	3	16,162		
Training and traineeships.....	2	10,368		
Administration.....		339		
Total.....	39	285,000	19	170,000

STATEMENT BY DIRECTOR, OFFICE OF VOCATIONAL REHABILITATION, ON SALARIES AND EXPENSES, OFFICE OF VOCATIONAL REHABILITATION

The following statement first discusses the 1958 budget presentation and then explains the effect of the House action thereon.

An appropriation of \$1,445,000 is requested for fiscal year 1958. This amount will provide 39 new positions urgently needed to insure effective administration of the expanding vocational rehabilitation program. The increase will provide—

1. Twenty-seven new positions to bring the field staff up to minimum necessary to assure effective use of Federal grants to States and other agencies.

2. Seven new positions in the central office to handle greatly increased workload and to support regional staff.

3. Five new positions to administer the growing training and traineeships and special projects programs.

THE BROADENED JOB TO BE DONE

This Office, by the terms of our act, is presently called upon to direct developmental activities on many fronts in the process of expanding rehabilitation, and to accept responsibility for the proper investment of public funds through a variety of channels. The problems of meeting the demands from hundreds of public and private agencies for advice on the extension of rehabilitation services, advice on organization and administration of changing State agencies and counsel to governors, budget officers, and State legislators have placed an extremely heavy burden on this Office.

In addition to the 88 State rehabilitation agencies with whom we deal in the conduct of the basic program, we are engaged in joint undertakings with more than 100 universities and other teaching institutions, as well as a large number of nongovernmental agencies in the conduct of research and demonstration projects. In all these, Federal funds are involved. Beyond these direct grant relationships there is a constellation of groups—professional, voluntary, and other—with which we must and do work regularly in advancing vocational rehabilitation.

The scope and character of vocational rehabilitation in this country is changing so rapidly that we in the Office of Vocational Rehabilitation find ourselves hard pressed to meet our responsibilities with the limited staff presently available. We have become increasingly aware of the need to provide staffing which will (1) make certain that all funds are expended for the purpose which the Congress intended and (2) produce the greatest possible amount of service to disabled persons from the funds invested. So far we have been able to give only token service to a number of serious program problems—problems which have been pinpointed by the rapid and continuing growth of State and community vocational rehabilitation programs. The problems which require more and better staff participation include:

The need for realigning administration and direction of the vocational rehabilitation program—both at the Federal and State level—to handle the rehabilitation phases of the OASI cash disability and disability freeze programs.

The need for assistance to State agencies to help them to expand and improve their administrative and program operations.

The need for improved relations with and the greater use of State and local rehabilitation groups, both public and private.

The need for rehabilitating more of our severely disabled citizens, including those of advanced years and the mentally retarded.

The need for the introduction of new and better rehabilitation tools and techniques as soon as they are developed and proven.

The necessary investment in staff will contribute toward the solution of these and many other problems with which we are presently faced.

There are three areas which pose the most serious problems from the standpoint of staffing requirements.

NEED FOR ADDITIONAL STAFF

Field staff

First, and most important, is the need for improved staffing of our regional offices. In its report on OVR appropriations for 1957 the Senate Committee on Appropriations made reference to the need for strengthening the field service. This reference was accompanied by a recommendation for additional 1957 funds for this purpose. These additional funds, however, were not agreed to by the conference committee and we have thus been unable to strengthen our regional office staff during the current year except to a very limited degree. In developing our staffing plans for 1958 we have given specific recognition to the suggestions of the Senate committee. Of the 39 new positions requested for 1958, 27 are requested for assignment to the regional offices.

At present the regional organization which must continuously work and give a variety of assistance to the States and other agencies consists of only 19 professional staff positions and 14 clerical positions assigned to the 9 regional offices of the Department. The 1958 estimate calls for a total field staff of 60 positions, 41 professional and 19 clerical.

As a step in our continuing efforts to make the best possible use of the staff that is available, we have centered more and more responsibility upon the regional office staffs, on the principle that many of our responsibilities can best be discharged, under uniform policies established at headquarters, by personnel located close to the State agencies and the other groups with which we work. During the past 2 years, we have delegated to the regional staff the authority to approve extension and improvement grants, expansion grants, State-plan amendments, and applications for construction of rehabilitation facilities under the Medical Facilities Act. (The latter is in conjunction with the regional staff of the Public Health Service.)

The regional staff is responsible for providing leadership in their respective regions in the further development and expansion of the Federal-State program; furnishing assistance and advice to the States; maintaining effective working relationships with other public and private agencies; and conducting administrative reviews of State operations and to insure that such operations may be improved; and to ascertain conformity with approved State plans. The new "cash disability" provisions of the Social Security Act places added workload on the regional staff. The regional staff must work closely with OASI regional staff and the States in carrying out their functions under the cash-disability and disability-freeze programs of OASI, and in coordinating these activities with the administration of the vocational rehabilitation program.

Central office staff

Second, seven additional positions are requested to strengthen seriously understaffed areas of the central office which now are required to carry increased workloads. Additional staff is needed for the continuing development and application of organization, staffing, and procedural standards for State agencies, aimed at integrating the new responsibilities into the ongoing program. Additional work is needed to assure prompt, adequate, and uniform rehabilitation assessments and other services to applicants for disability insurance. These assessments, which are a part of the disability determinations, required standards for medical examinations, vocational evaluations, and the facilities that will be utilized. A close liaison and collaboration with OASI is required to identify the needs of the program, the degree to which these needs are being met, and the policies to be instituted for improved State operations. Close collaboration will be required also in budgetary and fiscal matters affecting State agency fiscal management.

As a result of curtailments in salary and expense appropriations prior to 1955, reports on State operations and the development of special data on the handi-

capped had been reduced to a minimum. Whereas, under the somewhat static program that existed up to 1955, this situation presented no serious consequences, the expanding program has created a severe and immediate need for improved statistical reporting. Sound administration of the overall rehabilitation program requires adequate and timely information from the States and other agencies working in the program.

Special projects and training

The third important area of need involves the administration of the special research projects program and the training and traineeship grant program. Both of these programs represent new and growing responsibilities which are being administered by extremely limited staffing. At present, the special research project grant program is staffed with only 2 full-time professional persons and 1 secretarial position, charged with a program involving \$2 million in grant authority.

This staff situation has limited to a dangerous degree the firsthand observations of proposals and projects, on the site, by OVR staff. The majority of these projects are now reaching the stage of development where we should assure ourselves, from direct observation and consultation, that the purposes of the projects are being carried out and that any assistance which staff of this Office can give will be provided to help insure complete results and maximum success. Three new positions are requested to bring the staff up to essential needs.

A comparable situation exists in the administration of the training program. Five positions are currently assigned to administration of this vital phase of our work. The limited staff has been unable to visit more than a fraction of the cooperating universities. In a program such as this where the whole future teaching pattern for rehabilitation (curricula, organization, interdepartmental relations) is being molded—direct consultation by our experienced staff with educators in the participating schools is of far-reaching importance. At the same time, the short-term courses now planned, and so urgently needed, for counselors and others, to give them specialized preparation for serving the cerebral palsied, the mentally retarded, the older age group and others, call for a tremendous amount of staff planning and execution, if the courses are to be fully effective. Two additional positions are requested for this area in 1958.

Sound and effective administration at the Federal level will play a major part in determining the direction, scope, and success of the total program. Adequate staffing, commensurate with responsibilities and workloads, will not only assure effective administration of the program, but will also enable OVR to provide the kind of assistance and leadership needed to capitalize on the opportunities and successes gained thus far.

Effect of House action

The House allowance of \$1,330,000 provides for an increase of \$170,000 for mandatory increases and for 19 new positions in the field, as suggested in the House report. The budget estimate provided for 27 new positions in the field and 12 new positions for the central office.

The denial of the 8 positions in the field means 4 regions will continue without medical consultants and 4 regions would not be able to provide for 1 of the staff assistants contemplated in our proposed staffing plan. Medical personnel participating in State and voluntary rehabilitation in these regions as well as lay personnel will continue to operate without the guidance and assistance of a regional medical consultant. Similarly the lack of 1 other team member in 4 regional offices will mean that some reviews of State activities and some requests for staff assistance will have to go unheeded.

Of the 12 positions eliminated from the central office staff, 5 positions were requested for the training and traineeship program, and the special research and demonstration project program. These programs are entirely new since the 1954 amendments and have been given no staff except through the OVR "Salaries and expenses" appropriation. The present staffs consist of 3 in the special research and demonstration project program, and 5 in the training and traineeship program. Without the additional positions requested for 1958 the review time per application, per project budget, per report of progress, will be decreased. Staff work for advisory committees will not be as thorough as good administration would demand. Visits to projects and consultation in Washington with project sponsors will be inadequate, and other staff members whose primary responsibilities are to other parts of the program, will be asked to neglect their assigned tasks to meet the most pressing demands of these new programs.

Seven other new positions for the central office were requested in our budget:

Three positions for research and statistics: Without these positions tabulations and analyses requested by States dealing with special disability groups and special aspects of the program such as intake and types of referrals will not be available to guide the expanded program.

One position to assist States in the rehabilitation aspects of the cash disability program. Without this position, overall program planning responsibilities will preclude the possibility of giving States organized and up to date manual material on the rehabilitation aspects of the cash disability programs, and will preclude response to many requests for assistance in this new large field of State agency activity.

Three positions to assist in State administrative development. The elimination of these three positions will mean that material supplied to the Washington office by the expanded regional offices and the flow of material to these regional offices will not be handled on the basis desired for most efficient use of the office staff. It also will mean that the assistance regional offices would expect from the central office in making periodic reviews will remain at a minimum level.

PREPARED STATEMENT

Senator HILL. Now we have the Office of Vocational Rehabilitation. Miss Switzer, we will be glad to hear you now.

Miss SWITZER. I want to be sure, Mr. Chairman, that the corrected statement which I went over is included in the record. I assume you have that.

I know that you are pressed for time. I will count on you to interrupt me when you want to.

Shall I give you just a summary of my statement?

Senator HILL. That will be fine.

Your full statements have been included in the record, and you can proceed as you wish.

GRANTS TO STATES

Miss SWITZER. First of all, we have the appropriations for grants to States and other agencies, which includes our program of payments to State rehabilitation agencies, the grants for extension and improvement, and the research and demonstration program.

I would just like to make a few comments as to where we are, because I think we really have had a tremendously satisfying year in vocational rehabilitation.

Senator HILL. Very well.

TOTAL PERSONS REHABILITATED

Miss SWITZER. Last year we rehabilitated the greatest number of people in the history of the program, almost 67,000 people. And one of the most significant facts about that figure is the fact that almost 1,000 were rehabilitated as a result of our cooperative projects with community groups.

COMMUNITY PROJECTS

I think the committee will be very interested, particularly in the light of Secretary Folsom's emphasis in his testimony on our Department's philosophy on public and private cooperation, to know that we have, since the beginning of our extended vocational rehabilitation program, about 500 different community projects, with all sorts of different groups interested in special categories like sheltered workshops such as the Good Will and facilities for the cerebral palsy

victims and the mentally retarded, projects for the homebound and migrant workers and so on.

There are 500 of these projects all over the country. This has given us a tremendous sense of hope that we can truly accomplish our goal of expanding rehabilitation services to meet the needs of all who could benefit from them.

I feel that the most significant single fact has been the great reaction of the State legislatures to the program and their continuing to put on more and more State dollars to pick up the Federal allotment. I think we can take a good deal of satisfaction from that.

SAVINGS BY TAKING PEOPLE OFF RELIEF

The year has been characterized also by more and more attention to the problem of dependency due to neglected physical disability. Out of the 67,000 people that were rehabilitated in 1956 about 13,000 came directly from the relief rolls.

Senator HILL. About how many did you say came from the relief rolls?

Miss SWITZER. Thirteen thousand.

We hope that the current year will probably see about 15,000 come from these relief rolls, and, in 1958, 18,000. If you multiply that by \$800, which is the average cost, I am told, of people on relief, that runs into money.

Senator HILL. Do you mean \$800 a year?

Miss SWITZER. \$800 a year.

If you multiply that by 13,000 that gives you a figure of \$10,400,000 if my arithmetic is correct. That is a direct saving taken from the relief rolls of the cities and States and counties of our country.

I would say, too, that an equally important point for emphasis in connection with the dependency program is the prevention of it. There probably are an equal number of people, although they are probably hard to identify—at least an equal number who probably in the year ahead or in the next year or two or three would be on relief if we had not found them and made rehabilitation services available to them.

COOPERATION OF COMMUNITY AGENCIES

Of course, this takes the cooperation of all community agencies, public and private, and I think we have had this past year, and will continue to have, an unusually responsive relationship with the main public programs that we must work with to get our job done, such as the public assistance and public welfare agencies.

We have had increasingly fine results from the President's Committee on the Employment of the Physically Handicapped, especially as a result of their educational campaign with employers and labor. Then in the employment service itself where we are now just beginning to feel the results of the special staff that the employment service was authorized to take on when our vocational rehabilitation law was passed.

So I think we are fulfilling the ideals that the Secretary set forth in his testimony, of cooperating in a constructive way to try to stop

dependency before it gets too vital a hold on people, and to move ahead.

BUDGET REQUEST

For 1958 we are asking for an allotment base, for basic support grants, of \$53 million, and for a total appropriation for grants to States and other agencies of \$45.1 million, which is a net increase of \$5,600,000 over 1957. This provides \$40 million for grants to States for basic support, which is, as you know, the best estimate that we can make of the amount of Federal dollars that will be necessary to match State-appropriated funds.

At the present time most of the State legislatures are still in session, and we do not have the absolute, final reports that would be necessary to be more definite than we have been able to be in our presentation.

EXTENSION AND IMPROVEMENT PROJECTS

Then we are asking for \$1.5 million for extension and improvement projects, which is the same amount as was appropriated for the current year. This is the part of our act which gives States an opportunity to do a little more, a little faster or a little bit unusual, to make special studies and so on. This has been a very valuable part of our program and is getting better acceptance from the States each year.

SPECIAL RESEARCH AND DEMONSTRATION PROJECT

Then, finally, in this appropriation there is \$3,600,000 for special research and demonstration projects, which will allow us to expand our research program, and to develop demonstration projects, on the basis of what we know from our research, through communitywide cooperative efforts with the public and nonpublic agencies.

I could go on indefinitely in telling you about the program, but I believe for this appropriation I would just like to add one thing because I do not know where else to get it in as effectively. That is, to underline and support the Secretary's request that you consider putting the money back in the categories of Hill-Burton. One of our most important needs is facilities, and the rehabilitation facilities section of the Hill-Burton Act is an important channel by which we hope to have better facilities in States and communities and to have them faster.

One of the reasons we have not been able to show better results has been the fact that there has been such a limited amount of money available, and the peculiar characteristics of the Hill-Burton allotment formula means that a large part of the \$4 million has to go to the "Minimum allotment" States. As a result, it takes 3 or 4 years to accumulate enough money to adequately support a project. I just add that, as one of the important areas for the consideration of the committee because we do need three things to get rehabilitation done. We need money, we need people, and we need facilities. We will speak about the need for people when we get to the training appropriation.

COOPERATION FROM COUNTIES AND MUNICIPALITIES

Senator HILL. You spoke about the cooperation from the States being good. Do you find that same cooperation at the lower community levels?

Miss SWITZER. Do you mean counties and municipalities?

Senator HILL. Yes.

Miss SWITZER. We have had not as great acceptance of financing from counties and cities as we would hope might be part of the future development of the program.

But one of the offsetting factors to that has been that local community groups which are in a way supported by the people's money in the community, the Good Will Industries, the local hearing society clinics, the Heart Associations work classification units, and the local crippled children's clinics and so on have been the means by which we have gotten local community involvement. We have that in 500 different places, which I think, in a relatively short time, speaks very well for the awareness of people of the importance of enlarging facilities to serve the disabled.

Senator HILL. Is that some 500 places scattered throughout the country?

Miss SWITZER. All over the country; everywhere. And some things that are going on are very unusual and unique.

EFFECT OF HOUSE REDUCTION

Senator HILL. The House reduced the budget estimate for your salaries and expenses some \$115,000, did they not?

Miss SWITZER. Yes.

Senator HILL. What would be the effect of that reduction?

Miss SWITZER. Our original presentation was divided between the field and headquarters. The House took care of the field pretty well, but most of the positions denied by the House were for staff in the new programs, especially in the administration of the training program, in the administration of the special projects program, and in the reporting of statistical information, and so on.

It is hard to dramatize it, but we have always had a modest salary and expense appropriation, and have had a gradual increase. We are very appreciative of the House action in recognizing the needs of our field service.

Senator HILL. Are you asking for the restoration of \$150,000?

Miss SWITZER. No; we are not asking for it in the sense which you usually call an appeal because of the Secretary's philosophy which I think he stated quite clearly.

I feel that the House showed unusual confidence in not even proposing an amendment to our program in the grants to States nor in the training program. I feel with that kind of support we should certainly present to you what the results of the House action will be; but we will be good sports and not cry about it.

PROSTHETIC EDUCATION TRAINING PROGRAM

Senator HILL. You recall, do you now, Miss Switzer, the provision we put in the act for this year, which states:

* * * of which not less \$200,000 shall be available only for the prosthetic education program.

Miss SWITZER. Yes.

Senator HILL. How did that work out?

Miss SWITZER. That has been one of our most exciting training ventures during the year, and I think we have spent more than the \$200,000; perhaps closer to \$204,000.

One of the things that has happened is that we have been able to bring into the training centers teams of people who have gained the most practical and modern knowledge. The California program, of course, has been in effect longer than the one in New York. We are now planning with the group that General Strong represents, Dr. Gwaltney and the others, ways in which we can make this training more widely available, particularly to our counselors and specialists in the public program in the State rehabilitation agencies.

Senator HILL. Then you plan to go right ahead with this program in this next fiscal year; do you not?

Miss SWITZER. Yes. As a matter of fact, we had hoped to have a third center in the Middle West. We have one on the east coast and one on the west coast. We feel we should have one in the center of the country because the travel is so far and it takes so much time. But the institution we are working with is not quite ready, so that there will be a little delay until we get going. But we will move as fast as we can.

Another part of the training program, this year, is the emphasis that we expect to put on the training of speech and hearing therapists.

Senator HILL. I wanted to ask you about that.

Miss SWITZER. You are interested in that especially?

Senator HILL. That is under traineeships. Can you tell us a little more about that program?

TRAINING AND TRAINEESHIPS

Miss SWITZER. The training and traineeships program is going very well, I think, considering that it is very new. We have an increase in most of the areas, in rehabilitation counseling and in the medical field particularly.

I want to speak about the problem we have in the medical field in a minute.

But next year we hope to increase particularly the emphasis on more intensive inservice training for the State staffs, to increase the number of teaching grants to medical schools, the number of medical traineeships, and to develop several areas in which we have not done as much as we would like to, of which the most important is speech and hearing. We have been working in that field and the reason we did not go into it more completely in the current year was that it has taken us really the best part of the last year and a half to work out a program with the experts in the field and to decide what would be the best way to get the most for our money.

I regard our mission in vocational rehabilitation as primarily the training of therapists to deal with the adult group, but not to train special education teachers. That is not our primary mission.

In order to get the programs that are available geared to meet our problem, it has been necessary to spend a good deal of time working with the representatives of the professional organizations and with the key schools. We have had a number of meetings. We think we have a pretty well-defined program, and we expect to move right into that field very shortly after the first of the fiscal year.

We are having a meeting of our training policy committee in May, and we are looking to them to give us even better support in that direction.

Senator HILL. Senator Dworshak, do you have any questions you would like to ask of Miss Switzer before you leave?

Senator DWORSHAK. No; thank you.

SITUATION IN IDAHO

Miss SWITZER. I want to congratulate the State of Idaho, Senator. It is doing better than ever this year.

Senator DWORSHAK. Thank you.

Miss SWITZER. They got a big increase in their State appropriation. I know we have been working with the director out there, and I think a 50-percent increase in Idaho is much more significant than you might first think.

Senator DWORSHAK. I might ask, as you increase the funds for grants or assistance to States and other units, you are not making any concessions which in any way would relieve those States and other agencies of assuming their full share of the 1958 costs; are you?

Miss SWITZER. No; it is just the opposite. We are hoping by this mechanism to push them into a greater realization of their responsibilities.

I think what has happened in Idaho is rather an interesting reflection of the effects of this program, demonstrated by what has been done in a few rehabilitation cases of significance in the State. I say that, because in the last year and a half there has been a very marked increase in the demand for service and in the cooperative efforts of the medical profession with the State director who is one of our oldest and most beloved in the whole country. I think that for him to get a 50-percent increase for this year, which is, after all, not exactly a spending year, is a great tribute to his leadership.

Senator DWORSHAK. I think he realizes the importance of the program.

Miss SWITZER. Yes.

So we are delighted and very excited about it, because it is a significant thing to have happen in your region.

Senator HILL. Are there any other questions?

Senator DWORSHAK. No.

Miss SWITZER. Thank you very much, Senator.

Senator HILL. You can go right ahead, Miss Switzer.

TWO-YEAR LIMITATION IN BASIC LAW

Miss SWITZER. We have one problem in the training program, Senator Hill, which I think you are probably aware of, and that is the 2-year limitation in our basic law on training.

This affects the trainees in medicine particularly because the residency training program for diplomats in physical medicine and rehabilitation is 3 years and the limitation would have to be corrected by legislation.

Senator HILL. That has to be corrected?

Miss SWITZER. That would have to be corrected by legislation. You have introduced a bill to help us on it.

Senator HILL. That is to remove that 2-year limitation?

Miss SWITZER. Yes.

The Department is also supporting a specific proposal to that effect so that, between us, we hope we can remove this limitation and not have to stop giving stipends to the young people we need so desperately who are now studying.

This will affect a relatively small number of people this year, but next year it will be critical.

Do you have any special questions on this?

SPEECH TRAINING AND HEARING SPECIALISTS

Senator HILL. No.

I was very much interested in what you had to say about your program in the field of speech training and hearing therapists.

Miss SWITZER. This affects a good many of our special categories. You know speech therapy is basic to the rehabilitation of difficult cases that you would not perhaps ordinarily associate with it. In addition to the obvious things like cancer of the larynx and things of that nature, there is the whole area of organic speech disorders. You get into cerebral palsy. When you have the youngster who has not had proper speech training, it becomes a problem in treatment and rehabilitation. Success with the person with a hemiplegia and aphasia is oftentimes tied up directly to speech therapy. So we feel this is a vital part of our program next year.

Senator HILL. Do you feel that if the Senate concurs in the House action on these different items—

Miss SWITZER. We would just feel very happy about it, and we would pledge ourselves to continue to merit your faith and trust.

Senator HILL. I have no question about the fact that, as the head of the Office of Vocational Rehabilitation, you merit all the confidence that we put in you.

Miss SWITZER. You are very kind. Our progress has been wonderful.

Senator HILL. You have shown that again and again.

Miss SWITZER. I certainly appreciate that very much.

Senator HILL. Is there anything else you would like to add, Miss Switzer?

Miss SWITZER. I do not believe so.

Senator HILL. Thank you very much.

Miss SWITZER. Thank you, Senator.

Senator HILL. The subcommittee will stand in recess until 10 o'clock tomorrow morning.

(Whereupon, at 12:15 p. m., Monday, April 15, 1957, the subcommittee was recessed, to be reconvened at 10 a. m., Tuesday, April 16, 1957.)

LABOR-HEALTH, EDUCATION, AND WELFARE APPROPRIATIONS, 1958

TUESDAY, APRIL 16, 1957

UNITED STATES SENATE.
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, D. C.

The subcommittee met at 10 a. m., pursuant to call, in room F-82, the Capitol, Hon. Lister Hill (chairman of the subcommittee) presiding.
Present: Senators Hill, Pastore, Dworshak, and Potter.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

PUBLIC HEALTH SERVICE

BUDGET PRESENTATION

STATEMENT OF DR. LEROY E. BURNEY, SURGEON GENERAL, ACCOMPANIED BY ROY L. HARLOW, CHIEF FINANCE OFFICER; AND JAMES F. KELLY, DEPARTMENT BUDGET OFFICER

TOTAL DEATHS BY PRINCIPAL CAUSES

Senator HILL. The committee will kindly come to order.

Each year the committee has been furnished a table reflecting number of deaths by principal causes. Such a table has been furnished the committee again this year for the years 1950 through 1956. The table will be made a part of the record at this point.

(The table referred to follows:)

Deaths from principal causes, United States, 1950-56 (includes only deaths occurring within the continental United States. Excludes fetal deaths)

Cause of death	1956 (estimated) ¹	1955 (final)	1954 (final)	1953 (final)	1952 (final)	1951 (final)	1950 (final)
All causes.....	1,565,000	1,528,717	1,481,091	1,517,541	1,496,838	1,482,099	1,452,454
Tuberculosis, all forms.....	14,170	14,940	16,392	19,544	24,621	30,863	33,959
Malignant neoplasms, including neoplasms of lymphatic and hematopoietic tissue.....	247,600	240,681	234,669	229,079	223,277	215,525	210,733
Diabetes mellitus.....	26,340	25,488	25,151	25,796	25,474	25,047	24,419
Diseases of cardiovascular system.....	839,000	815,532	781,018	795,888	776,114	764,281	745,074
Vascular lesions affecting central nervous system.....	179,110	174,142	167,777	169,800	166,331	163,550	156,751
Diseases of heart.....	600,500	584,620	560,077	570,275	555,141	545,675	535,705
General arteriosclerosis.....	32,420	32,486	30,225	32,351	31,685	31,884	30,734
All other diseases of cardiovascular system.....	26,970	24,284	22,939	23,462	22,957	23,172	21,884
Chronic and unspecified nephritis and other renal sclerosis.....	15,270	15,821	17,073	18,774	20,757	22,518	24,677
Influenza and pneumonia except pneumonia of newborn.....	47,300	44,510	40,991	52,238	46,265	48,169	47,120
Cirrhosis of liver.....	18,620	16,763	16,201	16,399	15,934	15,075	13,855
Congenital malformations.....	20,670	20,502	20,081	20,012	19,768	18,865	18,425
Certain diseases of early infancy.....	62,300	64,043	63,486	63,444	63,659	63,096	60,989
Accidents.....	92,020	93,443	90,032	95,032	96,172	95,871	91,249
Motor-vehicle accidents.....	38,330	38,426	35,586	37,955	37,794	36,996	34,763
All other accidents.....	53,690	55,017	54,446	57,077	58,378	58,875	56,486
Suicide.....	16,230	16,760	16,356	15,947	15,567	15,909	17,145
All other causes.....	165,480	160,234	159,641	165,388	169,230	166,880	164,809

¹ Data for 1956 based on a 10-percent sample of death certificates.

BASIC RESPONSIBILITIES OF AGENCY

Senator HILL. Dr. Burney, we are happy to have you here this morning, and we will be delighted to hear any statement you see fit to make in reference to the Public Health Service items.

Dr. BURNLEY. Mr. Chairman and members of the committee:

The basic responsibilities of the Public Health Service fall into three major categories:

1. To conduct and support medical and related research, as well as research in public health methods and administration;

2. To assist the States through grants-in-aid, technical services, consultation, and training of personnel;

3. To provide direct medical and hospital care to groups legally eligible for such care, to maintain foreign and interstate quarantine against the spread of communicable diseases, and to administer other direct operations of national or international significance.

None of these functions is the unique province of any one part of the Public Health Service. For example, every operating bureau carries on some type of research related to its programs. Every bureau provides some assistance to the States, some consultation or other service to outside organizations. The concentration of a given function in one bureau, however, assures efficient but flexible administrative grouping of programs.

TOTAL FUNDS REQUESTED

The total request of \$556,730,000 for all Public Health Service activities is about \$22,437,000 in excess of appropriations for the fiscal year 1957. About two-thirds of the funds administered by the Service are for grants to the States or non-Federal institutions.

The overall estimates reflect continued emphasis on research activities and at the same time propose the bringing of Public Health Service programs into better balance for promoting and improving the Nation's health. Some expansion is proposed in programs designed to apply the fruits of research in public-health fields of urgent concern. We propose to bring some of our direct services up to acceptable standards. We hope to strengthen our overall administration in the interest of more efficient operation and more effective leadership. And we are requesting funds for the implementation of new programs established by Congress in 1956.

I concur in the recommendation of the Secretary for restoration of \$8,703,000 of the budget reductions made by the House and for following the budget proposal in the distribution of the grants for construction of hospitals and related facilities. I also feel that the action of the House in limiting overhead allowances on research grants to 15 percent was unwise.

The directors of our programs will be prepared to supply such details as you may need in your consideration of our budget.

Senator HILL. All right, Doctor: would you prefer to have the directors of each one of these agencies or bureaus, so to speak, testify as to the specific items?

For instance, you have a very severe cut in the appropriation on general assistance to the States. Would you like to say something about that, or would you rather have Dr. Haldeman testify in detail as to it.

Dr. BURNEY. It is up to you.

Senator HILL. You can do it any way you wish.

Dr. BURNEY. I would like to have Dr. Haldeman do it.

PREPARED STATEMENT

Senator HILL. All right, Doctor.

Your complete prepared statement will be made a part of the record at this point.

(The statement referred to follows:)

STATEMENT BY SURGEON GENERAL, PUBLIC HEALTH SERVICE

Mr. Chairman and members of the committee, I would like to begin my statement with a brief summary of the major responsibilities of the Public Health Service. This will provide a frame of reference for my discussion of program developments in the past year, as well as of some immediate needs which are reflected in our 1958 budget proposals.

BASIC PUBLIC HEALTH SERVICE RESPONSIBILITIES

The basic responsibilities of the Service fall into three major categories:

- (1) To conduct and support medical and related research, as well as research in public-health methods and administration;
- (2) To assist the States through grants-in-aid, technical services, consultation, and training of personnel;

(3) To provide direct medical and hospital care to groups legally eligible for such care, to maintain foreign and interstate quarantine against the spread of communicable diseases, and to administer other direct operations of national or international significance.

None of these functions is the unique province of any one part of the Public Health Service. For example, every operating bureau carries on some type of research related to its programs. Every bureau provides some assistance to the States; some consultation or other service to outside organizations. The concentration of a given function in one bureau, however, assures efficient, but flexible, administrative grouping of programs.

RESEARCH IN THE PUBLIC HEALTH SERVICE

The research programs of the Service are designed to achieve a twofold purpose: First, to contribute to medical and related sciences through research in our own laboratories and in the field; and, second, to augment the Nation's total research effort through financial support of research, training of scientific personnel, and construction of research facilities.

Direct research activities are conducted in the National Institutes of Health at Bethesda, Md.; the Robert A. Taft Sanitary Engineering Center and the Occupational Health Laboratory at Cincinnati, Ohio; the Communicable Disease Center at Atlanta, Ga.; and the Arctic Health Research Center at Anchorage, Alaska. Several branch laboratories are maintained, including major ones at Montgomery, Ala., and Hamilton, Mont.

The NIH has grown from small beginnings in the latter part of the 19th century to be one of the greatest medical-research centers in the world. Especially since World War II, the scope and content of NIH programs have increased year after year, and their international stature has kept pace with this growth.

The Congress more than doubled appropriations for the National Institutes of Health in 1957, including newly authorized grants for the construction of research facilities. These actions gave the Public Health Service an opportunity to expand medical-research programs, and at the same time to increase our efforts to meet the needs for research personnel and facilities. The research conducted in NIH facilities accounts for only 20 to 25 percent of its funds; over 75 percent of its appropriation supports research and allied training and construction outside the Federal Government.

Our new National Advisory Council on Health Research Facilities has held three meetings, the last in March 1957. Its participation has been a very fine stimulus to our efforts in this field. To date the Council has recommended the approval of 109 construction grants amounting to the total \$30 million appropriated for this purpose in 1957. Applications for funds under this program totaled nearly \$99 million, or more than 3 times the first year's appropriation.

The interest and participation of research institutions and their supporters in this program should be gratifying to the Congress. Recently, I have visited several of these institutions and have been impressed by the enthusiasm with which the program is being welcomed. There is no doubt that it is helping to meet a national need.

Important advances are made each year in the NIH itself and in laboratories of scientists throughout the country whose work is supported by Public Health Service grants. I shall not try to cover these vast operations, but I would like to mention several recent developments that illustrate the nature and promise of the research.

The National Cancer Institute was the first to grow cancer cells outside the animal body. Recently, the same research group in the Institute developed a technique for growing cells and tissues on ordinary cellulose sponge. Cells growing from the original bit of tissue invade the sponge framework and group in patterns that resemble tissue patterns in living organisms. During the past year, this sponge-matrix technique has been used to measure the infiltration of human cancer cells in normal tissue.

One of the cancer research grants has been used in the development of a midget 6-million-volt electron accelerator that permits more efficient X-ray treatment of cancer patients. Eighty percent of its output reaches the body's deepest point, and with less damage to intervening tissues than standard X-rays.

The cancer chemotherapy program continues to narrow the search for chemicals that will halt malignant processes without damage to healthy tissues. The co-operation of the pharmaceutical industry in the program has increased the need for the screening of tens of thousands of entirely new compounds each year, to determine their potential usefulness in cancer chemotherapy.

The NIH continues to work with universities and other institutions in the evaluation of other new therapeutic agents. New steroid compounds for use in the treatment of rheumatic diseases, drugs for the oral treatment of diabetes, tranquilizers, and drugs for the management of high blood pressure are among the agents presently under evaluation.

Research by various groups continues to add to our knowledge of high blood cholesterol and the interrelationships of this condition with atherosclerosis and high-fat diets, especially diets containing the saturated fatty acids. Although much remains to be learned, it seems clear that we will eventually have some means of preventing the development of much arteriosclerosis and coronary heart disease through control of dietary factors.

In the realm of infectious disease research, the adenovirus (APC) vaccine developed by the National Institute of Allergy and Infectious Diseases about 2 years ago was given its first trial against naturally occurring disease last winter. A field test was conducted in cooperation with Naval scientists at the Great Lakes Training Station in Chicago. About 4,000 recruits were inoculated and their experience with acute respiratory illness, characterized by fever, was compared with that of 12,000 unvaccinated recruits. The vaccine provided substantial protection to the vaccinated group and in the opinion of Naval investigators would reduce sickness-absenteeism in military training programs.

Two of the Institutes—Mental Health and Neurological Diseases and Blindness—are mounting a strong research attack on mental retardation, along with a similar long-term cooperative program related to cerebral palsy and other conditions associated with unknown factors in the prenatal, natal, and neonatal experience of infants. Efforts to relate cerebral palsy of the offspring to specific illnesses in the mother during pregnancy are being pushed at NIH and in many other research institutions.

The research activities of our Communicable Disease Center are concentrated primarily on applied research related to control methods and on epidemiologic investigations of all types of infections. The Center's Virus Research Laboratory at Montgomery, Ala., in addition to studies on encephalitis, rabies, and infectious hepatitis, has for several years been trying to modify viruses so that they will not produce disease but will produce immunity. This was nature's method which gave us the first vaccine over 150 years ago in the form of cowpox virus, a mild natural modification of smallpox virus which protected against the serious disease. Recently, the Montgomery laboratory has succeeded in modifying types I and II of poliomyelitis virus to show this property in monkeys.

I should like now to say a word about research in health problems of the environment, which in the Public Health Service is concentrated at the Robert A. Taft Sanitary Engineering Center at Cincinnati. It is trite to repeat that the continuing growth of our cities, the continuing expansion and diversification of our industries, and the increasing concentration of our population are producing a continually more complex environment which requires more knowledge and more action to control if our health is to be preserved.

The Sanitary Engineering Center had its origin in the classic investigations of stream pollution in the Ohio River Valley by the Public Health Service, beginning early in the century. Here is the center for research on water pollution, looking to develop more efficient and cheaper methods of waste treatment, reliable indices of excessive pollution, and practical criteria for allowable levels of waste, particularly industrial and chemical waste, that States and municipalities may apply in pollution control.

Studies on sanitation of food and food handling are carried on at the center. Illness from contaminated foods continues to be widely prevalent, including widespread outbreaks last year from contaminated dried milk and from powdered eggs. These occurrences emphasize the need for more knowledge to prevent the growth and toxin production of specific bacteria in foods, and for reliable and rapid tests for their presence and identity.

Here also is the base for the National Air Sampling Network, which now covers about 80 communities as part of our important investigations of the growing menace of air pollution. The network is providing for the first time much needed basic information about the trends in atmospheric pollutants in different parts of the country. Lack of knowledge on chemistry of air pollution, effects of meteorological conditions and methods of control are seriously hampering the efforts of State and local authorities.

SERVICES TO THE STATES

The role of the Public Health Service in the improvement of national health is one of leadership, assistance, and stimulation. We exercise this role primarily through cooperation with the States, and specifically through the administration of grants-in-aid, technical assistance, demonstrations, consultation, and cooperative studies. By these means, the local communities have access to the resources of the Public Health Service.

In addition to financial assistance, the communities need new and improved techniques for the prevention of disease, the control of environmental hazards to health, and the development of community health services. Field tests and demonstrations, for example, had to be carried out to develop the efficacy of penicillin therapy for syphilis, the use of small-film photofluorography for mass case-finding in tuberculosis control, and so on. Such activities are the essential "bridges" between research and public health application of science.

Technical assistance is the general term which covers the services we provide to the States and local communities in a wide variety of programs. Consultation through our regional staffs, assignment of personnel, cooperative studies, and training of key personnel in new, highly specialized techniques are aspects of technical aid.

Our whole epidemic and disaster aid program from the Communicable Disease Center, for example, is essentially a technical aid service. During the past year, emergency help was provided in 33 States and 3 Territories. In Kentucky and Michigan, help was requested in the identification and control of outbreaks of diphtheria; in other areas, outbreaks of encephalitis and rabies were brought under control.

In a cooperative study, the Public Health Service helps define the scope and nature of a problem and identifies a solution. Such was the case in a recent study of nonhospitalized tuberculosis patients. For the country as a whole, this study showed that almost one-half of the people with tuberculosis were outside of hospitals, and that almost one-fourth of the patients at home were not under medical supervision. For the individual local health department, the study pointed up the need to keep up-to-date information on nonhospitalized patients and to work out closely integrated programs for followup and public health supervision in cooperation with private physicians, hospitals, public welfare and voluntary agencies.

HOSPITALS AND MEDICAL FACILITIES

The national hospital and medical facilities survey and construction program continues to achieve the great purposes envisioned for it by Senators Hill and Burton in 1946. Last year, the Congress authorized extension of the program to June 30, 1959. The total program is resulting in better planning of health facilities across the country, as well as adding modern structures to our national health resources. By January 1, 1957, more than 3,200 projects had been approved for Federal aid under the original authorizations. Two-thirds of these had been completed, providing over 100,000 beds. When all current projects are completed, 142,000 hospital beds and about 700 public health centers will have been added to our national resources.

During the past year, the impact of the 1954 medical facilities amendment began to be felt. Some 250 projects have been approved in the new categories: when completed, these will provide 92 diagnostic centers, 46 rehabilitation facilities, and about 5,500 beds in chronic disease hospitals and nursing homes.

WATER POLLUTION CONTROL

Last year Congress extended and strengthened the Water Pollution Control Act, retaining in the States the primary responsibility to control water pollution. Based on new and broadened authorizations, the Public Health Service, with the guidance of the President's Water Pollution Board, is developing a well-balanced program including: (1) Matching grants which are strengthening State water pollution control programs; (2) a realistic program for controlling interstate pollution; (3) expanded research and technical assistance to seek and apply solutions to new problems; (4) a cooperative effort to collect data on the quality of the Nation's waters as a foundation for the orderly development of pollution control programs; and (5) grants for the construction of waste treatment works.

Aware that construction of treatment works was falling behind pollution problems, Congress inserted the construction grant provision in the new act to stimulate construction to reduce the backlog of needed works. The first

grants under this program were approved for Meridian, Miss., and Higginsville, Mo., early in December. By January 31, 763 applications had been submitted to the State water pollution control agencies and the Public Health Service. Substantially the entire \$50 million in construction grant funds appropriated for this year will be utilized.

Expansion of research on water pollution and methods of control is essential. Emphasis must be placed on improved methods of both domestic and industrial waste treatment. Methods now in use were developed before the present complex wastes were being discharged, and frequently are not adaptable to specific community needs. In many instances, the methods are so expensive that communities are unable to meet the costs. Large-scale studies are needed to identify and predict the kind of treatment required for industrial wastes, particularly organic wastes.

GENERAL ASSISTANCE TO THE STATES

State and local health services are vital components in our total effort to raise the national level of health, diminish disease and premature death, and prolong life. With a rapidly increasing population, rising costs of all types of services and facilities, and advances in scientific methods for dealing with our major health problems, the Nation's public health agencies cannot operate effectively on a scale adequate 20 years ago. They are often at a disadvantage in the competition for tax funds. One of the basic concepts of public health administration is that preventive services are economical. But in a period of rising costs and complex problems, cut-rate prices will buy only cut-rate health services.

State and local appropriations for public health services increased by 26 percent between 1952 and 1955. In many States, the proportional increases of public health appropriations were generous. In dollars, however, the additional funds could barely compensate for the increased costs of doing business and made no allowance for population increases during the past decade, much less provided for new health needs.

Under such economic conditions, health departments have real difficulty in recruiting and holding competent professional employees. Rapid turnover of staff, especially in the health officer positions, means that there can be little or no continuity of leadership. Hence there can be little long-range planning and followup, little appraisal of community needs and the health department's performance. This is not a new problem, but it is intensified under present conditions.

To develop and maintain adequate services for the modern community, our health agencies need better methods for dealing with such problems as chronic disease, mental illness, and accidents. They need to appraise and reorient their existing programs, to experiment in new fields, to employ every available means of improving their efficiency. To help the Nation's public health agencies strengthen their organizations for this task, the Service is proposing an increase in general assistance grants.

HEALTH OF THE AGING

Much of the Nation's concern for the development of health resources and the improvement of services centers around the health problems of older persons. Besides the unnecessary suffering due to illness, the economic impact of prolonged disability in this age group on family and community life is severe.

We have taken initial steps in the Public Health Service to focus our existing programs on the health needs of older people. A Center for Research on Aging has been set up in the National Institutes of Health. Its emphasis will be on basic studies of the processes of aging and the greater part of our work in this field will be to promote and support studies in outside institutions and their communities. Several regional centers of research on aging might be established in interested universities.

In the Bureau of State Services, we have a special staff concerned with community services for the aging and application of existing knowledge in this field and the control of chronic disease. In recent years, voluntary and official agencies in various parts of the country have launched new types of community service for health of the aging. Such new ideas should be fostered and translated into action all over the country. For example, in one community, a health maintenance clinic gives periodic health examinations and counseling to elderly people. Oncoming chronic diseases, such as glaucoma, a common cause of blindness particularly in the aged, are discovered in early stages when premature disability can be prevented. In one county, a demonstration of low-cost restora-

tive care in public institutions put 80 percent of the bed-bound elderly patients on their feet and returned 28 percent to their homes.

Health services can neither turn back the clock nor solve all the socio-economic problems of an aging population. But they could accomplish at comparatively low cost, the following results:

(1) The severity of illness could be reduced in many instances by detecting oncoming disease and declining visual and aural acuity in time to avert prolonged disability.

(2) Restorative services for the aging could restore to self-care many of the severely disabled persons.

(3) The general health level of older people could be raised by improving their eating habits, exercise, other aspects of personal hygiene, and mental health.

(4) More older patients could be cared for at home or in lower cost facilities, such as nursing homes.

We in the Public Health Service, as well as our colleagues in other agencies, are deeply concerned that so few States and communities have taken this approach, which is logical, economical, and—where it has been tried—remarkably effective. Our 1958 budget request provides for an initial effort to develop health services for the aging in more communities.

ACCIDENT PREVENTION

Much can be done to prevent accidents in the home and on the highway. The Public Health Service has already assigned personnel with specialized training in this field to help State and local health agencies develop accident prevention programs, in cooperation with responsible governmental agencies, the National Safety Council, and other voluntary groups.

Some health department staffs have developed skill in careful investigation of each reported mishap, analysis of accident data, and education of the public on the danger points—in both the physical and emotional environment of the home. Conditions unsafe for young children and older people, for example, can be pinpointed and families encouraged to correct them. Accident-prone individuals can be detected and help provided to determine whether the cause is a physical defect, a disease, or an emotional problem. State health departments need more help in the evaluation and development of home-safety programs.

The problem of traffic accidents is causing tremendous concern. It seems obvious to all responsible groups that the main difficulty is unsafe driving. The solution of this problem requires a great deal more research and application of research findings on the human factor—the man or woman, the boy or girl behind the wheel. The Public Health Service proposes to place emphasis on research that would provide much-needed information on drivers and the quality of driving.

Somewhat the same method as has been applied in the investigation and analysis of home accidents has great potential values. We need to know more about the physical, mental, and emotional status of drivers. We need to know whether some chronic diseases are a deterrent to safe driving. There is a good deal of information on the effects of alcoholic beverages on driving; but we know very little about the effects of tranquilizing drugs, narcotics, barbiturates, and medications.

Some research has been done on drivers of interstate trucks and buses and military vehicles. The Service has made some research grants in this field, especially to Cornell University's crash injury studies. We intend to encourage additional studies. We would like to see much more research on drivers of different ages and both sexes, using different types of vehicles—especially passenger cars. We propose also to increase our own studies of traffic accidents in cooperation with State and local agencies.

ENVIRONMENTAL PROBLEMS

Rapid changes in production methods and industrial expansion have created new environmental problems of public health concern. The potential hazard to human populations of exposure to toxic substances in air and water, as well as to nuclear radiation, has been recognized. Employees in old and new industries are exposed occupationally to different processes, as well as to the new toxic substances.

Some constructive steps have been taken to keep abreast of these general and occupational health problems. It is essential, however, that Public Health Service programs in these fields be speeded up immediately, if the States, communities, and industries are to have the new facts and techniques they need to keep ahead of these rapidly emerging problems.

The air pollution program established in the Service in 1955 is in its second year. We have increased our technical assistance and training activities, but to date we have not been able to meet all of the requests for those services. State and local authorities and private industries rely heavily on the Service for basic data and methods, as well as for technical help in starting control activities. Increased emphasis should be placed on epidemiologic studies to determine the health effects of long-term exposure to low-level air contamination. Progress in this program has been good enough to warrant the expansion we have proposed in the budget.

Research on current problems of occupational health urgently needs to be expanded. This is especially true in the study of toxic substances. The Public Health Service has conducted several important studies in recent years, but our current efforts in this field fall far below the level required to make a significant impact on the health protection of the Nation's industrial manpower.

One of our recent studies was on the toxicology of vanadium, an element of increasing importance in metallurgy. This study has highlighted an important lesson for public health and occupational physicians. Judging the toxicity of a substance—vanadium, in this instance—by its effects on experimental animals may not reveal its true dangers. Acute toxicity—that is, reaction to intense or lethal exposures—can be readily detected. But prolonged low-level exposure may not produce any detectable effects on animals. Thus on the basis of animal studies, a substance may be considered nontoxic at low levels. We have found, on the contrary, that such exposure to vanadium can produce subtle but pathologic changes in exposed human beings.

With the expanding development of new compounds for industrial or public use, physicians need more solid evidence than a high index of suspicion on which to base health protective measures. But even the cursory screening of one compound is costly and requires resources and facilities entirely beyond the command of the individual health officer or occupational physician. Many companies now have their own toxicology laboratories but their data are not generally available and the number of compounds which receive evaluation before being released is still small in comparison with the total.

Our 1958 budget estimate provides for an initial expansion of Service activities in occupational health. The requested funds would enable us to make a start in the field of toxicology and other aspects of industrial hygiene.

Nuclear radiation is another problem of growing concern to public health officials and private physicians, as well as to the public. Medical use of X-rays, radioisotopes, and other fissionable materials is expanding. More nuclear reactors are being installed and radiation is being adapted to additional industrial and commercial uses. Health officials are concerned about the total radiation exposure to which individuals may be subjected from these and other sources of exposure. They must have at their disposal methods and skills for continuous testing of total radiation exposure in the populations they serve. All health agencies urgently need more highly qualified specialists in this field and many additional trained technicians. The Service proposes to step up its training and research activities in this new radiological health field.

MEDICAL AND RELATED PROGRAMS OF THE PUBLIC HEALTH SERVICE

Many important programs of the Service have no fund-granting functions. The major activities in this category include our hospital and medical care programs, foreign and interstate quarantine services, the Indian Health Service, the National Library of Medicine, and the National Health Survey.

PUBLIC HEALTH SERVICE HOSPITALS

Our hospital and medical-care programs are the oldest functions of the Public Health Service. For some years, the increasing cost of hospital administration, nationwide, has created serious problems for the Service and its beneficiaries. The situation in our hospitals now is so acute that we have asked some of the Nation's outstanding experts in hospital administration and medical care to

help us evaluate our problems and needs. The reports of these consultants tell a story of dilapidation, deterioration, and deficiencies. Not deficiencies in the qualifications of the staffs, but in supplies, equipment, space, and numbers of personnel. The consultants concluded that forced economies have brought the hospitals to a professionally unsatisfactory level of care; in some instances, to the brink of danger to our patients.

All of the experts testified to the high morale and dedication to the Service in our hospital staffs. But they pointed out that corner cutting beyond the limits of safety and economy means deterioration of service, no matter how well qualified the staff.

The Public Health Service cannot afford to compromise any longer with conditions that force us to give less than first-rate care to patients for whom we are legally responsible. Additional funds are being requested in 1958 to correct some of the conditions spotlighted by our consultants. We shall continue to appraise the situation and recommend what is needed to raise the quality of care to an acceptable level.

QUARANTINE SERVICES

The maintenance of quarantine services at seaports and airports and at border stations is one of the oldest jobs of the Service. The examination of immigrants at ports of entry in the United States and of applicants for visas in foreign countries is another longstanding responsibility.

There has been a steady increase, year after year, in international traffic and travel, as well as in the numbers of persons applying for immigration visas under regular quotas. In 1956, 47 million persons were inspected for quarantine, and about 2,200,000 aliens were given medical examinations at United States ports of entry. The total quarantine operation involved some 57,000 aircraft and over 30,000 vessels. In addition, more than 234,000 persons were examined in foreign countries on application for immigration visas. These included about 195,000 expecting to enter under regular quotas, while the remaining 39,000 were examined for visas under the Refugee Relief Act.

Our inability to provide night boarding for the inspection of vessels arriving at American ports has been a matter of great concern to shipping companies. The costs of idle hours lost by ships docking at night and waiting for daylight inspection are estimated at \$10 to \$12 million annually. Our 1958 budget request includes funds for the provision of this service.

Interstate quarantine activities have continued at about the same level as in prior years. The active participation of State and local health departments in this program makes it possible for the Public Health Service to discharge this responsibility with a minimum of staff and supporting services.

INDIAN HEALTH SERVICES

Increased appropriations for the Indian Health Service in the past 2 years have made it possible for us to begin a long-range plan for improvement of the health of this sizable group of Americans. A survey requested by the House Committee on Appropriations has been completed and submitted to Congress. Its findings and recommendations indicate that there are still large deficiencies to be overcome.

The level of Indian health today is about that of the general population more than a generation ago. Striking improvements can be made by intensive application of preventive methods well known to public-health staffs. The problem inherent in the economic, educational, and cultural conditions of Indian life will require specialized planning and services, particularly in the fields of home sanitation, health education, maternal and child health, mental health, and disease control.

The budget increase requested for 1958 would permit an orderly expansion of our efforts to solve these problems. We are convinced that this carefully planned program will yield its best results if it can be pressed forward now, before the accumulation of unmet needs increases.

FEDERAL EMPLOYEE HEALTH

Although there is statutory authority for the development of a Federal employee health program, few of the Federal departments and agencies have gone as far as they should. Health services for Federal employees fall far below the standards recommended for employee health services in industry. The Federal Government is the largest single employer in this country, but it does not approach

the standard maintained by major industries in the United States. The Public Health Service has been unable to contribute its share of professional assistance to the agencies in the establishment, maintenance, and appraisal of their programs, a function defined in the enabling legislation. Our budget request for 1958 would permit us to make a start on this consultative service, as well as to improve our own employee health program.

NATIONAL LIBRARY OF MEDICINE

This is the first time that the Service has had the privilege of presenting the budget request for the National Library of Medicine. We are honored to have this fine institution and its able staff in our Public Health Service family. The Board of Regents has been appointed by the President and confirmed by the Senate. It held its first meeting on March 20, and discussions have begun leading to the Regents' report on the development of new quarters for the library.

NATIONAL HEALTH SURVEY

We have long needed a regular factfinding mechanism to provide current information on sickness and disability in the United States. The national health survey legislation of 1956 provides the basis for this function.

I am pleased to report that the Service and the Bureau of the Census have completed preparations for the basic survey. Policies and methods have been developed in consultation with other Federal agencies and a special committee of experts outside the Government. The proposed questionnaire and procedures have been tested and the Census Bureau will begin the collection of national data before the close of fiscal 1957.

TRAINING OF HEALTH PERSONNEL

Training of health personnel is a major activity in the Public Health Service. Our programs assist in building up the supply of medical-research manpower and of certain scarce clinical, public-health, and nursing specialists. We also provide intensive training in new techniques for our own staff and for health-department, industrial, university, and other personnel.

Our medical and hospital programs, including the Indian Health Service, are a major resource for the training of health personnel through the internship and residency programs for young physicians and dentists. There is a need, however, to increase the career-development program for our personnel engaged in public-health activities, especially for physicians, nurses, and health educators who will be assigned to new programs such as chronic-disease control, accident prevention, and health of the aging.

MEDICAL-RESEARCH MANPOWER

Health research cannot progress without trained manpower. Medical-research training has to compete with other interests for the youngsters who have completed their basic education and who can carve for themselves lucrative careers without further expense of time and effort to discipline their creative thought and increase their scientific skills. The increased training funds available to NIH in 1957 has made it possible for us to strengthen scientific-manpower resources. More than 5,000 individuals will receive assistance this year in developing their careers in medical science or such clinical specialties as cancer and psychiatry. They will study in institutions of their choice. Our own laboratories at NIH will provide a resource for the advanced training of some scientists, and we anticipate giving our own research staffs more opportunities for outside training.

PUBLIC-HEALTH AND PROFESSIONAL NURSES

The Health Amendments Act of 1956, approved August 2, established new programs for advanced training of personnel in two categories: Public-health specialists and professional nurses. By the close of September, practically all of the grant funds in both programs had been obligated in traineeships, so that a grand total of 838 well-qualified candidates were able to begin or continue their training in the current academic year.

Expert advisory committees, representing the graduate schools of public health, nursing schools, and the interested professions, have been appointed. They have

been of great help to the Service in implementing these two new training programs promptly.

SPECIALIZED TRAINING

The Communicable Disease Center maintains a training program for State and local laboratory personnel in new diagnostic techniques. Courses are conducted at the center or by visiting specialists in State laboratories. During 1956, more than 800 laboratory specialists received such training. Another 4,500 health workers were trained in new and improved methods for the control of various communicable diseases.

Short courses in air pollution, water pollution, radiological health, and other techniques are conducted by the Sanitary Engineering Center, in the laboratory and the field. During the past year, more than 3,500 persons received training through this center.

DEVELOPMENT OF THE PHS COMMISSIONED CORPS

The commissioned corps of the Public Health Service is the keystone of our professional staff. It is 1 of the 7 uniformed services of the United States. This corps of physicians, scientists, engineers, nurses, and other health specialists has a tradition of professional standards and service that attracts high-caliber personnel, even though the pay and benefits are not competitive with incomes for comparable work in private practice and industry. An essential part of the development of the corps is the training of its members. Under congressional amendments enacted in 1956, this training program has been expanded.

There are now 3,064 commissioned officers on active duty—an increase of 211 since January 1, 1956. About half are regular corps and half reserve. The ceiling for the regular corps strength, fixed annually in appropriation language, has remained at 1,500 since 1951, in spite of the great growth in the tasks of the Public Health Service. This year we are proposing an increase of 100, as the first step in an orderly expansion of the regular corps to a size commensurate with our increased responsibilities. This expansion will be achieved principally by conversion of active duty reserve officers to regular status and will not involve increased employment or expense.

BUDGET SUMMARY

The total request of \$556,730,000 for all Public Health Service activities is about \$22,437,000 in excess of appropriations made available by the Congress for the fiscal year 1957. As in the current year, two-thirds of the funds administered by the Service would be obligated as grants to the States or non-Federal institutions.

I wish to point out, however, that over \$5 million of the 1958 increase represent mandatory payments to employee retirement funds, as required in legislation enacted by the 84th Congress. Another \$3 million represent annualizations and other mandatory payments over which we have little or no control. Thus, more than 35 percent of the 1958 increase will provide no program expansion.

In developing the overall estimates, we are continuing to emphasize research in all areas. We are proposing, at the same time, to bring Public Health Service programs into better balance for promoting and improving the Nation's health. We propose some expansion in programs designed to apply the fruits of research in public-health fields of urgent concern. We propose to bring some of our direct services up to acceptable standards. And we propose to strengthen our overall administration in the interest of more efficient operation and more effective leadership.

CONCLUSION

The Public Health Service has made good progress in carrying out its basic responsibilities, as well as in the implementation of new programs established by Congress in 1956.

Advances in medical and related research have been made in our own laboratories, as well as by thousands of scientists in outside institutions whose work is supported by Public Health Service grants. The new facilities construction program has aroused great enthusiasm in research institutions and is helping to meet an important need.

The Nation's hospital and medical facilities resources are being strengthened by the survey and construction program established 10 years ago. Hospitals, health centers, nursing homes, diagnostic centers, and rehabilitation facilities are being planned and constructed in orderly fashion.

The extended and strengthened water-pollution control program provides a sound basis for ultimate solution of this difficult nationwide problem. Expansion of research in this field is essential, however, in order to insure the most effective and economical methods of control.

We have made a start in the development of preventive programs in such new fields as health of the aging, chronic disease control, accident prevention, and radiological health. State and local health agencies need help in these and other fields, since they often operate under handicaps in funds, personnel, and lack of demonstrated public-health methods for the application of new research findings.

The Public Health Service hospitals have functioned for a number of years without adequate funds to provide first-class care to our patients. In foreign quarantine, the workload has increased progressively with increased international commerce and travel. Our 1958 budget requests reflect urgent needs in both these programs.

A long-range program for the improvement of Indian health is in operation and has made substantial progress. Orderly expansion of the Indian Health Service is indicated.

The National Health Survey, established in 1956, is underway. This activity will have to be sustained each year if the Service is to accomplish the results specified by Congress in the National Health Survey Act.

Training programs of the Service were substantially increased in 1956. About 6,000 research scientists, clinical specialists, public-health specialists, and professional nurses are receiving advanced training this year as a result of our fellowships and training grant programs. In addition, thousands of key personnel from health departments, universities, industries, and other organizations have received intensive training in specific new techniques at facilities of the Service.

The overall impact of the Public Health Service's programs on national health is felt in the continuing increase of scientific findings on major health problems and in the application of these findings through State and local health services, in community hospitals, medical centers, and physicians' offices throughout the country.

I want to thank you, Mr. Chairman and members of the committee, for your unflinching interest in, and thoughtful study of, the Public Health Service and its responsibilities to the American people. I assure you that we will spare no effort to provide you with any information you desire in considering our 1958 budget.

ASSISTANCE TO STATES, GENERAL

STATEMENTS OF DR. JACK C. HALDEMAN, CHIEF, DIVISION OF GENERAL HEALTH SERVICES, AND DR. LEROY E. BURNEY, SURGEON GENERAL; ACCOMPANIED BY ROY L. HARLOW, CHIEF FINANCE OFFICER; AND JAMES F. KELLY, DEPARTMENT BUDGET OFFICER

APPROPRIATION ESTIMATE

Assistance to States, general: To carry out the purposes not otherwise specifically provided for, of section 314 (c) of the Act; to provide consultative services to States pursuant to section 311 of the Act; to make field investigations and demonstrations pursuant to section 301 of the Act; to provide for collecting and compiling mortality, morbidity, and vital statistics; *to provide traineeships pursuant to section 306 of the Act; and not to exceed \$1,000 for entertainment of officials of other countries when specifically authorized by the Surgeon General: [\$16,461,000] \$24,609,000, of which \$1,500,000 shall be available for special project grants to public or private nonprofit agencies and institutions to assist in the development of improved methods, procedures, and techniques for chronic disease control and health services for older persons.*

[Assistance to States, general: For an additional amount for "Assistance to States, general", including \$1,000,000 for grants for graduate training of professional public health personnel, pursuant to the provisions of the Health Amendments Act of 1956, \$1,040,000: *Provided*, That this paragraph shall be effective only upon the enactment into law of S. 3958, Eighty-fourth Congress.]

APPROPRIATION LANGUAGE CHANGES

The first change in language is required to include citation of the authorization of grants for public-health traineeships as provided by section 101 of the Health Amendments Act of 1956 (Public Law 911, 84th Cong.).

The second change in language is required to include authorization to make special project grants to public or private nonprofit agencies and institutions to assist in developing and adopting improved methods, procedures, and techniques for health of the aged and chronic diseases.

Amounts available for obligation

	1957 appropriation	1958 budget estimate	1958 House allowance
Appropriation or estimate.....	\$17, 591, 000	\$24, 609, 000	\$19, 592, 000
Additions: Comparative transfer from "Sanitary engineering activities, Public Health Service".....	51, 000	0	0
Total obligations.....	17, 642, 000	24, 609, 000	19, 592, 000

Obligations by activities

Activities	1957 appropriation		1958 budget estimate		1958 House allowance	
	Positions	Amount	Positions	Amount	Positions	Amount
1. Grants:						
(a) To States for general health.....		\$12, 000, 000		\$15, 000, 000		\$12, 000, 000
(b) For special projects in health of the aged and chronic disease.....		0		1, 500, 000		0
(c) For public health training.....		1, 000, 000		2, 000, 000		2, 000, 000
2. Direct operations:						
(a) Technical assistance to States....	225	1, 698, 200	258	2, 000, 000	225	1, 769, 400
(b) Vital statistics.....	210	1, 456, 300	210	1, 522, 000	210	1, 513, 400
(c) International health activities....	20	133, 600	20	137, 000	20	137, 000
(d) Special health services:						
1. Health of the aged and chronic disease.....	61	541, 800	110	1, 200, 000	110	1, 037, 700
2. Occupational health.....	81	656, 900	99	791, 000	81	675, 500
3. Accident prevention.....	5	51, 000	26	351, 000	26	351, 000
(e) Administration.....	10	104, 200	10	108, 000	10	108, 000
Total obligations.....	612	17, 642, 000	733	24, 609, 000	682	19, 592, 000

EFFECT OF HOUSE ACTION

Activity No. 1: Grants

(a) *Grants to States for general health.*—The House denied an increase of \$3 million which will mean:

1. Provision of fewer and less adequate preventive health services in States and communities throughout the Nation;

2. Fewer county health nurses, fewer local health officers, less laboratory diagnostic services and less communicable disease control services.

(b) *Grants for special projects in health of the aged and chronic disease.*—The House denied an increase of \$1,500,000 requested for special project grants. This reduction eliminates the needed stimulation to State and local governments to undertake activities to improve the health conditions of the aged and chronically ill.

(c) *Grants for public-health training.*—The full amount requested of \$2 million was allowed by the House to provide for the training of 250 additional public-health personnel in accordance with the provisions of title I, Health Amendments Act of 1956.

Activity No. 2: Direct operations

(a) *Technical assistance to States.*—The House allowed \$71,200 for mandatory increases and denied a program increase of \$230,600 and 33 positions. This program reduction strikes at two of the most vital needs of the Public Health Service:

1. The need to reevaluate existing methods and approaches in the light of current problems and circumstances;

2. The demand for highly trained professional personnel of a caliber that can furnish the needed leadership in public health.

The reduction will—

(1) force the curtailment of the study of public-health practices, begun last year, just at a time when the project was swinging into action on a very carefully designed plan; and

(2) eliminate \$98,000 for the career development of Public Health Service personnel so badly needed because of the increased demands upon the Public Health Service resulting from the tremendous growth and development of public-health problems in recent years.

(b) *Vital statistics*.—The House allowed an increase of \$57,100 for mandatory items over the base of \$1,456,300 and 210 positions.

(c) *International health activities*.—The full amount requested of 20 positions and \$137,000 was allowed by the House. This represents an increase of \$3,400 for mandatory items.

(d) *Special health services*.—

1. Health of the aged and chronic disease: The House allowed an increase of \$33,000 for mandatory items, and reduced the requested program increase of \$625,200 and 49 positions to \$462,900 and 49 positions. This program reduction will curtail specifically planned developmental studies aimed at (1) producing new and improved methods for early detection and prevention of chronic illnesses and impairments which particularly affect people over 65, and (2) expediting their application in State and local programs.

2. Occupational health: The House allowed \$18,600 for mandatory increases and disallowed the program increase of \$115,500 and 18 positions. This program reduction will curtail services vital to the maintenance and protection of the health of the American worker, including—

(a) research studies concerning toxicological hazards and patterns of morbidity and mortality among workers, which are needed to combat the new hazards and stresses affecting the health of workers as a result of the tremendous expansion and change in the industrial operations of our Nation, and

(b) the development of employee health programs and the provision of badly needed training courses in occupational health problems.

3. Accident prevention: The House has allowed the full amount requested of \$351,000 and 26 positions which represents an increase of \$300,000 and 21 positions over a 1957 base of \$51,000 and 5 positions. This increase will provide for \$7,700 in mandatory items and for the initiation of a public health program aimed specifically at reducing the toll of death and disability due to accidents by application of the methods successful in solving other public health problems including:

(a) A program of research studies such as, (1) epidemiologic studies of the circumstances surrounding the accidental ingestion of poisonous substances, (2) epidemiologic studies of home accidents, to arrive at an understanding of causal relationships between accidents and home design, home management, and maintenance, particularly with respect to the high risk groups, i. e., the very young and the very old, and (3) studies to identify therapeutic or remedial measures, including poison antidotes, which would reduce the death, disability, and residual effects of accidents,

(b) A program of technical assistance which will provide for a clearing-house of information; assistance to State and local health departments in setting up their own programs; and establishment of a National Poison Control Center to coordinate exchange of information on accidental poisonings; and

(c) A training program for State and local health personnel and special training of Public Health Service personnel.

(c) *Administration*.—The House allowed the full amount requested of \$108,000 and 10 positions. This represents an increase of \$3,800 for mandatory items.

Appeal requested

It is urgently requested that \$4,500,000 be restored to the budget for (1) general health grants (\$3,000,000) and (2) special project grants to improve the health conditions of the aged and chronically ill (\$1,500,000) and the language related thereto.

Obligations by objects

	1957 appro- priation	1958 budget estimate	1958 House allowance
Total number of permanent positions.....	612	733	682
Full-time equivalent of all other positions.....	6	8	8
Average number of all employees.....	574	669	617
Number of employees at end of year.....	601	700	635
01 Personal services.....	\$3,532,580	\$4,181,900	\$3,838,400
02 Travel.....	282,550	364,450	320,250
03 Transportation of things.....	30,700	47,700	41,200
04 Communication services.....	173,100	178,900	177,700
05 Rents and utility services.....	71,200	71,200	71,200
06 Printing and reproduction.....	84,900	104,700	102,400
07 Other contractual services.....	178,470	592,450	545,350
Services performed by other agencies.....	12,900	12,900	12,900
Purchase of vital records transcripts.....	163,000	163,000	163,000
08 Supplies and materials.....	55,700	96,200	87,800
09 Equipment.....	43,700	72,100	64,500
11 Grants, subsidies, and contributions.....	13,000,000	18,500,000	14,000,000
Contribution to retirement fund.....	0	200,600	147,000
13 Refunds, awards, and indemnities.....	2,800	3,200	2,800
15 Taxes and assessments.....	10,400	19,700	17,500
Total obligations.....	17,642,000	24,609,000	19,592,000

New positions requested, 1958

Title	Grade	Number	Annual salary
2 (a) Technical assistance to States:			
Public health program specialist.....	GS-13.....	2	\$17,980
Medical staff assistant.....	GS-12.....	1	7,570
Public health program specialist.....	GS-12.....	1	7,570
Statistician.....	GS-12.....	2	15,140
Public health program specialist.....	GS-11.....	1	6,390
Do.....	GS-9.....	3	16,320
Do.....	GS-7.....	1	4,525
Clerical assistant.....	GS-5.....	1	3,670
Do.....	GS-4.....	2	6,830
Do.....	GS-3.....	3	9,525
Full grade.....	CO.....	2	17,952
Senior assistant grade.....	CO.....	14	93,484
Total positions and annual salaries.....		33	206,956
Deduct lapses.....			33,936
Net cost.....			173,020
2 (d) (1) Health of the aged and chronic disease:			
Public health program specialist.....	GS-14.....	4	41,280
Program publication specialist.....	GS-12.....	1	7,570
Medical staff assistant.....	GS-12.....	1	7,570
Public health program specialist.....	GS-12.....	4	30,280
Statistician.....	GS-12.....	3	22,710
Administrative staff assistant.....	GS-11.....	1	6,390
Medical staff assistant.....	GS-11.....	2	12,780
Public health program specialist.....	GS-11.....	2	12,780
Statistician.....	GS-11.....	5	31,950
Medical staff assistant.....	GS-9.....	2	10,880
Public health program specialist.....	GS-9.....	2	10,880
Statistician.....	GS-9.....	1	5,440
Administrative staff assistant.....	GS-7.....	1	4,525
Statistician.....	GS-7.....	3	13,575
Clerical assistant.....	GS-5.....	7	25,690
Senior assistant grade.....	CO.....	6	43,758
Assistant grade.....	CO.....	4	25,754
Total positions and annual salaries.....		49	313,812
Deduct lapses.....			89,112
Net cost.....			224,700

New positions requested, 1958—Continued

Title	Grade	Number	Annual salary
2 (d) (2) Occupational health:			
Scientist.....	GS-13	1	\$8,990
Public health program specialist.....	GS-12	1	7,570
Statistician.....	GS-12	1	7,570
Public health program specialist.....	GS-9	1	5,440
Clerical assistant.....	GS-5	2	7,340
do.....	GS-4	2	6,830
Research technician.....	GS-2	1	2,960
Senior grade.....	CO	3	30,900
Full grade.....	CO	2	19,118
Senior assistant grade.....	CO	4	25,872
Total positions and annual salaries.....		18	122,590
Deduct lapses.....			31,790
Net cost.....			90,800
2 (d) (3) Accident prevention:			
Medical staff assistant.....	GS-13	1	8,990
Public health program specialist.....	GS-12	1	7,570
Statistician.....	GS-12	1	7,570
Administrative staff assistant.....	GS-11	1	6,390
Public health program specialist.....	GS-11	1	6,390
Statistician.....	GS-9	1	5,440
do.....	GS-7	1	4,525
Clerical assistant.....	GS-5	4	14,680
do.....	GS-4	2	6,830
Director grade.....	CO	1	9,330
Senior grade.....	CO	3	26,455
Full grade.....	CO	3	25,659
Senior assistant grade.....	CO	1	7,460
Total positions and annual salaries.....		21	137,289
Deduct lapses.....			19,389
Net cost.....			117,900

Summary of changes

1957 actual appropriation.....	\$17,591,000
Transfers:	
Comparative transfer from "Sanitary engineering activities, Public Health Service" for accident prevention.....	51,000
Adjusted 1957 appropriation.....	17,642,000
1958 appropriation request.....	24,609,000
Net change requested.....	6,967,000

	Positions	Estimate	Positions	House allowance
For mandatory items:				
Extra day of pay.....		\$14,400		1 \$6,200
Retirement contribution.....		153,600		153,600
Annualization of 1957 program.....		35,000		35,000
Total.....		203,000		194,800
For program items:				
Grants to States for general health.....	0	3,000,000	0	0
Grants for special projects in health of the aged and chronic disease.....	0	1,500,000	0	0
Grants for public-health training.....	0	1,000,000	0	1,000,000
Technical assistance to States.....	33	230,600	0	0
Vital statistics.....	0	400	0	0
Health of the aged and chronic disease.....	49	625,200	49	462,900
Occupational health.....	18	115,500	0	0
Accident prevention.....	21	292,300	21	292,300
Total change requested.....	121	6,967,000	70	1,950,000

Represents total cost of extra day of pay offset by increased lapse on 1957 positions.

State or Territory	1956 allocations	1957 allocations	Estimated 1958 allocations
Alabama	\$285,100	\$327,400	\$414,200
Arizona	77,400	92,500	121,000
Arkansas	187,100	227,200	273,600
California	543,100	664,700	861,700
Colorado	98,300	123,600	157,000
Connecticut	93,200	108,000	131,400
Delaware	16,300	20,000	25,200
District of Columbia	34,100	41,200	52,300
Florida	224,400	253,800	349,700
Georgia	285,800	343,700	426,000
Idaho	58,000	71,900	87,900
Illinois	397,100	494,700	609,700
Indiana	219,000	260,000	341,000
Iowa	154,900	197,300	246,500
Kansas	130,800	158,300	206,400
Kentucky	242,200	291,100	356,700
Louisiana	215,200	265,700	335,600
Maine	72,800	86,000	108,500
Maryland	127,400	157,300	204,200
Massachusetts	242,300	293,200	339,700
Michigan	331,400	404,000	520,200
Minnesota	187,000	233,700	291,700
Mississippi	246,100	293,600	353,600
Missouri	231,100	281,700	357,000
Montana	52,800	65,500	79,100
Nebraska	96,400	121,800	152,100
Nevada	29,700	36,400	44,400
New Hampshire	36,700	47,800	59,200
New Jersey	230,400	281,300	343,200
New Mexico	72,000	91,100	111,300
New York	639,600	845,700	1,048,000
North Carolina	349,200	415,700	529,200
North Dakota	61,700	83,000	101,200
Ohio	398,400	509,100	637,500
Oklahoma	166,400	194,500	237,400
Oregon	103,000	129,300	161,500
Pennsylvania	540,400	684,200	830,000
Rhode Island	42,400	52,300	61,500
South Carolina	194,200	244,800	305,700
South Dakota	63,000	82,800	102,800
Tennessee	266,700	332,000	413,100
Texas	513,800	638,400	817,500
Utah	65,100	84,100	103,900
Vermont	33,800	42,500	52,100
Virginia	241,000	284,600	348,500
Washington	128,800	161,600	206,700
West Virginia	143,700	184,200	225,700
Wisconsin	192,000	245,200	307,400
Wyoming	37,000	44,400	54,000
Alaska	43,700	53,900	63,200
Hawaii	34,700	49,800	53,000
Puerto Rico	243,600	297,700	362,100
Virgin Islands	4,700	5,800	7,500
Guam	0	0	9,400
Totals	9,725,000	12,000,000	15,000,000

Grants for special projects in health of the aged, and chronic disease

Estimate, 1957	0
Estimate, 1958	\$1,500,000
Change, increase (+) or decrease (-)	+1,500,000

STATEMENT OF CHIEF, DIVISION OF GENERAL HEALTH SERVICES, 1958 ESTIMATE
ON "ASSISTANCE TO STATES, GENERAL"

Mr. Chairman and members of the committee, I wish to discuss first the budget as submitted to Congress and later in the statement I will speak to the effect of the House action on the budget.

The appropriation "Assistance to States, general," provides funds to carry out some of the Federal responsibilities for supporting, strengthening, and extending the preventive health services in States and local communities.

The health of its people is one of the Nation's most valuable assets. The health of the citizens of one State is of importance and concern to all other States and to the Nation as a whole. We have a highly mobile population in which it is increasingly common for individuals and families to move frequently from one

part of the country to another. Manpower requirements for our national defense and civil defense make the health of people in every part of the United States a matter of vital national concern. The social trends toward larger families, more older persons, and increased urbanization of the population also add new increased health problems which call for national leadership. Our vast medical research program is continually adding new scientific knowledge which can be effective in preventing and controlling disease and improving health only if this knowledge is put into community practice on a wide scale.

All of these factors are a challenge to the public health profession. They can be met only by effective, cooperative effort on the part of Federal, State, and local units of government in which all three members of this partnership contribute the maximum possible talent and resources.

The Federal role in this joint approach is carried out by the Public Health Service, and is one of leadership, stimulation, and assistance to States in the improvement of public health protection measures throughout the Nation. However, the great health gains of the past are being threatened. The rapid growth in population and increases in cost of doing business over the past 10 years have by a process of attrition weakened the basic public health structure of the Nation. At the same time new public health problems have emerged, such as the health problems of the aged and chronically ill, the increasing toll of death and disability from accidents, the public health problems associated with the peacetime use of atomic energy, etc., to make the job of State and local health authorities increasingly difficult. In the face of this situation, it is the aim and responsibility of the Public Health Service to exercise its leadership function through stimulation and assistance to States in connection with these pressing problems. Consequently, our 1958 program is designed for vigorous, positive action to rally the health forces throughout the country against these growing hazards.

Specifically, this appropriation estimate for fiscal year 1958 contains a number of increases in funds which will be directed toward meeting our current public health problems more effectively.

These include:

1. Additional funds in the general health grant to assist and stimulate the improvement of basic State and local health services and to foster the inauguration of new program services to meet emerging problems.

2. Substantial expansion of studies, demonstrations, and consultation in the development and improvement of programs for the prevention and control of chronic disease and promotion of health services for older persons, and initiation of a program of special project grants for the development, field testing, and demonstration of new and improved services in these fields.

3. Initiation of a public health program specifically aimed at the reduction of the toll of death and disability from accidents—the fourth leading cause of death and the first for ages 1 through 34.

4. Additional funds for the graduate training of professional public health workers of State and local health agencies to increase the number and competencies of personnel to staff new and expanded public health programs, and increased career development training of Public Health Service physicians, nurses, and other professional personnel needed to meet the needs of the Service.

5. Further development of community field studies to evaluate effectiveness of current public health methods and test new methods and organization in actual practice.

6. Expansion of occupational health services to improve and protect the health of American workers.

These program operations are discussed in more detail below. Together they constitute a balanced program of research and development, financial and technical assistance, and national leadership directed toward the extension and improvement of preventive health services throughout the country.

GRANTS TO STATES FOR GENERAL HEALTH SERVICES

The general health grant provides funds to help States and local communities finance the basic foundation staff and services of their preventive health programs and the inauguration and development of new program services. These funds, in conjunction with State and locally appropriated moneys, are used, among other things, to:

1. Employ health officers, public health nurses, health educators, and sanitarians and sanitary engineers to provide preventive health services in local communities.

2. Provide laboratory diagnostic services to assist health officials and private physicians in the identification and diagnosis of communicable and chronic diseases in the community, including an increasing emphasis on the newer techniques for diagnosing virus diseases.

3. Purchase vaccines and hold immunization clinics for the prevention and control of such diseases as poliomyelitis, diphtheria, and smallpox.

4. Provide community sanitation services for the protection of water and milk supplies, restaurant and food sanitation, radiological health services, air pollution abatement, and other protective health services of an environmental nature.

5. Provide occupational health services to industrial workers.

6. Establish and expand programs for the prevention and control of chronic diseases, maintenance and improvement of health of older persons, accident prevention, and other new and emerging programs which advances in scientific knowledge now make possible.

7. Provide public health training for State and local health department personnel.

The prevention of disease and premature death and disability from disease is in a considerable measure purchasable. A community, a state, or a nation can, through its financial support of public health programs, determine within limits many of the kinds of diseases from which its citizens will suffer; the amount of premature death, disability, and economic loss which will result; and the general level of health which will prevail over a period of time.

Public health services, purchased with local, State, and Federal funds, have resulted in remarkable declines in malaria, typhoid fever, smallpox, diphtheria, infant and maternal mortality, tuberculosis mortality, syphilis, and more recently paralytic poliomyelitis. Maintenance of the advances made in the prevention and control of these diseases and the further reduction of incidence and deaths from them require continued vigilance on the part of public health officials and the continued application of the same types of preventive and control techniques and services to protect the expanding population of the country.

During recent years, great advances have been made in medical and public health knowledge as a result of scientific research and investigations. Although there are many aspects of preventive medicine for which answers are not yet known, our potentialities for preventing and controlling diseases are far ahead of the extent to which such knowledge is being applied today. In large segments of potential disease prevention and control, therefore, communities, States, and the Federal Government have as yet failed to buy for their citizens the degree of health protection and life protection which is now purchasable.

This appropriation estimate contains \$15 million for grants to States on a formula basis to be used as the Federal Government's 1958 contribution to the local-State-Federal partnership program of purchasing better health and a reduction in disease, disability, and premature death for the people of the Nation. This represents an increase of \$3 million over the 1957 level and would bring the dollar level of the general health grant just over the 1947 appropriation of \$14,250,000.

In the 10 years since 1947, however, the costs of providing public health services have risen sharply as a result of salary increases and increased costs of supplies, materials, and other operating expenses. In addition, during this same period the population of the United States was increased by 16.6 percent.

Partially as a result of the level of Federal financial support for public health operations during the past several years, State and local preventive health programs have remained virtually at a standstill during a period when the tremendous growth in population and the discovery of vast amounts of scientific knowledge have created a need for rapid growth and development.

For the current fiscal year of 1957 the Congress appropriated an increase of \$2,275,000 in the general health grant—the first increase in this grant since 1950. We have been very gratified by the significant program advances which these additional funds have enabled State and local health officials to undertake. Attached for the information of the committee is a summary of some of the new program services which State health officers have reported to us as resulting from these additional funds. This report is indicative of the great needs which exist for program advancements in State and local health agencies and of the interest and eagerness of State and local health officials to direct additional funds into high priority services.

Based on these 1957 experiences with increased funds in this grant and the known needs for further program advancements, we are confident that the \$3

million increase proposed for 1958 will result in even greater public health gains, particularly in the following areas:

1. Initiation and expansion of programs for chronic disease control and health services for older persons.
2. Strengthening of the staffing of local health units for more adequate and broader local preventive health programs.
3. Increased training of public health personnel to provide more efficient and effective modern public health services.
4. Inauguration of programs for such new and vital health needs as accident prevention, radiological health protection, air pollution abatement, and laboratory services for virus diseases.

TRAINEESHIP GRANTS

Title I of the Health Amendments Act of 1956 established a program of traineeship awards and grants for the graduate or specialized public health training of professional health personnel. Under this program, for which the Congress appropriated \$1 million in 1957, traineeship awards are made directly to professional health personnel by the Public Health Service and through grants to schools of public health and schools offering graduate public health nursing training.

Despite the fact that the act was passed and funds appropriated only a month or 6 weeks before the beginning of the school term last fall, the response to the availability of these traineeships has been large.

Approvable applications have been received for over 550 traineeships during the current academic year. With the funds available this year it has been possible to approve only about 275 man-years of traineeships—or about half the number for which applications were received. In the administration of the program, emphasis has been placed on attracting new people into the field of public health, on training younger people, and on providing an initial 1 year of training to as many professional persons as available funds would permit. The extent to which it has been possible to meet these goals has been particularly gratifying. Of the 303 traineeships awarded through December 31, 1956, 237 were given to persons under 35 years of age, 297 were given to individuals with no previous graduate public health training, and 215 were awarded to individuals with no more than 2 years of previous public health training (of whom 134 were completely new recruits to the public health field).

The need for large numbers of more adequately trained professional personnel continues to remain acute throughout the United States. There are over 9,000 professional personnel now employed in State and local health departments who have not had at least 1 year of graduate public health training. Newer public health programs are requiring a reorientation and refresher training for present personnel to operate with maximum effectiveness. Just as in any specialty, a public health worker must know the tools and techniques of his profession in order to provide the most satisfactory and efficient service to the people and must keep this knowledge up to date.

In addition, there are over 500 trained professional public health personnel who leave the public health field each year because of death, retirement, resignation, marriage, or other cause. It requires, therefore, the training of at least this many new people each year merely to offset this loss and maintain the status quo.

For these reasons, a total of \$2 million is included in the 1958 estimate for the traineeship program. This amount, representing an increase of \$1 million over the initial appropriation in 1957, will be sufficient to provide 1 year of graduate public health training for approximately 500 persons. The same general criteria will be followed in 1958 in the selection of trainees in order to attract the maximum number of new and young people into the public health field. In addition, some traineeships will be awarded to well-qualified applicants who have expressed an interest in becoming teachers of public health in graduate schools.

The response to this program to date has been highly satisfactory. The educational institutions have been well pleased with the caliber of individuals to whom traineeships have been awarded. State and local health agencies have been gratified at being able to obtain training for more of their personnel while at the same time they have been stimulated to increase their own training activities with State and Federal grant-in-aid funds.

RESEARCH IN COMMUNITY HEALTH PRACTICE

In 1957 there was appropriated approximately \$100,000 to plan and initiate some fundamental and comprehensive field research in community public health practice. The purpose of these community research studies is to evaluate in a comprehensive and scientific manner the effectiveness of traditional local health practices in meeting current health needs of the people and to identify and demonstrate such new concepts of community organization, health services, and staffing as might be indicated by the changing character of the social, economic, and health status of communities.

We view these research studies with considerable urgency. Dynamic changes in social and economic conditions have taken place since the traditional concepts of local public health services were developed a quarter of a century ago. Great advances have been made in medical practice and even greater potentialities exist for the future. Twenty-five years ago the pressing public health problems were in the fields of communicable disease control, sanitation, and maternal and child health. Traditional public health services—and the community organization and staffing created to provide these services—were designed to meet these problems.

These are still important public health problems today and much remains to be done to maintain the tremendous advances made in these fields and to complete the control of these problems. In addition, however, we have seen the emergence of new public health problems, such as chronic diseases, mental illness, accidents, and special health needs of migratory workers.

The type of community organization, staffing, and services designed for the older type health problems may not be best suited for combatting these newer problems. The community research in public health practice being initiated this year is designed to find out what is the best type or types of local public health practice to meet today's health needs with modern scientific knowledge.

An increase of \$132,100 is included in the 1958 appropriation estimate for these studies. This increase in funds will permit an intensification and expansion of the research activities based on the planning that has taken place this year. It will provide for research in an additional community; for initiation of a pilot study to increase the supply and improve the utilization of nurses in public health practice; and for research work in the provision of more adequate public health services to migratory workers.

We have been much gratified by the enthusiasm in the public health profession generally to the initiation of this type of community field research which has been made possible by the 1957 appropriation. There is every reason to believe that the same kinds of significant advances in knowledge and practice will result from this type of research as from the basic scientific research carried out in laboratories.

CAREER DEVELOPMENT

This 1958 appropriation estimate also includes an increase of 16 positions in the career development program for Public Health Service medical, nursing, health education, and other professional personnel. The expanding needs of the Service for staffing responsible consultative and program directing positions require a larger program of career development than has been possible in the past. The requirements of these responsible positions of national leadership call for individuals with comprehensive experience which can be gained only through planned rotating assignments in State and local health departments, in schools of public health, and in other positions where the individual can secure a broad, varied, and well-supervised background.

The present career development program funds are sufficient for only ten positions. This has proved to be inadequate to meet current needs for personnel qualified by experience and education for key positions in the public health specialties. Looking into the future, it is apparent that the needs of the Service for these experienced personnel will be even greater as a result of program expansion and retirement of key personnel. An increase of \$98,000 is proposed, therefore, to provide the necessary career-development opportunities for younger officers to qualify them to fill these responsible positions of national leadership.

HEALTH OF THE AGED AND CHRONIC DISEASE

The chronic disease and health problems of the aged are recognized as the most costly and extensive of all public-health problems. In 1950 more than 28 million people suffered from chronic disease or impairment; of these over 5

million were seriously disabled and required prolonged periods of medical care. As our population ages these disabilities accumulate, since many of the chronic diseases are recognized as diseases of older people. The seriousness of the current situation is reflected in these data. The need for an accelerated preventive program is immediate.

The growing economic toll of the chronic diseases—three-quarters of a billion man-days lost from productivity—annual public expenditures of \$1.5 billion for medical and hospital services plus \$1.5 billion for cash benefits—gives some indication of the dimensions of the problem.

Since chronic illness strikes especially at older people, it is vitally important to face the sobering fact that by 1970 the population of 65 years and over will increase to 20 million from the present 14 million.

There has been a widespread, growing realization at all levels of government and among the foremost health authorities that action is urgently needed to combat this serious problem.

In the face of these serious problems, an increase of \$2,158,200 is requested in 1958. Of this amount, \$1,500,000 is for special-project grants. This increase will permit a vigorous three-pronged attack on the problems of the aged and chronically ill through:

1. An intensified developmental research effort designed to find new and improved methods and techniques for the prevention, detection, and care of chronic illnesses, with special emphasis in the health problems of the aged.

2. An intensified program to stimulate the application of proven techniques and methods.

3. A program of special project grants designed to bring to bear the various available competencies in the public health field on the above problems—including State and local health departments, voluntary agencies, schools, and universities.

Our approach involves a vigorous attack directed to several segments of the population—to the early and middle adult group in order to find early those conditions which, if unattended, may lead to severe disability in later life, to the well, older person to conserve and maintain his health, and to the chronically ill and disabled aged to assure that maximum care and restorative services are available.

For the first segment of our population, the early and middle adult group, real gains have already been recorded in the vital fields of diabetes detection, in the prevention of blindness resulting from glaucoma, and in the stimulation of periodic health examinations, thus demonstrating the progress now possible in these areas. With the vigorous program stimulation work now organized and in operation and the intensive and expanded training program being planned, these gains can be increased and repeated in other fields.

For the second segment, the well, older person, community-health programs for older people are being organized in many parts of the Nation. They need to be extended to every American community. And some of the techniques for doing this are now available. Nothing remains but action—action along many lines.

For the third group, the reservoir of aged disabled and chronically ill, patient-care services utilizing home-care techniques, day-hospital care, and restorative services are being developed in some of our larger population centers. Much remains to be done for this group which continues to grow in size and importance.

DEVELOPMENTAL RESEARCH TO FASHION BETTER TOOLS

Extensive developmental and study projects designed to provide new and to improve current techniques and methods for application in community health of the aged and chronic-disease programs are planned. In the area of prevention and early detection of specific chronic diseases, we will continue studies of specific detection devices and techniques and studies of the epidemiology of diabetes, glaucoma, and nephritis. Increasing emphasis will be given to the study and development of more effective periodic health examinations. Methods for providing or improving such patient-care services for the aged and chronically ill as home care, restorative services, the use of day-care centers, and nutrition services will be studied, appraised, improved, and new techniques developed. Studies of education techniques for use in patient, public, and professional education regarding the health of the aged and chronic disease will be initiated.

PUTTING KNOWLEDGE INTO ACTION

Concurrent efforts to hasten the application of proven techniques at the State and community level are planned. The broad lines of advance in application include early detection of diabetes and glaucoma; establishment of geriatric health maintenance clinics; establishment of day centers for health maintenance and counseling; education for the community, the patient, and his family, and at the professional level; organized home care; improving nursing home standards; and restorative services.

The development of effective local programs will be greatly accelerated by prompt and adequate Federal action, through consultation and dissemination of information and through demonstrations and technical assistance utilizing project grant authority and funds. The regional seminar technique has proved successful in helping spread diabetes detection work throughout the country and it is equally appropriate for development of health of the aged programs. The accumulation of many years of experience in consultation and demonstration is now available for those State and local health departments which are prepared (as a large number of them are) for an all-out attack on chronic illness and health problems of older people.

Significant progress in glaucoma detection has been made during the past year and, with the aid of a distinguished group of consultants, plans are well advanced for moving ahead as rapidly in this problem area (which accounts for one-eighth of all blindness in the United States) as in the area of diabetes detection. In the latter area the estimated backlog of 1 million undetected diabetics will diminish as rapidly as Federal, State, and local resources are coordinated and directed toward the development of adequate community programs. The requisite knowledge and tools for successful operation of these programs are now available, and it is anticipated that fiscal year 1958 will see an unprecedented demonstration of their effectiveness on a truly nationwide basis.

Restorative services, developed to meet the special needs of older people, will receive greatly expanded support. It has been established that a significant proportion of disabled elderly patients can be restored to a useful level of self-care through methods now being employed in some of our larger care facilities. Coupled with a vigorous program for maintaining and improving the standards of nursing homes, this emphasis on restoration will go far toward rounding out a balanced program of health maintenance for older persons.

Finally, the training function is an all-important one in the health of the aged and chronic-disease field at this time. No function of the Federal Government in the health area can be expected to prove more fruitful in the immediate future than the multiplication of those special professional skills required by these extensive and complex problems.

SPECIAL PROJECT GRANTS

The purpose of the \$1,500,000 requested for special project grants is to pinpoint special financial assistance to agencies and institutions to conduct experiments, pilot tests, or demonstrations to find new or better methods to provide health services for the aged and chronically ill. Through such experiments and demonstrations it will be possible to develop and field test new program operations and techniques and to demonstrate their applicability for widespread adoption. By conducting such operations through special project grants to State, local, and voluntary agencies, it will be possible to gain the advantage of the public health talent available among employees of non-Federal health organizations and encourage and stimulate the adoption of effective programs in State and local health agencies. They will also have the effect of stimulating and encouraging States and communities in the development of improved health services for the chronically ill and aged.

OCCUPATIONAL HEALTH

The maintenance and protection of the health of the American worker and his productivity in a constantly changing industrial technology presents a serious problem for the health professions.

Our occupational health program is dedicated to helping in the solution of these problems by (1) conducting research on the health problems of workers and (2) stimulating the provision of those preventive medical services which

are best applied at or through the place of employment. While the immediate application of such measures has been and will continue to be supported largely by private enterprise, government at the national level cannot escape its responsibility for research leadership and for conscientious, impartial analysis of these many problems to determine how they may be met best.

That these needs are being met only partially is suggesting by the fact that more than 100,000 new cases of occupational diseases are estimated to occur in the United States each year. These represent diseases that are recognized as clearly occupational in origin and that are preventable provided the necessary measures are promptly and efficiently applied. How many other diseases may have an occupational component in their origin remains one of the larger, unsolved problems in disease prevention.

The requested increase of \$134,100 will enable the occupational health program to expand its research in basic toxicology and pulmonary physiology. It will enable the program to expand and improve professional and technical services to States to help them in their development of programs designed to meet their specific needs. Our analyses of employee health services in the smaller industries indicate that, while many of the smaller plants recognize the many benefits of such services, considerable assistance is required in the development of plans suited to their widely varying needs. Part of the increase will enable us to strengthen our services in this area. Expansion will be made of studies underway to determine the effects of external factors such as heat, light, and noise on the health of the worker. Research in human engineering will lead to methods of determining the health effects of stress and strain on the worker in an increasingly mechanistic environment.

ACCIDENT PREVENTION

Accidents must now be recognized as a major public health problem. They are the fourth leading cause of death. However, it is a matter of special concern that they are the leading cause of death of Americans from ages 1 through 34. For this reason, accidents are also the leading cause of productive man-years lost annually in the United States. Disabling injuries add to the toll with over 9 million persons disabled each year, of whom over 300,000 are permanently disabled. In fact the loss of life and incapacity resulting from accidents, especially among the younger age groups, is greater than any known disease. Stated in economic terms, the annual monetary loss alone from accidents has been estimated to be at least \$10 billion.

The public health profession can make a major contribution toward the reduction of deaths, injuries, and losses due to accidents. The same scientific approach which has curbed many of the great communicable disease killers can be applied to this ranking cause of death and disability.

In 1958 it is planned to undertake a program of accident prevention with special emphasis on highway and home accidents. This program will follow the well established public-health approach of thorough investigations to determine the basic causes with subsequent development and application of methods for prevention and control. There already exists a considerable body of knowledge developed from pilot studies, experience, and empirical evidence which, if applied, would result in a considerable reduction in the number of accidents needlessly occurring each year on the highways and in the home. The Public Health Service is in an excellent position to use its established relationships with State and local health departments and other organizations to bring these preventive and control methods to the community level as they are developed.

In addition to working to reduce the number of accidents, we will work to minimize injuries from those accidents which will inevitably occur. Epidemiologic studies of injury-producing factors will help us to devise methods to reduce the injury potential of accidents.

Special attention must be given to the problem of accidental poisonings which now cause between 2,000 and 3,000 deaths annually; and, for every such death, it is estimated that there are 150 to 200 nonfatal poisonings. The many complex problems involved in preventing and obviating the effects of accidental poisonings have led to the development of poison-control centers in many of the large medical centers throughout the United States. These centers supply "on the spot" life-saving information to physicians called upon in cases of accidental poisonings. In 1958 it is proposed to establish in the Public Health Service, as an essential part of the accident-prevention program, a National Poison Information Center to serve as a clearinghouse for information regarding new, poisonous substances

and new hazards. Reports from each of the cooperating centers will be received at intervals and analyzed, and the information developed will be distributed, not only to the poison-control centers, but also to other interested State and local organizations. Establishment of such a center in the Public Health Service has been recommended by the subcommittee on chemical poisons of the American Public Health Association. Technical assistance and consultation will be provided to medical centers and others for the development and operation of prevention and control activities.

An increase of \$300,000 is requested for fiscal year 1958 to permit us to carry out this important program aimed at reducing the toll of disease and disability stemming from accidents.

EFFECT OF HOUSE ACTION

I would like to discuss what the effects will be in reducing this estimate from \$24,609,000 to \$19,592,000, or a net decrease of \$5,017,000.

Grants

The House action reduced the general health grant to States by \$3 million below the 1958 budget estimate. The reduction in grant-in-aid funds in the "Assistance to States, general," appropriation is of serious concern. In view of the steady increase in population to be served, the rising costs of doing business, and the new and complex problems facing health departments, the need to rally the public health forces throughout the Nation is urgent. The proposed increase of \$3 million in the general health grant was viewed as a minimum one to help hold the line. This reduction would result in the provision of fewer and less adequate preventive health services in States and communities throughout the Nation. It would mean fewer county health nurses, fewer local health officers, less laboratory diagnostic services, and less communicable disease-control services. The increased costs of providing services, the inadequacy of present services, and the opportunities for inauguration of new services based on recent research findings emphasize the importance of the additional grant funds which were included in the 1958 budget. In addition, the special project grant request of \$1.5 million represented a badly needed specific stimulation to State and local governments to undertake activities to improve the health conditions of the aged and chronically ill.

Technical assistance

The elimination of the proposed increase for technical-assistance activities of \$302,000 strikes at 2 of the most vital needs of the Public Health Service.

1. The need to reevaluate existing methods and approaches in the light of current problems and circumstances.

2. The demand for highly trained professional personnel of a caliber that can furnish the needed leadership in public health.

The reduction will force the curtailment of the study of public-health practices begun last year, just at a time when the project was swinging into action on a very carefully designed plan. The beginning of this project was made possible by an increase appropriated last year. This reduction in funds will curtail it just as it was well underway. It is designed to use an actual community as a test tube for developing more efficient methods of providing effective modern-day preventive health services to the people. The Surgeon General has stressed the need for this activity as follows:

"Our health services need better methods for dealing with these problems in the local community. They need to appraise and reorient their existing programs, to experiment in new fields, to employ every available means of improving their efficiency. I have recommended emphasis on these administrative ideas to our colleagues in the States, and shall insist on it in the Public Health Service."

The failure to obtain the requested increase will require the study to be tailored in a fashion which will not permit the evaluation to be made on the carefully planned basis which is desirable to obtain the most effective results.

The House action also eliminated \$98,000 included in the estimate for the career development of PHS personnel. With the tremendous growth and development of public-health problems in recent years the demands upon the Public Health Service have steadily grown. Because of its responsibilities for national leadership, for program direction, and for consultative services, the Service needs personnel with broad backgrounds of experience and training. These funds would be used to provide an orderly career development program for such personnel to insure that later in their careers they could satisfactorily carry out the Service's responsibility.

Health of the aged and chronic disease

The budget request for the health of the aged and chronic disease program had been pared by administrative action to what was considered a minimum essential level prior to submission to Congress. This is evident when the budget increase of \$658,000 requested for that program is viewed against the extent of the problem—28 million people in this country suffering from chronic illnesses and impairments at an overall annual cost of \$3 billion. The House reduction of approximately \$200,000 will curtail specifically planned developmental studies aimed at producing new and improved methods for early detection, prevention, and amelioration of these disabling conditions which particularly affect people over 65, and expediting their application in State and local programs.

Occupational health

The proposed budget included a \$134,100 increase for the occupational health program in the Public Health Service. The level of the occupational-health program has declined substantially as workload and problems have grown over recent years. Disallowance of the increase provided under the budget request will curtail services vital to the maintenance and protection of the health of the American worker. The reduction would eliminate proposed research studies concerning toxicological hazards to workers, and patterns of morbidity and mortality among workers. In view of the new hazards and stresses affecting the health of workers which the tremendous expansion and change in industrial operations of our Nation pose, it is a matter of concern to delay the launching of a research program geared to meet these problems. In addition, the reduction will curtail the development of employees' health programs and the provision of badly needed training courses in occupational-health problems and industrial nursing which are designed to help States and localities develop more adequate occupational-health programs.

Appeal requested

It is urgently requested that \$4,500,000 be restored to the budget for (1) general health grants (\$3 million) and (2) special project grants to improve the health conditions of the aged and chronically ill (\$1,500,000) and the language related thereto.

STATE AND LOCAL PUBLIC HEALTH PROGRAM INAUGURATION AND EXPANSION RESULTING FROM INCREASES IN GENERAL HEALTH GRANT FUNDS IN FISCAL YEAR 1957

The congressional appropriation for general health grants to States was increased from \$9,725,000 (excluding the \$4,500,000 earmarked for poliomyelitis activities) in 1956 to \$12 million in 1957.

On the following pages are summarized the highlights of program inaugurations and expansions which States have reported that they have been able to undertake as a result of the increased allotments of general health grant funds in 1957. The public health program developments that have been made possible by these new funds cover a wide variety of activities for the improvement of specific public-health programs in addition to reflecting major utilization of the funds for strengthening local health services and public health training programs.

Local health services

The 1957 increase in general health grants has resulted in the strengthening and expansion of local health department programs in more than half of the States. The following examples are typical of the local health programs that have been made possible with these increased Federal grants:

1. Establishment of sanitation and nursing services in unorganized counties in Colorado.
2. Establishment of a new county health department in Ogden, Utah.
3. Establishment of a home-safety program in Mendocino County, Calif.
4. Initiation of a comprehensive air-pollution study in Shasta County, Calif.
5. Increase in sanitation services in Skagit, Grant, and Grays Harbor Counties in Washington.
6. Eight additional sanitary-engineering positions in district offices in New York to work on radiological health, air sanitation, and home-accident programs.
7. Establishment of four local health departments in Virginia.
8. Employment of additional nursing and sanitation personnel in local health departments in West Virginia.
9. Employment of additional nursing personnel for local health departments in Tennessee.

10. Add additional sanitation staff to district offices in Kansas.
11. Employ two additional supervisory nurses in local districts in North Dakota.
12. Employ nurses and sanitarians for counties in Arkansas that now have no such personnel.
13. Establish three new local health departments in Louisiana.
14. Employment of 13 new nurses and 2 new sanitarians in local health departments of Oklahoma.

Training

Approximately half of the States are using the increased general health grants to increase or reactivate public health training activities. Typical examples are:

1. "We have been able to allow for the training of certain laboratory personnel, industrial hygienist, radiological health and air sanitation personnel which we would not have been able to do without the supplemental allotments" (New Jersey).
2. "A major portion of the additional allotment in general health services has gone toward augmenting the professional training program of the State department of health. The general health funds expended for this purpose have nearly doubled for this year over last year" (Pennsylvania).
3. A training center has been established in Warren County, Ky., to provide orientation and training for new local health department employees of the State.
4. "This increased appropriation has also enabled the State board of health to increase the program of training of public-health workers. At present, there are 3 physicians, 4 nurses, and 1 engineer in training at Chapel Hill" (North Carolina).
5. Training for 5 nurses, 1 physician, and 1 engineer in Tennessee which would not have been possible without the increased funds.
6. Inaugurate a program of training for local health personnel in Nebraska.
7. "During the next few months training activities will be expanded through the granting of more scholarships for advanced training and increasing in-service training and orientation. In addition, the teaching of public-health principles and preventive medicine to junior and senior medical students is being stepped up" (Arkansas).
8. Training of one additional physician and sanitarian in New Mexico.
9. Doubled the training of personnel in Oklahoma with 1 local health officer, 1 nutritionist, and 6 nurses in school this year.
10. "The entire increase, plus funds from other sources, is being used to reactivate a program of professional training for State and local public health work" (Idaho).

Laboratory services

A substantial number of States are using their increased grant funds to improve laboratory services. It is particularly significant that a number of States are initiating virology laboratory programs. Typical examples are:

1. Initiation of laboratory services for diabetes program in New York.
2. "A good portion of the additional Federal allotment has gone into laboratory services. We have been able to employ an assistant director and to expand our laboratory diagnostic work, including more virus testing, bacteriophage typing for staphylococci and enteric organism typing" (Pennsylvania).
3. Initiation of phage typing for staff organisms and employment of two virologists in Tennessee.
4. "Under other new activities should be included the inauguration for the first time of a virus laboratory in connection with the public health laboratory in Grand Forks. We also contemplate starting virus work in the Bismarck Laboratory beginning January 1, 1957. These are services that could not have been furnished without increased general health money" (North Dakota).
5. Additional laboratory staff has been added in Colorado to inaugurate a program of evaluation, standardization and improvement of local public and private laboratory services.
6. A virologist and microbiologist have been added to the staff of the Washington State laboratory.

Environmental health service

Several States are using the increased funds for expanding and improving sanitation services. Some examples are:

1. A sanitary engineering position in Maine has been restored which had been abolished when general health grants were reduced several years ago. In addition, badly needed laboratory equipment has been purchased for the engineering division.

2. An additional sanitarian has been added in West Virginia to do milk sanitation work.

3. An additional sanitary engineer has been added to the engineering division staff in North Carolina.

4. A drug inspector and insect and rodent control supervisor have been employed in South Carolina.

5. Tennessee has increased its staff on the milk sanitation program and has been able to purchase badly needed water laboratory equipment.

6. Two engineers have been added to the staff in Missouri.

7. Two sanitarians have been added to the staff in Montana.

Occupational health services

A number of States have expanded their programs of occupational health with the increased general health funds. Some examples are:

1. "Increased services from the division of occupational health will be made available to all county health departments with the employment of two engineers and by raising the director of the division from a part-time to a full-time status" (Kentucky).

2. "A liberal expansion of the activities of the section on occupational health has been inaugurated, largely because of this increased allotment" (North Carolina).

3. An engineering chemist for a new air pollution study has been added in Tennessee.

Initiation and expansion of other programs

Diabetes control.—

1. New York has inaugurated for the first time a diabetes detection and control program with the additional funds.

2. Kentucky has inaugurated a mass blood testing program for diabetes detection.

Aging and chronic diseases.—

1. New Jersey has added a nurse to its chronic disease program.

2. Activities have been expanded in the bureau of gerontology in Missouri.

Health education.—

1. Massachusetts has strengthened its health education program through the addition of staff.

2. North Carolina has employed an additional health education consultant to work with local health units and program divisions.

Nutrition services.—

1. Pennsylvania has expanded its nutrition program.

2. Kentucky has initiated a survey of the nutritional status of children infected with intestinal parasites, including hemoglobin determination and home sanitation.

3. North Carolina has been able to add one nutritionist to its program.

Vital statistics.—

1. Rhode Island has been able to add staff to overcome a heavy backlog of work in its vital statistics program.

2. Tennessee has added two persons to work on adoptions because of the increased work load caused by registration of foreign adoptions.

3. Wyoming has expanded its staff to provide more comprehensive and current data to program directors and the public.

Hospital and nursing home licensing.—

1. West Virginia has added an engineer to their program of hospital licensing.

2. Tennessee has been able to add one staff member to handle the increased volume of inspections required for nursing homes.

3. Colorado and Wyoming have inaugurated a program of establishing and enforcing standards and providing consultation for hospitals, nursing homes, and convalescent homes.

Civil defense.—Missouri has inaugurated a program of medical health civil defense with the increased funds.

Dental services.—Louisiana has been able to add a dental health consultant to its staff.

DESCRIPTION OF PROGRAM ACTIVITIES

Senator HILL. Dr. Haldeman, we are delighted to have you. You are an old friend of the committee, and we welcome you and anything you have to say.

Dr. HALDEMAN. Thank you, Mr. Chairman.

Might I speak a few words to the entire appropriation for "Assistance to States?"

Senator HILL. Yes; proceed in your own way.

Dr. HALDEMAN. Thank you.

This appropriation provides funds for a variety of activities designed to support, strengthen, and extend preventive health services in the United States. Public health and preventive medicine pays impressive dividends in terms of lower medical and welfare costs, and greater economic growth of the country.

Federal, State, and local units of the Government spend approximately \$4 billion annually on costs of hospital and medical care and make additional larger expenditures of from \$1 to \$2 billion on welfare payments to those families whose breadwinners are incapacitated on account of illness.

PROGRAM EXPANSION

The appropriation estimate for 1958 provides for a number of program expansions designed to put into active community practice the advances in medical and public health knowledge which research has made possible. These programs include:

1. Additional funds for general health grants to States to strengthen existing basic community health services.

2. Substantial expansion of programs for chronic diseases and health services for our older citizens through (a) the initiation of a program of special project grants for demonstration of improved services in these fields; and (b) an expanded program in our own studies, demonstrations, and consultative activities in the field of chronic diseases and health services for the aged.

3. The expansion of the program initiated this year under title I of the Health Amendments Act of 1956 for special training of professional public health workers.

4. Further research in the area of community health practices: to provide a better yardstick for measurement of what the health problems are; to develop better practices for delivery of public health services to the people; and to identify and field test the most effective patterns of community organization, staffing, and services.

5. Increased career development of Public Health Service professional staff to meet our growing need for broadly experienced personnel.

6. Increased research and development in our accident prevention programs.

7. An expansion of occupational health services to improve and protect the health of American workers.

EFFECT OF HOUSE REDUCTIONS

I would like to discuss briefly what the effects will be of the House action of reducing this estimate from \$24,609,000 to \$19,592,000, or a net decrease of \$5,017,000.

The House action reduced the general health grants to States by \$3 million below the 1958 budget estimate. This reduction in grant-in-aid funds in the "Assistance to States, General," appropriation is of serious concern.

The public health picture today is by no means static. We have made a lot of progress in the last 25 years; however, these health gains of the past are being threatened. The rapid growth of our population and increases in costs of doing business over the past 10 years have, by a process of attrition, weakened the public health structure of the country. Despite an increase in population of about 18 million since 1950, the number of physicians, nurses, and engineers working in State and local health departments has remained virtually the same. Such increases as we have had in personnel have largely been concentrated in metropolitan areas with actual decreases in the number of people working in the more isolated areas. This reduction would result in a less adequate preventive health service throughout the Nation.

In addition, the special project request of a million and a half dollars represents a badly needed stimulation of State and local governments to undertake activities to improve health conditions of the aged and chronically ill.

FUNDS FOR LOCAL COUNTY HEALTH UNITS

Senator HILL. Excuse me a minute, before you leave your general funds to the States, or this \$3 million.

As you say, it would go to hold the line really in your local county health units; isn't that true?

Dr. HALDEMAN. Correct.

Senator HILL. As you state here:

This reduction would result in the provision of fewer and less adequate preventive health services in States and communities throughout the Nation. It would mean fewer county health nurses, fewer local health officers, less laboratory diagnostic services, and less communicable disease control services.

In other words, these funds go right to the army that is on duty every hour and every day and every minute of the hour for the protection of people against those diseases from which they can be protected if we will have sufficient force to provide it. Is not that right?

Dr. HALDEMAN. That is correct. That is the basic framework upon which more specialized services are rendered.

For instance, at the present time if it were not for this basic staff, we wouldn't be nearly as far ahead in our poliomyelitis vaccination program. They are there full time and are able to organize the types of programs which are most adequate to take care of these more specialized programs as they come along.

SALK VACCINE PROGRAM

Senator HILL. Well, what it meant was that when we got the Salk vaccine, we had the army ready to do the job, we had the machinery, we had the organization, we had the doctors, we had the nurses, and we had the setup to move right in and take advantage of the benefits of the vaccine. If we had not had this machinery and setup it would have taken a great deal more time and money, and all of that business to get such a result. Is not that true?

Dr. HALDEMAN. That is correct.

Senator HILL. I can well remember when we had diseases such as typhoid, diphtheria, scarlet fever, malaria, smallpox, and many other such diseases which are now largely things of the past. I understand there are some doctors practicing medicine today that never even saw a case of typhoid fever. I had typhoid fever, my wife had typhoid fever, and my father-in-law died of typhoid fever. These are things of the past. They would not be things of the past, however, but for these very services and this very army that you are speaking about here now; is not that true?

Dr. HALDEMAN. That is correct.

Senator HILL. Now I thought it would be better, instead of waiting until the end, to take these items up as we went through them.

BUREAU OF THE BUDGET ACTION

Senator POTTER. That is a very good idea. I am a little curious about this. I understand your request of the Bureau of the Budget for the item of "Assistance to States, general," was \$24,348,000, but then the Bureau of the Budget gave you more than that, didn't they? I mean, they allowed you more than your request, the Bureau of the Budget? How did that happen?

Dr. HALDEMAN. That is correct. However, after our original submission of \$24,348,000, there was included an appropriation request of a million and a half dollars for special project grants, so that Bureau of the Budget action resulted in a \$1,239,000 decrease in relation to the total amount requested of them.

Senator POTTER. I see. In other words, your original budget request didn't include the million and a half?

SPECIAL PROJECT GRANTS FOR AGED

Mr. KELLY. That had originally been submitted as a request for new legislation with respect to the special project grants authority with respect to the aged and chronically ill, and it was decided to include it as a budget item with special language for that purpose.

Senator POTTER. Let me ask you this so the record will be straight:

In your grants to States for general health, the item of \$3 million, how much did you have for fiscal year 1957 for that item?

Dr. HALDEMAN. \$12 million for fiscal 1957.

Senator POTTER. \$12 million as compared to \$3 million?

Dr. HALDEMAN. No.

Senator POTTER. Then what is this?

Dr. HALDEMAN. This \$3 million is an increase requested for fiscal year 1958.

Senator PASTORE. Making a total of how much?

Dr. HALDEMAN. Of \$15 million for this item.

Senator POTTER. The House action was to keep that item the same as fiscal 1957?

Dr. HALDEMAN. That is correct, sir.

Senator POTTER. Now this is a new project "Health of the aged and chronic disease"? That is a new project?

Dr. HALDEMAN. Correct.

Senator POTTER. That is for this year's budget?

Dr. HALDEMAN. That is correct.

TECHNICAL ASSISTANCE TO STATES

Senator POTTER. Let us go down to "technical assistance for the States."

Senator HILL. Excuse me one minute, Senator. I do not think the doctor had given his testimony on that. I stopped him before he got to that. Suppose we wait until he gives his testimony on that and then ask the questions, if that is agreeable to you.

Senator POTTER. Surely.

Dr. HALDEMAN. On technical assistance, the elimination of the proposed increase for technical assistance activities of \$230,000 strikes at 2 of the most vital needs of the Public Health Service. First, the reduction will force the curtailment of the study of public-health practices, begun last year, just at a time when the project is swinging into action. Secondly, the House action also eliminated \$98,000 included in the estimate for the career development of Public Health Service personnel. With the tremendous growth and development of public-health problems in recent years, the demands upon the Public Health Service for personnel with broad background of experience and training has increased.

HEALTH OF THE AGED AND CHRONIC DISEASE

In the item of "Health of the aged and chronic disease," the budget request for health of the aged and chronic disease had been pared by administrative action to what was considered a minimum essential level prior to its submission to Congress. The House reduction of approximately \$160,000 will curtail specifically planned developmental studies aimed at this area.

OCCUPATIONAL HEALTH

In the field of occupational health, the proposed project included a \$115,500 increase for the occupational health program of the Public Health Service. The level of the occupational health program has declined substantially over the recent years as the workload and problems have increased. This increase provided under the budget request, if disallowed, will curtail services provided for the maintenance and protection of the health of the American worker.

REQUEST FOR RESTORATION

In conclusion, I would like to urgently request that the \$4,500,000 be restored in the budget for—

- (1) The general health grants in the amount of \$3 million, and
- (2) Special project grants to improve the health conditions of the aged and chronically ill in the amount of \$1,500,000.

Dr. Chapman, chief of our Division of Special Health Services, who is in charge of our chronic disease, aging and occupational health programs, is here to answer questions in those areas, and I would be glad to attempt to answer questions in other areas.

TECHNICAL ASSISTANCE

Senator HILL. Now, Senator Potter, you wanted to ask a question on technical assistance.

Senator POTTER. Are you willing to live with the reduction the House made insofar as technical assistance is concerned?

Dr. HALDEMAN. Yes.

Senator POTTER. Does that leave a smaller amount or the same as fiscal year 1957?

Dr. HALDEMAN. The effect of the House action is to leave the technical assistance item at the same level as last year, except where there are mandatory increases.

Senator POTTER. That will mean a slight curtailment of your program?

Dr. HALDEMAN. Of the planned program, that will mean a slight curtailment.

Senator POTTER. Yes.

I assume the same thing is true with respect to occupational health. You are not asking for restoration there?

Dr. HALDEMAN. No appeal was made on that item.

Senator PASTORE. Mr. Chairman, I am somewhat at a loss. I thought that in answering the questions of Senator Potter with relation to the previous item of \$3 million, which is an increase over the \$12 million, you discussed the fact that this was for the aged and chronic diseases. Maybe I misunderstood that. Essentially what is that \$3 million increase for? What do you expect to do with it?

SUPPORT OF BASIC HEALTH SERVICES

Dr. HALDEMAN. The increase in general health funds would be used for the support of basic health services in contrast to the item of \$1,500,000 which we requested for special project grants in the field of chronic disease and aging. It would be used to hold the line on what the chairman discussed a minute ago as basic health services for the country. Last year we had an increase of a little over \$2 million, and perhaps it would illustrate what these moneys are used for if I might mention some of the things which the States did with that money.

For instance, many of the States used money to improve local health services.

MATCHING FUNDS

Senator PASTORE. Before you get to that point, is there any matching on the part of the States with relation to these funds?

Dr. HALDEMAN. That is correct.

Senator PASTORE. There has to be matching?

Dr. HALDEMAN. There has to be matching, although all States more than match it.

Senator PASTORE. In other words, we do not expand our program unless they have to expand theirs accordingly?

Dr. HALDEMAN. The States have actually expanded their programs much more rapidly than the Federal partner in this three-way partnership. We look to public health services as being a joint partnership of Federal, State, and local units of government, each with a responsibility to carry out.

Senator PASTORE. Unless we gradually increase our allotments, we automatically correspondingly stymie the efforts on the part of the States to expand their programs in that direction?

Dr. HALDEMAN. The States have been expanding their programs financially; however, public health has been reaching a plateau in spite of the fact that State and local units of government have very largely increased their amount of funds; but it hasn't kept up with the attrition due to increased costs of doing business and increases in population.

Actually, in rural areas in the country today public health services are going backward in spite of the fact that on an overall basis there are increasing amounts of money available.

EFFECT OF HOUSE REDUCTION

Senator PASTORE. What I am trying to get on the record in simple language is to explain to people who are not familiar with these backgrounds, so as to indicate precisely what happens if the \$3 million cut remains. What happens?

Dr. HALDEMAN. Actually, in the simplest terms it means less public health nurses, less physicians, less sanitarians working, less laboratory services, less community disease control for people living in local communities.

Senator POTTER. Is it less than we have this year?

Dr. HALDEMAN. It would be. You mean unless we get the \$3 million increase?

Senator POTTER. If that \$3 million reduction is allowed to stand, will that mean less public service for 1958 than we have had in 1957?

Senator PASTORE. You mean less to meet the increased need?

Senator POTTER. That is right.

Senator PASTORE. That is what you had in mind?

Senator POTTER. Well, I would like to know whether it is less, period, and then less than the increased need.

Dr. HALDEMAN. No, I don't mean to say it is less, period. I think it will mean that much less overall in terms of at least the potentialities for rendering public health service.

Senator PASTORE. Let me get into this further so that the record is clear. In other words, the figure as it stands and as cut is precisely the same as it was in 1957; am I right? You are asking for more money? You are asking for \$3 million more?

Dr. HALDEMAN. Right.

Senator PASTORE. How can you say it will be less? You mean "less, insofar as meeting an increased need"? Is not that what you mean?

I mean, what I am trying to show in the record is this: I am not trying to confuse you with a lot of words, but it has to be read by people who do not attend these meetings, and we will have to understand these items. Now, I have asked you in what way does the \$3 million affect these health programs in the various communities of the country. Certainly they are not going to fire anybody; are they?

Dr. HALDEMAN. No.

Senator HILL. The Surgeon General, Dr. Burney, is here, and he indicated he would like to answer that question.

Senator PASTORE. All right.

ADDITIONAL SERVICES FOR THE AGING

Dr. BURNEY. I think this may help to answer your question. We would also hope very strongly, and encourage the States and local communities to use a large part of this additional \$3 million request in additional services for the aging and chronically ill. In other words, the things they are doing now are primarily under what we have considered the orthodox programs of general sanitation, school health, community health control, and public health nursing. We know that the health problems of the aging and the chronically ill are upon us now; unquestionably. In fact, we are getting into it a little bit too late. There is a great deal that can be done as a result of the research work that is being done out at the National Institutes of Health and other research institutions, and those research facts are not being applied as well as they might. So if we have or receive this additional amount for distribution to the States and localities, we would encourage and stimulate these States and localities who will use it.

EXPANDING PROGRAM

Senator POTTER. That would be an expanding program?

Dr. BURNEY. Yes, sir.

Senator PASTORE. How would you stimulate them? I mean, in what way would you stimulate them? Would you say to the various States, "If you appropriate money to do this, we will help you by matching these funds"? I mean, how will they be helped or stimulated? Or is this \$3 million going to be spent for educational purposes to initiate programs?

Dr. BURNEY. The way it would help, I believe, Senator, would be that most of the increases in the States and localities at the present time have been directed pretty much at maintaining their existing programs to meet the cost of the additional services, the cost of living, and the costs of personnel and other things, so that in the majority of instances, and there are exceptions in a few States and localities, but in the majority of instances these localities and States have not gotten into the newer health problems as well as they would like to do, and as well as their citizens would like for them to do. In other words, it would be providing public health nursing for home care of the aging or chronically disabled at home; providing restorative services for the aged people who are at home and who with some restorative services could at least get around the house and maybe some of them could return to work.

Those are the sorts of things now that we would like to do if we got this money, at least, and when I say "we," actually it all goes to the States and localities. It would be to increase our activities there to demonstrate to the States what is being done in a few areas to provide needed services to the aged.

DISTRICT OF COLUMBIA PROGRAM

For example, in the District of Columbia a couple of years ago, we worked out with the District of Columbia Health Department a program for restorative services in the hospitals here for stroke patients, and up until that time only 10 percent of the stroke patients walked

out of the hospitals. As a result of our giving a little stimulation and help and the services of a physiotherapist, now 90 percent of the stroke patients walk out of these hospitals as contrasted to 10 percent before.

Now the District of Columbia has taken this over completely and we are not participating in it, but what we would like to do is get more communities to provide those services so that these people who are aged and who have strokes, and who have lost a leg due to diabetic gangrene condition or arthritis, can have the best of services so they do not remain bedfast for the rest of their lives, and at least so they can have as much self-care as is possible.

Senator PASTORE. Now how much money have you spent during fiscal year 1957 to do this very thing you are talking about out of your \$12 million?

Dr. BURNEY. I cannot answer that, sir.

Senator PASTORE. But have you spent some of that for that reason?

Dr. BURNEY. Yes, sir; some of it has been spent.

Senator HILL. Could you supply that for the record?

Dr. HALDEMAN. I think it would be difficult in the record to show quite as fine a breakdown as Dr. Burney has described. Some of these funds have been used in this general area, but to give it in that specific term would be difficult.

Senator PASTORE. The reason I asked the question is because your next item here says "Grants for special projects and health of aging and the chronic diseases." Now, I mean you are saying the same thing twice, are you not? That is the reason why I began to get into this.

Dr. BURNEY. This million and a half, sir, would be for special project funds similar to those we have used so effectively in venereal disease control, and in some of the other areas. In other words, they would be funds which we could use to develop a project with either a State health department or mental health authority, or even through the State, we always work through the State, with a local area to demonstrate in that area the value and the methods of doing a home nursing care, the methods of providing a restorative program to a community, and so on.

Senator PASTORE. But you already said that on the \$3 million. You are saying the same thing for the million and a half.

NURSING CARE TO CHRONICALLY ILL AT HOME

Dr. BURNEY. Well there are some of these services, sir, that would be general in the chronic disease and aging. In other words, here is a community, a local health department that has three nurses. Now let's say we would like, in addition to doing our school health program, and our communicable disease nursing, we would like to provide some nursing care to the chronically ill at home, or the aging at home, but we cannot do that unless we have at least one more nurse; so there are some of those basic services which would come out of the \$3 million. The other, however, the million and a half, would be to take some of these proven methods which have been so effective in some areas and demonstrate those in the States. For example, there is a lot of interest in providing better care, better health care, in nursing homes. Some nursing homes give very good care and others give extremely inadequate care.

We have at the present time started one or two courses in the States through the State health departments, for training nursing home operators and their personnel in nutritional problems and nursing problems, and even in management problems and because they are interested, of course, in making a living, economic problems.

So those are some of the things we might do.

SITUATION IN PITTSBURGH

Some county homes are dumping grounds for those who nobody wants, and are more like homes for the incurables. In Pittsburgh, Allegheny County, however, through some rather inexpensive assistance in that area they have returned about 50 percent of those bedfast patients to their communities, and about half of those that had been returned have been able to return to some productive activity, all just through some rather simple restorative services.

Now this is what we would like to demonstrate in various parts of the country, so then they can take it on themselves.

Senator PASTORE. Yes.

ESTABLISHMENT OF DEMONSTRATION PROJECTS

Senator HILL. Really then, the one difference, I take it, between the \$3 million and the \$1,500,000 is the \$3 million would go to encourage all the States. They would get definite proportionate shares. Each State would get a definite proportionate share of the \$3 million to go forward with this work whereas the \$1,500,000 would not be distributed proportionately to all the States. It would be a fund that you would use to establish these demonstration projects, so to speak. Is that correct?

Dr. BURNEY. That is correct.

Senator HILL. That would be to try to challenge the States and challenge local communities as to what can be done by more effort on their part; is that correct?

Dr. BURNEY. Correct. Yes, sir.

Senator POTTER. Well is the \$1,500,000 to be on a matching basis?

Dr. BURNEY. No, not necessarily, although it could be in some places. In other words, if Atlanta, Ga., wanted to cooperate in one of these projects, they might be able to put in some money to meet ours, but in all instances it would not necessarily be a matching project.

Senator POTTER. It is in your own discretion as to where it should or should not be.

Dr. BURNEY. Yes, sir.

Dr. HALDEMAN. Their purpose is to pinpoint for demonstration studies and pilot projects, whereas the \$3 million is a formula grant which gives more basic support to chronic diseases and other programs.

Senator PASTORE. Let us assume I was on the floor of the Senate trying to knock this down, and I asked you this question: In other words, you need a million and a half to teach the States how to spend the \$3 million. What would you answer to that? What would your answer be to that?

Senator HILL. What would your answer be, General? [Laughter.]

Senator PASTORE. From what you have explained to me that is the question I would ask on the Senate floor. Now you answer it.

Now you are Pastore answering and defending this. You tell me the argument to use.

Mr. KELLY. If I may say this off the record?

Senator HILL. Yes.

(Discussion off the record.)

Senator PASTORE. Now you answer the question.

Dr. BURNEY. Let me say this, sir: That the \$3 million as you have stated would be a formula grant for general health. It would not be earmarked, but we did say, and we hope, that the States would use some of this to prove and actually to begin some health services for the aged and the chronically ill. Now those services would be those which have been pretty well accepted and understood. They don't need demonstrating.

In other words, elderly people and the chronically disabled people at home need nursing care, and if they can receive nursing care in their homes many times it will prevent their having to remain in the hospital at much higher cost. So that doesn't need demonstrating. That is pretty effectively well known.

The matter of providing nutritional services, for example, to older people and to even some of the nursing homes is a very well-accepted and understood activity. So your \$3 million, that part of it which would be used for chronic disease and aged, would be for those services which have been proven and are accepted and are pretty generally understood.

The million and a half, however, would be for some of these newer activities which have been proven effective in a few isolated areas of the country, but have not been generally accepted or generally put into practice in other areas.

The Allegheny County home program, for example, that I mentioned before, is only 1 of 3 or 4 that I know of throughout the country and what we would like to do, we feel desirable to do, would be to help a local community start one of those in a few other States other than Pennsylvania, to demonstrate both the economic and humanitarian and health value of such a program in county homes, instead of making them just dumping grounds.

Senator POTTER. How many more personnel will be required to handle this million and a half dollars for your office?

Mr. KELLY. There is no increase in Federal employment.

Senator POTTER. All the funds, the million and a half, are to be used to set up your special projects?

Dr. BURNEY. Yes, sir.

Senator HILL. Any other questions?

TOTAL PERSONNEL IN AGENCY

Senator DWORSHAK. I have one general question, and I don't know whether it is related to this item, but give me the total number of personnel that you have this fiscal year 1957 for your department, the personnel you are asking for this year.

Mr. KELLY. The total Public Health Service authorized staff for this year is 23,064 positions. The budget request in 1958 would pro-

vide for 24,260 positions; and the House allowance provides for 23,707 positions. The appeal which is before you now is a request for Senate restoration of 480 positions for the whole Public Health Service.

Senator DWORSHAK. How many would that give you if that were restored for 1958?

Mr. KELLY. 24,187.

Senator DWORSHAK. That would still be about 1,100 more than last year.

Mr. KELLY. Just about.

Senator DWORSHAK. What necessitates that increase?

EXPANSION OF INDIAN HEALTH PROGRAM

Mr. KELLY. Three hundred and ninety-three of the positions involved relate to the expansion of the Indian health program, which we will take up in a little while. In the operation of the hospitals that are under the Public Health Service a survey was made which indicated that they had a serious shortage of staff to provide adequate medical care and there are 126 positions in the budget request for that purpose.

Senator DWORSHAK. Is the number of patients increasing?

Mr. KELLY. The increase wasn't related to the number of patients, but rather to the inadequacy of care.

Then in the budget request for Sanitary Engineering Activities, the House allowance included 143 new positions related to the expanded program of air-pollution and water-pollution control which was enacted last year.

The National Institutes of Health included a request for 169 additional positions related to the expansion.

Senator DWORSHAK. In this total increase of about 1,100, how many would be located in the Washington area?

Mr. KELLY. I don't have that.

Senator DWORSHAK. Approximately how many?

Mr. HARLOW. You include the NIH?

Senator DWORSHAK. Yes.

Mr. HARLOW. About a third, I would say.

Senator DWORSHAK. Would that work be done in the field, or is it centralized here?

Mr. KELLY. The Public Health Service is, in a large measure, decentralized. Of course, the National Institutes of Health located in Bethesda is a large centralized organization but is not, in the same measure, a headquarters organization.

NIH PERSONNEL

Senator DWORSHAK. What is the personnel of NIH in this proposal for 1958?

Mr. KELLY. 7,301 positions.

Senator DWORSHAK. Just for this one operation?

Mr. KELLY. Yes, sir.

Senator DWORSHAK. And all those people are living right here?

Mr. KELLY. Yes, sir. That includes, of course, the seven different institutes located here.

Senator DWORSHAK. They are all part of this center?

Mr. KELLY. All part of the National Institutes of Health.

Senator DWORSHAK. I was merely trying to get these facts because it is becoming more apparent all the time we are concentrating more and more Federal Government in the National Capital, and the contiguous areas, and pretty soon about all we will be able to do with our personnel will be to get them to work, then they will have to go home. We are adopting a portal to portal system. Nobody will have to work at any time because of the congestion and confusion that is developing rapidly.

NO INCREASE IN DISTRICT OF COLUMBIA PERSONNEL

Senator HILL. I understand that none of these funds that we have been talking about up to now involve any District of Columbia personnel. Is that correct?

Mr. KELLY. Yes.

Senator DWORSHAK. I am sorry I did not know whether that was the appropriate place.

Senator HILL. I just wanted to bring out the funds that we have been talking about now do not involve a single additional person in this area.

Senator DWORSHAK. Where are those funds that provide for the 1,100 more personnel? Scattered throughout the Public Health budget?

Senator HILL. We will come to those in different items, and in each item we can ask whether or not there are any additional personnel.

Senator DWORSHAK. But they are all in the bill currently before us.

Senator HILL. That is correct. That is my understanding.

The Surgeon General has filed a complete statement, as the others have filed their complete statements, and then they make these summary statements.

HEALTH OF THE AGED AND CHRONIC DISEASE

I think in connection with the matter we have been considering, the old and aged, it will be in the record, but it might be well at this time to take a minute to call to the attention of the committee a statement under the caption "Health of the Aging and Chronic Disease," if the committee will bear with me, and I will take only a minute to read this. This is on page 11 of the full statement.

The chronic diseases and health problems of the aged are recognized as the most costly and expensive of all public health problems. In 1950 more than 28 million people suffered from chronic disease or impairment; of these, over 5 million were seriously disabled and required prolonged periods of medical care. As our population ages the disabilities accumulate, since many of the chronic diseases are recognized as diseases of older people. The seriousness of the current situation is reflected in these data. The need for an accelerated preventive program is immediate.

The growing economic toll of the chronic diseases—three-fourths of a billion man-days lost from productivity—annual public expenditures of \$1.5 billion for medical and hospital services plus \$1.5 billion for cash benefits—gives some indication of the dimensions of the problem.

I just thought at this point in the record we might have it although the full statement will be in the record.

Are there any questions on these items that we have been considering?

ADDITIONAL PERSONNEL IN INDIAN HEALTH

Senator HILL. We will now take up the next item, which is "Grants and special studies, Territory of Alaska."

Was there anything else you wanted to add?

Dr. HALDEMAN. No.

Senator HILL. Is there anything else you wanted to add, Dr. Burney?

Dr. BURNEY. No, sir. Thank you.

Senator HILL. Was there anything you wanted to add, Mr. Kelly, on these items?

Mr. KELLY. Yes, sir. I had given the Senator a wrong figure. Instead of 480 it is 393 positions on which we are requesting restoration, and that is all for Indian health activity.

Senator HILL. In other words, all of the additional personnel of this bill, insofar as the public health is concerned, is for the Indian Service activities?

Mr. KELLY. There is one minor exception.

Senator HILL. Let us get that straight.

Senator DWORSHAK. That is the restoration.

Senator HILL. Yes, in the restoration.

POSITIONS FOR NIH CAFETERIA

Mr. KELLY. The restoration. The only correction to that is there are 63 positions for the cafeteria of the National Institutes of Health. On a point of order, the language that authorizes operation of the cafeteria was deleted. We are asking that that language be restored and that involves 63 positions.

Senator DWORSHAK. There are more than 700 other positions in addition to the Indian health restorations.

Senator HILL. All right, I guess we just ought to have that straight on the record.

Have you got those other 700 located?

Senator DWORSHAK. You can locate them later.

Senator HILL. All right. If there are no other questions on these items, we will proceed to the next item.

Senator HILL. Are you going to testify on that, Dr. Haldeman?

Dr. HALDEMAN. Yes.

GRANTS AND SPECIAL STUDIES, TERRITORY OF ALASKA

STATEMENTS OF DR. JACK HALDEMAN, CHIEF, DIVISION OF GENERAL HEALTH SERVICES; DR. OTIS L. ANDERSON, CHIEF, BUREAU OF STATE SERVICES; DR. LEROY E. BURNEY, SURGEON GENERAL; ROY L. HARLOW, CHIEF FINANCE OFFICER; AND JAMES F. KELLY, DEPARTMENT BUDGET OFFICER

APPROPRIATION ESTIMATE

[Disease and sanitation investigations and control] *Grants and special studies, Territory of Alaska:* To enable the Surgeon General to conduct, in the Service, and to cooperate with and assist the Territory of Alaska in the conduct of, activities necessary in the investigation, prevention, treatment, and control of diseases, and the establishment and maintenance of health and sanitation serv-

ices pursuant to and for the purposes specified in sections 301, 311, 314 (without regard to the provisions of subsections (d), (f), (h), and (j) and the limitations set forth in subsection (c) of such section), [361 and] 361, 363, and 371 of the Act, including the hire, operation, and maintenance of aircraft, *purchase of one passenger motor vehicle for replacement only*, and the purchase, erection, and maintenance of portable buildings, [\$1,145,000] \$2,165,000.

For an additional amount for "Disease and sanitation investigations and control, Territory of Alaska", for the purpose of making a comprehensive survey of the need for the construction of mental health facilities, \$25,000: *Provided*, That this paragraph shall be effective only upon the enactment into law of H. R. 6376, Eighty-fourth Congress.]

Amounts available for obligation

	1957 appropriation	1958 budget estimate	1958 House allowance
Appropriation or estimate.....	\$1,170,000	\$2,165,000	\$2,165,000
Total obligations.....	1,170,000	2,165,000	2,165,000

Obligations by activities

Description	1957 appropriation		1958 budget estimate		House allowance	
	Positions	Amount	Positions	Amount	Positions	Amount
1. Special grants for—						
(a) General health.....		\$638,000		\$638,000		\$638,000
(b) Mental health.....		0		1,000,000		1,000,000
2. Direct operations:						
(a) Technical assistance.....	10	\$2,700	7	60,100	7	60,100
(b) Field and laboratory investigations.....	44	396,600	44	411,700	44	411,700
(c) Administration.....	8	52,700	8	55,200	8	55,200
Total obligations.....	62	1,170,000	59	2,165,000	59	2,165,000

Obligations by objects

Object classification	1957 appropriation	1958 budget estimate	House allowance
Total number of permanent positions.....	62	59	59
Average number of all employees.....	56	57	57
Number of employees at end of year.....	60	57	57
01 Personal services.....	\$373,200	\$357,800	\$357,800
02 Travel.....	37,200	30,200	30,200
03 Transportation of things.....	11,600	11,600	11,600
04 Communication services.....	3,300	2,500	2,500
05 Rents and utility services.....	40,000	40,000	40,000
06 Printing and reproduction.....	1,600	1,600	1,600
07 Other contractual services.....	6,400	6,400	6,400
08 Supplies and materials.....	40,800	40,800	40,800
09 Equipment.....	14,700	15,750	15,750
11 Grants, subsidies, and contributions.....	638,000	1,638,000	1,638,000
Contribution to retirement fund.....	0	15,950	15,950
13 Refunds, awards, and indemnities.....	100	100	100
15 Taxes and assessments.....	3,100	4,300	4,300
Total obligations.....	1,170,000	2,165,000	2,165,000

Summary of changes

1957 actual appropriation-----	\$1, 170, 000
Deductions: Mental health survey-----	—24, 900
Adjusted 1957 appropriation-----	1, 145, 100
1958 appropriation request-----	2, 165, 000
Net change requested-----	+1, 019, 900

For mandatory items:

Extra day of pay-----	\$700
Retirement and social-security contributions-----	13, 900

14, 600

For program items:

Grants for Alaska mental health program-----	1, 000, 000
Increased employment in established positions-----	5, 300

Total change requested----- 1, 019, 900

STATEMENT OF CHIEF, DIVISION OF GENERAL HEALTH SERVICES,
PUBLIC HEALTH SERVICE

1958 ESTIMATE ON GRANTS AND SPECIAL STUDIES, TERRITORY OF ALASKA

Mr. Chairman and members of the committee, this appropriation provides funds for the following purposes:

First, funds are provided for research investigations seeking fundamental knowledge of conditions affecting life in low-temperature areas and solution to some of the many health problems of Alaska.

Secondly, funds are provided to improve and to maintain essential health services.

Thirdly, funds are provided in accordance with one of the provisions of the recently enacted Alaska Mental Health Enabling Act which authorizes the appropriation of funds over a 10-year period to aid the Territory in assuming financial responsibility for an integrated program for the inpatient and outpatient care and treatment of the mentally ill of Alaska. The appropriation authorization for this purpose is \$1 million for each of the fiscal years 1958 and 1959, and successive decreases of \$200,000 each 2 years thereafter.

Each of the above activities is described separately below.

FIELD AND LABORATORY INVESTIGATIONS

The rapid settlement of the Territory in recent years has accentuated the already acute health and sanitation problems. In 1955 the population was estimated as 209,000, which is more than twice the 1946 population and almost three times the 1940 population. This rapid population growth, when coupled with the faulty circumstances of health and sanitation in Alaska, create conditions which are precarious to the health and well-being of the present population.

Ideally, research should precede the rapid development of any area if the most economical use is to be made of its human and natural resources. In recognition of this principle, a high priority is given to the research program of the Arctic Health Research Center in order that essential techniques for the development and application of health services can be found, evaluated, and placed in operation.

The research staff of the center is minimal. Nevertheless, the achievements of this small group of investigators have been many. For example: (1) Significant progress has been made in the development of workable and economical water-distribution systems and waste-disposal facilities for permafrost areas; (2) the parasite which causes alveolar hydatid disease has been isolated, and the host cycle and means of its transmission to man have been described; (3) many parasites, dysentery bacteria, and other causal organisms have been identified and described as a basis for the activation of disease control programs.

Our research plan for fiscal year 1958 includes the following important projects: Studies on year-round water supply and sewage disposal systems for isolated villages and single dwellings.

Epidemiological studies on the basic causative factors in the principal epidemic and endemic diseases among the Alaskan population. Emphasis in this area is in line with the recommendations of the comprehensive survey of Alaskan health

conditions made a couple of years ago by Dr. Parran and a group from the University of Pittsburgh.

Studies of the parasitic diseases of animals that are transmissible to man which are of particular significance in these regions where man depends so heavily on animals for his food, clothing, and transportation.

Studies on the special nutritional problems of life in the Arctic regions.

Studies of the physiological processes involved in adjustment to the Arctic climate—a matter of primary importance to the settlement and exploitation of the natural resources in Alaska.

Studies of the high incidence of respiratory diseases among the children of Alaska.

GRANTS AND TECHNICAL ASSISTANCE

Funds are made available under this appropriation to assist the Alaska Department of Health in the provision of public health services to the people of Alaska by means of—

(1) A special grant to augment Territorial appropriations in the establishment and maintenance of essential health services; and

(2) The loan of Public Health Service personnel to the Alaska Department of Health to help administer these services.

The serious health problems in Alaska are accentuated by the mass migration of people to the Territory in recent years. Death and morbidity rates in Alaska from communicable diseases, including pneumonia, diphtheria, scarlet fever, and whooping cough, reach extremely high levels in terms of their stateside occurrence.

Under these conditions more preventive health services such as those provided by public health physicians and nurses are required per unit of population in Alaska as compared to the United States. In addition, the provision of health services is adversely influenced by the tremendous size and limited financial resources of the Territory, the primitive living conditions of many of its people, and the difficulties encountered in providing housing and heating and in maintaining safe water supplies and efficient waste-disposal systems in an area where Arctic and sub-Arctic temperatures prevail.

The provision of grant funds and the loan of personnel to Alaska has enabled the Alaska Department of Health to broaden the scope of its public health services to the people of Alaska.

SPECIAL MENTAL HEALTH GRANT

The Alaska Mental Health Enabling Act, enacted by the last Congress, transferred responsibility for the care and treatment of the mentally ill of Alaska from the Department of the Interior to the Territory, authorized the appropriation of \$6 million over a 10-year period to aid the Territory in financing an integrated mental health program, and authorized the appropriation of \$6.5 million to assist in the construction of mental health facilities in Alaska.

The Public Health Service has made a survey of the mental health facilities needed in Alaska, and the Territory is presently developing a comprehensive plan for construction of needed hospitals in Alaska. The comprehensive plan is scheduled for completion and approval by March of this year so the Territory will need a part of the \$6,500,000 authorized to be appropriated for the purpose of planning the construction of the mental health facilities and preparing plans and specifications. Accordingly, we have proposed a supplemental budget item of \$500,000 for fiscal year 1957.

Section 371 of the act authorizes the appropriation of \$1 million for each of the 2 fiscal years ending June 30, 1958, and June 30, 1959, and for a successive reduction of \$200,000 each second year thereafter until the Territory of Alaska assumes full fiscal responsibility after June 30, 1967. Funds appropriated under this provision of the act will be used to assist the Territory in providing an integrated mental health program including outpatient and inpatient care and treatment of the Alaskan mentally ill, and will replace the present system of financing the cost of care and treatment of the Alaskan mentally ill by the Federal Government through direct appropriations to the Department of the Interior, and of financing the cost of transporting the mentally ill to institutions outside of Alaska through funds appropriated to the Department of Justice.

Based on the congressional authorization and the estimated costs of providing care, treatment, and transportation of the Alaskan mentally ill, an appropriation of \$1 million is requested for fiscal year 1958. Because the construction of mental

health facilities will not be completed in fiscal year 1958, the inpatient care and treatment of the chronic mentally ill will continue to be contracted for with institutions outside the Territory.

In addition, however, under the impetus of the act, the much needed extension and modernization of mental health services for Alaskans will be undertaken by the Territory. Specifically, the preventive mental health program of the Territory will be expanded so as to more nearly cope with the growing needs of Alaska, and the outpatient care of the acute mentally ill will be stepped up in order to develop a better balance between the inpatient and outpatient services provided the Alaskan mentally ill.

The amount of funds requested under this appropriation for fiscal year 1958 is \$2,165,000. This amount will permit continuance at the same level of the special grant for health purposes and for field and laboratory research and a reduction of \$25,000 in the technical assistance activity due to the completion in 1957 of the Public Health Service survey of mental health facility needs in Alaska. In addition, it will provide \$1 million for the support of mental health activities in the Territory as authorized by the Alaska Mental Health Enabling Act.

I shall be glad to attempt to answer any questions you may have.

ARCTIC HEALTH RESEARCH CENTER

Dr. HALDEMAN. This appropriation provides funds for (1) research necessary to the solution of low temperature health problems, (2) to assist the Territory in the maintenance and improvement of public health services, and (3) to aid the Territory in assuming financial responsibility for an integrated program for the care and treatment of the mentally ill of Alaska.

Although the research staff of the Arctic Health Research Center is minimal, the achievements of this small group of investigators have been many. Significant progress has been made in many areas, such as the development of environmental sanitation facilities suitable for low temperature areas, and in the definition of infectious disease problems of the Territory.

In this appropriation, funds are also made available to the Alaska Department of Health for both technical assistance and grant-in-aid purposes. These funds continue to play an important role in financing and operation of the preventive health program in Alaska.

MENTAL HEALTH PROGRAM

Funds are also requested for the first time to implement section 371 of the recently enacted Alaska Mental Health Enabling Act which authorizes the appropriation of \$6 million over a 10-year period to aid the Territory in financing an integrated mental-health program. This section of the act authorizes the appropriation of \$1 million for each of the 2 fiscal years ending June 30, 1958, and June 30, 1959, and for a successive reduction of \$200,000 every 2 years thereafter until the Territory of Alaska assumes full fiscal responsibility after June 30, 1967.

This gradually reduced financial aid to the Territory replaces the present system of financing the care of Alaskan mentally ill through appropriations of the Department of the Interior and the Department of Justice.

In other words, although it is a new item in our own budget it replaces items that were contained in the budgets of the Department of Interior and the Department of Justice.

The cost to the Territory in fiscal year 1958 of hospitalization of the mentally ill, and development of a balanced program of outpatient care will exceed the \$1 million, and the additional cost will be provided by the Territory.

CONSTRUCTION OF MENTAL HEALTH FACILITIES

The Alaska Mental Health Enabling Act also authorizes the appropriation of \$6,500,000 for the construction of mental health facilities in Alaska. The Public Health Service has completed a survey of the need for such facilities in Alaska. In accordance with the Alaska Mental Health Act, the Territory is, or rather has about completed, the development of a construction schedule. The President's budget message contained an item of \$500,000 for initial planning, and the acquisition of a site, and it is anticipated that shortly a request for a supplemental appropriation will be forthcoming for this item.

The fiscal year 1958 request contained an increase for the mental health program of \$1 million, which I referred to earlier. There is a reduction of approximately \$25,000 in the technical assistance item, which is possible by virtue of having completed the survey of the needs for mental health facilities.

The other activities carried under the appropriation are at the same level as in the current fiscal year.

SITUATION IN ALASKA COMPARED TO STATES

Senator DWORSHAK. Doctor, it is apparent that Alaska, as a Territory, receives preferential treatment through these various health programs. Have you given any consideration to the possibility that if these programs of Alaska were to receive statehood, would the continuance of this program give Alaska a much more generous health program than is being accorded to the 48 States now?

Dr. HALDEMAN. The situation of Alaska, as compared to the other States at the present time is quite different. The Federal Government owns over 99 percent of the land in the Territory of Alaska. Its taxing resources are severely limited. In addition, because of the importance of the military installations and the early warning systems, the Federal Government has an unusual stake in the health and well-being of not only our civilian population in Alaska, but our military population.

Senator DWORSHAK. That is true. But under statehood Alaska, as a State, would receive a grant of millions of acres of land, and that would change somewhat the status you just referred to.

Dr. HALDEMAN. I haven't followed these various bills for statehood that have been in Congress over the past few years. However, I think it is evident that Congress, in the course of considering those bills and in the course of considering other legislation and appropriations, would want to reexamine the relationship with the Territory in terms of "if statehood in Alaska became a reality." However, I think that—just as in the case of our Federal aid to schools in federally impacted areas—it doesn't necessarily mean that Congress would not come to the conclusion that some special treatment might not be necessary, even in the case of statehood.

Senator DWORSHAK. That would be predicated upon the basis that Alaska, as a State, might not have potential sources of raising taxes, and in view of the necessity for this rather liberal or expanded health program that you have outlined, and which has been carried on for several years, projected into the future, in your judgment it would be necessary for the Federal Government to continue its interest both professionally and financially in that program?

Dr. HALDEMAN. Yes.

PURPOSE OF RESEARCH PROGRAM

Now I would like to emphasize, however, that the research program that we have, that we are carrying out in the Territory, is not only for the benefit of the residents of the Territory of Alaska, but for the purpose of increasing our fundamental knowledge regarding health in general.

Much of the research done in Alaska is equally applicable in more temperate climates.

IDEAL LOCATION FOR STUDY OF DISEASE

For instance, I suppose there is no place in the world today where you can study the natural history of disease as well as in Alaska, particularly epidemic disease. Here they occur in pure form, because of the relative isolation of many areas, and are not cluttered up because of all the viruses people have when we do research around here. They are a relatively stable population which gives us some really unusual opportunities to study disease.

So I do feel that we have a stake in Arctic research much as we have had in the field of tropical medicine in the past.

CONDITIONS PRIOR TO WORLD WAR II

Senator DWORSHAK. Can you give us a brief comment, Doctor, on the fact that prior to World War II, insofar as the use of the Territory of Alaska for military purposes on an expanded basis, the natives there seemed to bear up pretty well as far as health is concerned. But with the influx of Americans and the expansion of the military activities, it seems that we have had an accentuation of diseases, or whether we are merely discovering something that existed previously or not? It would indicate now that the health problems in Alaska are far more acute than we thought they were just prior to World War II.

Dr. HALDEMAN. I think partially it was due to the lack of having really taken a look. For instance, I spent 2 years in Alaska in 1938 and 1939. I did some of the first X-ray examinations for tuberculosis among Alaskan natives, and what was found was really shocking.

Senator DWORSHAK. They always had those conditions, but they were just being exposed?

Dr. HALDEMAN. We had not recognized it perhaps at that time. Under the stimulus of a special grant for venereal disease control, we established the first laboratory in Alaska in 1937, and until then physicians in Alaska told me that we had no syphilis in Alaska. We found we did have when we began looking for it. I think the coming of the white man perhaps even as early as visits by the New England

whalers—had something to do with introduction of new diseases among the Eskimos, Indians, and Aleuts. However, these diseases were severe health problems prior to World War II.

Senator HILL. Are there any other questions?

CONTROL OF VENEREAL DISEASES

STATEMENTS OF DR. C. A. SMITH, CHIEF, VENEREAL DISEASE PROGRAM; AND JAMES F. KELLY, DEPARTMENT BUDGET OFFICER

APPROPRIATION ESTIMATE

Venereal diseases: To carry out the purposes of sections 314 (a) and 363 of the Act with respect to venereal diseases including the operation and maintenance of centers for the diagnosis and treatment of persons afflicted with venereal diseases; and for grants of money, services, supplies, equipment, and use of facilities to States, as defined in the Act, and with the approval of the respective State health authorities, to counties, health districts, and other political subdivisions of the States, for the foregoing purposes, in such amounts and upon such terms and conditions as the Surgeon General may determine; **[\$4,140,000]** \$4,415,000.

Amounts available for obligation

	1957 appropriation	1958 budget estimate	1958 House allowance
Appropriation or estimate.....	\$4,195,000	\$4,415,000	\$4,415,000
Total obligations.....	4,195,000	4,415,000	4,415,000

Obligations by activities

Description	1957 appropriation		1958 budget estimate		House allowance	
	Positions	Amount	Positions	Amount	Positions	Amount
1 Grants to States for venereal-disease control.....	0	\$1,700,000	0	\$1,700,000	0	\$1,700,000
2. Direct operations:						
(a) Clinical and laboratory research.....	95	570,200	100	693,500	100	693,500
(b) Technical assistance to States.....	247	1,721,100	247	1,808,100	247	1,808,100
(c) Administration.....	30	203,700	30	213,400	30	213,400
Total obligation.....	372	4,195,000	377	4,415,000	377	4,415,000

Obligations by objects

Object classification	1957 appropriation	1958 budget estimate	House allowance
Total number of permanent positions.....	372	377	377
Full-time equivalent of all other positions.....	91	91	91
Average number of all employees.....	427	431	431
Number of employees at end of year.....	434	440	440
01 Personal services.....	\$2, 570, 900	\$2, 605, 000	\$2, 605, 000
02 Travel.....	119, 000	121, 000	121, 000
03 Transportation of things.....	35, 000	36, 500	36, 500
04 Communication services.....	21, 000	22, 000	22, 000
05 Rents and utility services.....	12, 100	13, 000	13, 000
06 Printing and reproduction.....	18, 500	18, 700	18, 700
07 Other contractual services.....	47, 200	74, 700	74, 700
08 Supplies and materials.....	110, 000	122, 000	122, 000
09 Equipment.....	14, 400	37, 000	37, 000
11 Grants, subsidies, and contributions.....	1, 228, 000	1, 226, 800	1, 226, 800
Contribution to retirement fund.....	0	117, 100	117, 100
15 Taxes and assessments.....	18, 900	21, 200	21, 200
Total obligations.....	4, 195, 000	4, 415, 000	4, 415, 000

New positions requested, 1958

Title	Grade	Number	Annual salary
2 (a) Clinical and laboratory research:			
Scientist.....	GS-13.....	2	\$17, 980
Research technician.....	GS-7.....	3	13, 575
Total positions and annual salaries.....		5	31, 555
Deduct lapses.....			6, 055
Net cost.....			25, 500

Summary of Changes

1957 actual appropriation.....	\$4, 195, 000
Adjusted 1957 appropriation.....	4, 195, 000
1958 appropriation request.....	4, 415, 000

Net change requested.....	+220, 000
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For mandatory items:

Extra day of pay.....	9, 100
Retirement and social-security contributions.....	117, 084

Total, mandatory items.....	126, 184
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For program items: Expansion of research on syphilis.....	Positions 5	93, 816
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Total change requested.....	5	220, 000
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Venereal disease morbidity, continental United States, fiscal years 1942-56 (known military cases excluded)

Fiscal year	Syphilis	Gonorrhea	Other venereal diseases	Total venereal diseases	Fiscal year	Syphilis	Gonorrhea	Other venereal diseases	Total venereal diseases
1942.....	479, 601	212, 403	8, 643	700, 647	1950.....	229, 723	303, 992	9, 448	543, 163
1943.....	575, 593	275, 070	12, 695	863, 358	1951.....	198, 640	270, 459	7, 676	476, 775
1944.....	467, 755	300, 676	12, 495	780, 926	1952.....	168, 734	245, 633	6, 141	420, 508
1945.....	359, 114	287, 181	10, 003	656, 298	1953.....	156, 099	243, 857	5, 378	405, 334
1946.....	363, 647	368, 020	11, 926	743, 593	1954.....	137, 876	238, 661	4, 818	382, 355
1947.....	372, 963	400, 639	14, 130	787, 732	1955.....	122, 075	239, 787	4, 322	366, 184
1948.....	338, 141	363, 014	13, 440	714, 595	1956 ¹	126, 143	231, 984	3, 344	361, 471
1949.....	288, 736	331, 661	11, 999	632, 396					

¹ Provisional.

Allocations of venereal disease special project grants

State or territory	1956 actual	1957 estimate	State or territory	1956 actual	1957 estimate
Alabama.....	\$34,192	\$38,260	Nevada.....	\$2,370	\$3,300
Arizona.....	29,882	33,656	New Jersey.....	47,724	54,680
Arkansas.....	29,425	39,813	New Mexico.....	19,000	21,214
California.....	16,613	25,547	New York.....	114,250	150,360
Colorado.....	2,878	4,000	North Carolina.....	90,211	102,978
Connecticut.....	6,885	7,185	Ohio.....	56,503	65,870
Delaware.....	7,300	7,000	Oklahoma.....	10,000	13,900
District of Columbia.....	47,258	42,050	Pennsylvania.....	65,910	65,548
Florida.....	85,220	123,185	South Carolina.....	61,735	80,850
Georgia.....	112,672	119,736	South Dakota.....	1,200	1,200
Idaho.....	5,800	5,000	Tennessee.....	68,020	107,906
Illinois.....	18,200	64,726	Texas.....	96,617	128,589
Kansas.....	3,055	9,556	Utah.....	0	5,000
Kentucky.....	28,020	46,365	Virginia.....	26,556	29,896
Louisiana.....	32,750	51,613	Washington.....	690	3,450
Maryland.....	6,638	15,000	West Virginia.....	5,327	5,800
Michigan.....	37,250	61,518	Wyoming.....	1,600	1,600
Mississippi.....	42,995	71,243	Puerto Rico.....	28,077	23,800
Missouri.....	26,432	33,206	Virgin Islands.....	6,600	6,300
Montana.....	0	3,600			
Nebraska.....	5,255	5,500	Total.....	1,281,110	1,700,000

¹ Venereal disease control grants are allocated on a special project basis.

STATEMENT OF CHIEF, VENEREAL DISEASE PROGRAM, PUBLIC HEALTH SERVICE,
ON CONTROL OF VENEREAL DISEASES, PUBLIC HEALTH SERVICE

Mr. Chairman and members of the committee, the increasing number of States reporting more syphilis cases during the current fiscal year than in the previous year is a primary concern of the venereal disease program.

In fiscal year 1956, 18 States had increases in reported cases of primary and secondary syphilis and 20 States had increases in gonorrhea over the previous fiscal year. The national picture, for the first time in 8 years, showed an increase in the number of infectious syphilis cases reported in continental United States over the previous fiscal year. There was also a national increase in reported cases of total syphilis, although reported gonorrhea morbidity declined.

The increases in syphilis cases occurred among both sexes, were found in all areas of the Nation at all levels of control, appeared among both whites and nonwhites, and were characteristic of private as well as public treatment sources. Increased grant funds made available by Congress for fiscal year 1957 and the requested grant funds in the same amount, \$1,700,000, for fiscal year 1958 will assist in the reestablishment of the downward trend in reported infectious syphilis cases.

Analysis of syphilis morbidity shows certain important characteristics. Each year a larger volume of infectious syphilis is being reported by private physicians. The private physicians reported 28 percent of all infectious syphilis reported in 1948, and this figure has risen to 43 percent in 1956. This highlights the necessity for health departments to attain cooperative working relationships with private physicians to assure adequate epidemiology on their syphilis patients who might otherwise be responsible for an increasing number of unbroken and uncontrolled chains of infection.

Approximately 150,000 migrant workers scheduled to work in 16 States were tested for syphilis. Of these, 12,450 were found to have positive serologic tests for syphilis and were provided diagnostic and treatment services. A screening demonstration conducted during the past summer among a small sector of our migrant population indicates the magnitude of the total venereal disease problem inherent in the entire migrant population.

Of the 236,000 persons diagnosed with early syphilis and gonorrhea last year, 55 percent were teen-agers and young adults. Studies made in 1953 and 1955 showed increases in venereal disease incidence after age 14, with more females being infected at age 18 than any other age. The peak incidence in males did not occur until 4 to 5 years later. Significantly greater proportions of infectious venereal disease among teen-agers and young adults were found in States having greater total venereal disease problems.

However, progress has been made in the development of improved techniques in program activities in venereal-disease control. A new technique in early syphilis case finding has been added to our epidemiologic methodology. This

technique broadens the contact investigation process to include blood testing of associates of the patients and their contacts. It is anticipated that this procedure, which has been called cluster testing, will be extended to other areas and will further assist in bringing early syphilis back under control.

In September 1956 a new serologic test for syphilis, known as the rapid plasma reagin test (RPR), for measuring reagin in plasma rather than serum was developed by the Venereal Disease Experimental Laboratory. Preliminary trials indicate that its findings agree closely with those of standard tests. The test is presently being subjected to intensive field trials. If these trials confirm the preliminary favorable results, the adoption of the test will revolutionize blood-testing operations. Adoption of this test in the blood-testing program would yield the following advantages: (1) The RPR test can be performed in 5 to 10 minutes, reactors treated at once, and the expense and uncertainty of followup eliminated. (2) The RPR test does not require extensive laboratory facilities, involves equipment that is both economic and mobile, and utilizes an antigen that is stable and cheap. (3) The RPR test is simple to perform and requires a minimum of technical training. Research emphasis is planned also toward developing more precise diagnostic tools for gonorrhea. Two very promising leads which are now being explored—definitive antigen fractionations and fluorescein-tagged antibodies—may very possibly result in the development of a serologic test for gonorrhea. Such a test would solve one of the major difficulties in gonorrhea control—a diagnostic procedure that can be utilized both in selective-survey operations and for detecting gonorrhea in the female.

The only hope for eradication of syphilis is the development of an effective immunizing agent. Based on progress to date, it is believed that the production of active syphilis immunity in man is a real possibility and that intensified efforts in solving this problem should be made. The increase of \$93,200 requested will permit expanded efforts in the application of recent advances in immunology, bacteriology, virology, and tissue-culture analysis to the cultivation of virulent *Treponema pallidum* so that these findings may be more expeditiously applied to the development of an immunizing agent for syphilis.

In addition to intensified research activity, direct-operation funds requested will permit continuation of provision of consultation and epidemiologic services to States to assist in the maintenance of nationwide intelligence in the control of venereal disease in problem areas and the development of more precise control measures for all venereal diseases. Grant funds in the proposed budget will be directed toward the areas with the most serious venereal-disease problems and areas where increases in reported cases indicate a potential resurgence of the problem.

INCREASE IN REPORTED CASES OF SYPHILIS

Senator HILL. All right, Dr. Smith. We are glad to have you here, sir. Would you proceed now in your own way, sir.

Dr. SMITH. Mr. Chairman and members of the committee, increases in the amount of reported syphilis are of primary concern to the venereal disease program. During fiscal year 1956, for the first time in 8 years, the nationally reported cases of infectious syphilis as well as total syphilis increased. However, the increased grant funds made available by Congress for fiscal year 1957 will assist in the reestablishment of the downward trend in reported infectious syphilis cases.

Factors related to this upward trend of the syphilis problem are:

1. Occurrence of increases in all areas of the Nation at all levels of control.

2. The large volume of infectious syphilis being reported by private physicians, rising from 28 percent of reported cases in 1948 to 43 percent in 1956.

3. The hazards of widespread transmission of venereal disease by highly mobile populations as evidenced by the 12,450 persons with positive serologic tests among the 150,000 migrant workers of 1956.

4. The extent of venereal disease among teen-age and youthful adult groups, as evidenced by the fact that of the 266,000 cases of infectious

venereal disease reported last year 55 percent occurred in this age group.

NEW TECHNIQUES IN DIAGNOSIS

New techniques in diagnosis and case finding presently being developed will be directed toward further increasing the effectiveness of venereal disease control activities. These techniques include:

1. Cluster testing, which adds to the contact investigations process by blood testing of associates of patients and their contacts.

2. The rapid plasma reagin test, which is performed on whole blood rather than serum, is being subjected to intensive field trials. Since it can be performed in a few minutes without extensive laboratory facilities, reactors can be treated immediately.

3. Promising leads are now being explored which may very possibly result in the development of definitive diagnostic tests for gonorrhea and in the development of an immunizing agent for syphilis.

The grant funds requested in this budget will be directed toward the areas with the most serious disease problems and areas where increases indicate a potential resurgence of the problem.

Increased grant funds made available by Congress for fiscal year 1957 will assist in the reestablishment of the downward trends in reported syphilis cases. The House made no change in the request.

INCREASE OVER CURRENT YEAR FUNDS

Senator HILL. The House request is \$220,000 over your appropriation of this year?

Dr. SMITH. Yes, sir.

Senator HILL. Give us some example of what this \$220,000 would go for.

CHAPEL HILL EXPERIMENTAL LABORATORY

Dr. SMITH. Of that \$220,000, \$93,200 is for a direct increase in research to be carried out primarily at a venereal disease experimental laboratory in Chapel Hill. It includes 5 positions—2 scientists and 3 technicians. During the last 2 years, encouraging and exciting leads have occurred in the development of an immunizing agent for syphilis. Actual volunteers have been inoculated with syphilis organisms, and have shown a response or have shown a partial immunity to this injection established by artificial means. We hope to follow these leads with these five people.

Senator HILL. That means the laboratory at Chapel Hill?

Dr. SMITH. Yes, sir.

Senator HILL. What would the rest of these \$220,000 be for?

MANDATORY INCREASES

Dr. SMITH. That other increase is for the change in the pay scales and civil-service retirement and regular pay above the 52-week level, and that sort of thing.

Senator HILL. That is obligatory?

Dr. SMITH. Yes.

Senator HILL. In other words, you have no discretion about that. That meets the increases which Congress provided for by legislative act at the last session of Congress; is that right?

Dr. SMITH. Yes.

Senator HILL. Any questions?

REASONS FOR UPWARD TREND IN APPROPRIATIONS

Senator DWORSHAK. I have one question.

Dr. Smith, could you tell us why, in 1950, the appropriation for this activity or program is \$15,653,000, and then it gradually declined in 1955 when your budget was \$3 million, and now you are on the upward trend again? You have had nearly a 50-percent increase, although the amount has not increased very largely. What is responsible for that dip and now going up again?

Dr. SMITH. During the course of the years, the success of the venereal disease control program has been remarkable, and as the morbidity and incidence of syphilis and gonorrhea has decreased, there has been less money needed to handle the main problem. Over the last 3 years there has been continuously an increasing evidence that the decreases in venereal disease are no longer on that trend. This year, for the first time in 8 years we had an increase in the reports to us by the States.

Senator DWORSHAK. We are on an uptrend now?

Dr. SMITH. Yes. That is true of the increase in prevalence as well as the requests.

INCREASE IN CASES IN METROPOLITAN AREAS

Senator POTTER. Where are we getting this increase? Is it in your metropolitan areas?

Dr. SMITH. Yes, sir; particularly syphilis has become less and less a matter of a rural problem. We are more and more limited to metropolitan areas, and of course in this area it is just that much harder to control it because of the mobile population, and the difficulty of locating the people.

Senator POTTER. What kind of control program do you have at the present time? For instance, is it in the schools?

Dr. SMITH. The schools are not a good mechanism to work through for combating this venereal disease because the amount of prevalence in schools is much less than in the age groups just above that, and young adults that have stopped school.

Senator POTTER. What kind of program do you have, then, to reach these people?

CASE FINDING PROGRAM

Dr. SMITH. Well, actually, most of the control program is based on case finding, which is going from one case which is known to be infectious and getting the sexual contacts and the groups of associates in that particular environment, locating them, testing them, examining them, and treating where necessary. You start with one source patient and branch out, and as you find each infectious case in that area, then you start to reduce it in that manner.

PHYSICAL EXAMINATIONS OF APPLICANTS FOR EMPLOYMENT

Senator POTTER. In most types of employment, they usually require physical examinations. Now does the physical examination as a rule include examination for venereal disease?

Dr. SMITH. Yes. Most large industries do require such an examination. The smaller the industry and the lower the pay scale, the less likely they are to require that examination.

Senator PASTORE. How about places where you have dispensation of food and drink? What is the procedure?

LAWS RELATING TO FOOD HANDLERS

Dr. SMITH. That varies from State to State, both as to whether or not food handlers are required to have examinations or how often examinations are required.

Senator PASTORE. You mean there are certain States where there is no requirement?

Dr. SMITH. No specific requirement.

Senator PASTORE. In other words, a woman or man can go into a restaurant and get a job dispensing food, and there is no physical examination of that individual as to whether or not they have a communicable disease?

Dr. SMITH. The examination varies in its application in many areas, and the basic law varies in the different States.

Senator PASTORE. Has there ever been any research done or any data gathered with reference to the localities? You say there has been a rise in 1956.

Dr. SMITH. Yes.

Senator PASTORE. Has that been assimilated at all with sections of the country where the laws are either strict or not too strict?

VENEREAL DISEASE CONTROL POLICY

Dr. SMITH. Well, sir, venereal disease control is done, as are most public health programs, without too much recourse to punitive legal measures. It is done by encouraging the patient, I mean offering the patient the service and showing him the advantages of getting cured, so that you can elicit his cooperation in naming his contacts and going from one source base to his contacts. It is a rather long process.

Senator PASTORE. What do you spend this \$4,415,000 for? How do you spend it, generally speaking? What do you do?

Dr. SMITH. Practically all of it is applied to case finding of one sort or another. \$1.7 million of that request goes directly into project grants to the States.

Senator PASTORE. That is less than half.

Dr. SMITH. Yes, sir. That is practically all case finding, too. It employs people to do the followup of patients, to get the contacts, test the contacts, and to go from one epidemic to another.

Technical assistance to States is again a case finding procedure. The clinical and laboratory research supports 2 laboratories and a small statistical staff, 1 in Atlanta, and 1 in Chapel Hill. That is the research laboratory, and an experimental laboratory in Chapel Hill, and then of course the administration.

STATES WITH LAWS ON FOOD HANDLERS

Senator PASTORE. Are you prepared to tell us now how many States there are in the United States that require people who seek employment for dispensation of food and drink to take a physical examination, particularly with reference to communicable diseases, before they can obtain their employment?

Dr. SMITH. I cannot tell you that. I will try to get it.

Senator PASTORE. Could we get that in the record?

Dr. SMITH. Surely.

Senator PASTORE. Do you know of any States that do require it?

Dr. SMITH. Oh, yes. Actually, the great majority of them do.

Senator PASTORE. Yes; but there are some that do not?

Dr. SMITH. Yes; there are some that do not.

Senator PASTORE. I would be very interested in that.

(The information requested follows:)

Present status of serological tests for syphilis required by law, 1956

State or Territory	Food handlers		Other remarks
	State	City or county	
Alabama.....	No.....	-----	State law requires every citizen to have an STS every 2 years. Not enforced.
Arizona.....	No.....	2 counties require STS.....	None.
Arkansas.....	No.....	Most cities require health card including STS.....	Do.
California.....	No.....	1 city requires STS.....	Do.
Colorado.....	No.....	Required by all larger cities.....	Do.
Connecticut.....	No.....	None.....	Do.
Delaware.....	Yes.....	-----	Do.
Florida.....	No.....	Required by most local health departments.....	Do.
Georgia.....	No.....	Several local health departments.....	Do.
Idaho.....	Yes.....	-----	Do.
Illinois.....	No.....	Required in Chicago nursing homes and day nurseries.....	Do.
Indiana.....	Yes ¹	28 cities require STS.....	(1.) None.
Iowa.....	No.....	-----	Do.
Kansas.....	No.....	-----	Do.
Kentucky.....	No.....	Some local health departments require STS.....	Do.
Louisiana.....	No.....	-----	Do.
Maine.....	-----	-----	-----
Maryland.....	No.....	-----	Do.
Massachusetts.....	No.....	-----	Do.
Michigan.....	No.....	Information not available.....	Do.
Minnesota.....	No.....	-----	Do.
Mississippi.....	Yes.....	-----	Do.
Missouri.....	No.....	Some cities require STS.....	Do.
Montana.....	No.....	-----	Do.
Nebraska.....	No.....	One city requires STS.....	Do.
Nevada.....	No.....	-----	Do.
New Hampshire.....	No.....	One city requires STS.....	Do.
New Jersey.....	No.....	Some cities require STS.....	Do.
New Mexico.....	No.....	-----	Do.
New York.....	No.....	-----	Do.
North Carolina.....	Yes.....	Health departments which conduct foodhandling courses exempt from State regulation.....	Do.
North Dakota.....	No.....	Some cities require STS.....	Do.
Ohio.....	No.....	Many cities require STS.....	Do.
Oklahoma.....	No.....	Practically all larger cities require STS.....	Do.
Oregon.....	No.....	A few cities require STS.....	Do.
Pennsylvania.....	No.....	-----	Do.
Rhode Island.....	No.....	3 cities require STS.....	Do.
South Carolina.....	Yes.....	-----	Do.

¹Limited to locker-plant employees; school lunchroom employees; and food handlers in hospitals.

Present status of serological tests for syphilis required by law, 1956—Continued

State or Territory	Food handlers		Other remarks
	State	City or county	
South Dakota.....	No.....	1 city requires STS.....	None.
Tennessee.....	No.....	Many cities require STS as part of medical examination.	Do.
Texas.....	No.....	Most major cities require STS.....	Do.
Utah.....	No.....	1 city requires STS.....	Do.
Vermont.....	No.....	.....	Do.
Virginia.....	No.....	.....	Do.
Washington.....	No.....	.....	Do.
West Virginia.....	No.....	.....	Do.
Wisconsin.....	No.....	.....	Do.
Wyoming.....	No.....	.....	Do.
Alaska.....	No.....	.....	Do.
Hawaii.....	Yes.....	.....	Do.
Virgin Islands.....	.....	.....	.....
Puerto Rico.....	.....	.....	.....
District of Columbia.....	.....	.....	.....

NOTE.—STS, serological test for syphilis.

PROCEDURES IN NEW OUTBREAK AREAS

Senator POTTER. Do you get a report from the States every month or every so often as to the increase or decrease in their venereal disease cases that are detected?

Dr. SMITH. Yes, sir; we get a quarterly report.

Senator POTTER. What do you do, for example? Do you find a community that has been relatively clean, as far as venereal disease is concerned in the past, but where several new infectious cases have been reported in the area? And then what is your responsibility, or what do you do in a case of that kind?

Dr. SMITH. The States or local communities that show increases particularly in infectious venereal disease and make a request for help, are given either people particularly well qualified to assist in this program, or in some cases they are given physicians who run diagnostic clinics. Selective testing can be done in an area if the area seems to be pretty well circumscribed where these increases are occurring. I think those are the main things.

Senator POTTER. I often thought of your tubercular clinics where they go into the communities for chest X-rays, and they have a very successful program. I was wondering if you could have a mobile unit, or if any thought was given to a mobile team going from community to community trying to detect venereal disease.

SELECTIVE TESTING TEAMS

Dr. SMITH. Yes, sir. We have what we call selective testing teams which actually go either on a house-to-house basis, or on a small community street corner basis, and actually get blood tests from volunteers. That is usually limited to a small area of a town.

Senator PASTORE. Don't you have quite a resistance to that?

Senator POTTER. It would seem to be more of a social stigma in that method.

Senator PASTORE. I mean, are you trying to tell us there are a lot of people walking around with it that don't even know it?

Dr. SMITH. Yes, sir. Very often, in the case of syphilis, the first clinical signs are so minor that it is not until late that the patient begins to have clinical manifestations which are found.

Senator PASTORE. Now all of these programs are directed toward educating the individual to go to see his doctor and to be examined as to whether or not he may have syphilis, but is there any program on the part of the Federal Government, directed toward the State health departments stimulating more interest in these programs?

I say that in view of the fact that the figure has risen in 1956.

Dr. SMITH. The State health departments have actually maintained their interest in venereal diseases very well over the past years. We have continuous meetings and seminars and symposiums and they present their problems and their solutions, and I think the communication between the States on the venereal disease control is very good.

Senator PASTORE. All right. Are there any further questions?

Thank you, Doctor.

CONTROL OF TUBERCULOSIS

STATEMENTS OF DR. EDWARD T. BLOMQUIST, CHIEF, TUBERCULOSIS PROGRAM; AND JAMES F. KELLY, DEPARTMENT BUDGET OFFICER

APPROPRIATION ESTIMATE

Tuberculosis: To carry out the purposes of section 314 (b) of the Act, **[\$6,625,000]** \$7,000,000, of which not less than \$4,500,000 shall be available only for grants to States, to be matched by any equal amount of State and local funds expended for the same purpose, for direct expenses of prevention and case-finding projects including salaries, fees, and travel of personnel directly engaged in prevention and case-finding and the necessary equipment and supplies used directly in prevention and case-finding operations, but excluding the purchase of care in hospitals and sanatoria.

Amounts available for obligation

	1957 appropriation	1958 budget estimate	1958 House allowance
Appropriation or estimate.....	\$6, 660, 000	\$7, 000, 000	\$7, 000, 000
Total obligations.....	6, 660, 000	7, 000, 000	7, 000, 000

Obligations by activities

Description	1957 appropriation		1958 budget estimate		House allowance	
	Positions	Amount	Positions	Amount	Positions	Amount
1. Grants to States for tuberculosis control.....	0	\$4, 500, 000	0	\$4, 500, 000	0	\$4, 500, 000
2. Direct operations:						
(a) Cooperative applied research.....	137	1, 474, 000	137	1, 786, 100	137	1, 786, 100
(b) Technical assistance to States.....	72	535, 000	72	555, 400	72	555, 400
(c) Administration.....	24	151, 000	24	158, 500	24	158, 500
Total obligations.....	233	6, 660, 000	233	7, 000, 000	233	7, 000, 000

Obligations by objects

Object classification	1957 appro- piation	1958 budget estimate	House allowance
Total number of permanent positions.....	233	233	233
Full-time equivalent of all other positions.....	12	12	12
Average number of all employees.....	219	229	229
Number of employees at end of year.....	224	224	224
01 Personal services.....	\$1,245,600	\$1,300,200	\$1,300,200
02 Travel.....	165,500	175,500	175,500
03 Transportation of things.....	34,000	35,000	35,000
04 Communication services.....	12,000	12,000	12,000
05 Rents and utility services.....	11,000	11,000	11,000
06 Printing and reproduction.....	26,000	26,000	26,000
07 Other contractual services.....	149,400	179,400	179,400
08 Supplies and materials.....	440,500	624,200	624,200
09 Equipment.....	72,000	72,000	72,000
11 Grants, subsidies, and contributions.....	4,500,000	4,500,000	4,500,000
Contribution to retirement fund.....	0	60,400	60,400
15 Taxes and assessments.....	4,000	4,300	4,300
Total obligations.....	6,660,000	7,000,000	7,000,000

Summary of changes

1957 actual appropriation.....	\$6,660,000
Adjusted 1957 appropriation.....	6,660,000
1958 appropriation request.....	7,000,000
Net change requested.....	+340,000
For mandatory items.....	115,000
Extra day of pay.....	\$4,000
Retirement and social security contributions.....	60,400
Annualization of 1957 program.....	50,600
For program items: Cooperative applied research for isoniazid testing program.....	225,000
Total change requested.....	+340,000

Allocations of grant-in-aid funds for tuberculosis control

State or Territory	1956 allo- cations	1957 allo- cations	Esti- mated 1958 allo- cations	State or Territory	1956 allo- cations	1957 allo- cations	Esti- mated 1958 allo- cations
Alabama.....	\$107,300	\$106,100	\$100,800	New Jersey.....	\$129,200	\$129,900	\$123,400
Arizona.....	53,700	54,900	57,600	New Mexico.....	32,900	32,400	34,000
Arkansas.....	79,400	80,900	76,900	New York.....	392,800	398,800	418,700
California.....	265,600	270,200	283,700	North Carolina.....	107,500	103,500	100,000
Colorado.....	33,500	35,600	35,300	North Dakota.....	23,200	23,200	22,000
Connecticut.....	48,600	46,600	44,300	Ohio.....	184,800	187,800	197,200
Delaware.....	15,500	16,000	16,500	Oklahoma.....	63,900	61,400	61,700
District of Colum- bia.....	41,800	39,700	41,700	Oregon.....	33,700	34,300	35,300
Florida.....	80,000	79,900	83,900	Pennsylvania.....	277,400	277,400	263,500
Georgia.....	110,400	108,400	103,000	Rhode Island.....	24,400	24,800	24,000
Idaho.....	16,400	16,200	15,600	South Carolina.....	74,300	71,500	67,900
Illinois.....	226,500	228,900	239,400	South Dakota.....	20,600	20,800	19,800
Indiana.....	90,500	87,800	88,800	Tennessee.....	131,600	134,800	128,100
Iowa.....	40,800	41,900	39,800	Texas.....	207,800	207,800	197,400
Kansas.....	38,300	36,300	36,500	Utah.....	17,200	18,000	17,600
Kentucky.....	127,100	128,600	122,200	Vermont.....	16,600	16,900	16,200
Louisiana.....	90,300	89,500	87,200	Virginia.....	109,500	108,700	112,300
Maine.....	26,300	26,200	25,500	Washington.....	49,900	49,300	51,800
Maryland.....	90,200	88,200	88,000	West Virginia.....	59,100	61,500	59,800
Massachusetts.....	116,700	115,300	113,800	Wisconsin.....	56,000	56,000	58,800
Michigan.....	144,900	139,700	146,700	Wyoming.....	11,100	11,300	11,300
Minnesota.....	50,700	51,100	53,200	Alaska.....	42,800	38,800	36,900
Mississippi.....	79,000	79,000	75,100	Hawaii.....	30,100	27,100	25,700
Missouri.....	108,600	112,800	110,500	Puerto Rico.....	240,900	240,900	236,600
Montana.....	19,400	19,800	20,600	Virgin Islands.....	8,400	8,300	8,300
Nebraska.....	24,700	25,500	25,200	Guam.....	0	0	11,300
Nevada.....	12,100	12,800	12,900				
New Hampshire.....	16,000	16,300	15,700				
				Total.....	4,500,000	4,500,000	4,500,000

STATEMENT BY CHIEF, TUBERCULOSIS PROGRAM, PUBLIC HEALTH SERVICE, ON CONTROL OF TUBERCULOSIS, PUBLIC HEALTH SERVICE

Mr. Chairman and members of the committee, notable progress has been made in the control of tuberculosis in the United States, but the battle against this disease is far from over. Although the mortality and morbidity rates continue to decline, approximately 75,000 new active cases are still being reported annually, and in 1953, 15,000 deaths were caused by the disease. In addition to clinically manifest cases, there are many millions of people in this country who have been infected in the past by tuberculosis germs and thus are at risk of breaking down into active disease. Although the new drugs have cut down on hospital stays, because of the long-term, chronic nature of the disease, many people who became cases as long as 10 or 20 years ago still require treatment and isolation. Moreover, the nonhospitalized patient constitutes a new type of problem for health departments.

In the face of these facts we cannot afford to be complacent about the accomplishments to date but must continue with practical planning and unrelenting effort to press the attack toward eradication of tuberculosis as a significant public health problem.

RESEARCH

Preventing breakdowns of previous infections has become the foremost goal of tuberculosis control. Last year, the 84th Congress appropriated additional funds to expedite research into the possible effectiveness of the drug, isoniazid, as a preventive of tuberculosis in human beings. This drug, which was introduced in 1952, has demonstrated remarkable powers in the treatment of tuberculosis. In 1955 research workers in the tuberculosis program of the Public Health Service reported the results of experiments with isoniazid administered as a preventive of tuberculosis in laboratory animals. This research project showed that isoniazid prevented death from tuberculosis in guinea pigs which had been given lethal doses of virulent tubercle bacilli. Trial of the drug in human beings was the next logical step. A long-range study was instituted early in fiscal year 1957 to answer these questions: (1) Will isoniazid prevent new infections? (2) Will it prevent the breakdown of old infections?

The first activity of this study is to determine whether isoniazid can prevent infection and the appearance of clinical disease among the highly exposed household contacts of active cases of tuberculosis. Households are being randomly assigned to isoniazid or placebo groups and kept under close observation by their local health departments. Each contact is tuberculin tested and X-rayed at the beginning and at the end of a year of prophylaxis. Both uninfected (tuberculin negative) members of the household and the infected (tuberculin positive) members who show no clinical evidence of disease are included in the study population. The study will provide information on the effectiveness of isoniazid in preventing new infections and in preventing clinical disease from developing in those already infected.

In addition, it is planned to study isoniazid's effect among previously infected persons who are not in highly exposed situations. An impressive body of evidence is accumulating that much of the new clinical tuberculosis we are seeing today is occurring among previously infected persons whose subclinical infection progresses to active disease under either external stress or decreased general resistance. It seems to us most important to determine whether the prophylactic use of isoniazid can remove the threat of tuberculosis which millions of older persons, infected in childhood, carry with them.

If isoniazid is effective in human beings in any one of the areas under investigation—either in preventing infection—in preventing new infections from progressing to clinical disease—or in eradicating old subclinical infections which may flare up into active tuberculosis—we will have found a new, practical approach to the control, prevention, and even eradication of tuberculosis. We are asking for an additional \$275,300 in fiscal year 1958 in order to carry this investigation into its next phase.

The tuberculosis program's study of isoniazid as a preventive of tuberculosis meningitis and other complications in children is now in its second year. Approximately 2,000 children are now under observation in 31 pediatric clinics throughout the country. Preliminary findings are so promising as to encourage a vigorous continuation of this work.

Research on new drugs as they are developed goes forward constantly. In cooperation with 25 tuberculosis hospitals, the tuberculosis program has been

continuously investigating and evaluating the relative therapeutic effect of various new drugs and drug combinations as they appear. The results of this series of studies have enabled health agencies and the medical profession to choose treatment on the basis of sound scientific evidence, and, in consequence, patients are hastened to health with minimum risk of toxicity and treatment failure.

One of the newer drugs under study is pyrazinamide. An intensive study of the drug's toxicity has shown that liver damage can be avoided by regulating dosage and the duration of treatment. A full-scale study is now underway to determine whether pyrazinamide when used under the conditions necessary for safety is an effective partner drug of isoniazid.

GRANTS-IN-AID AND TECHNICAL ASSISTANCE TO STATES

The tuberculosis program of the Public Health Service will continue to assist the States through grants-in-aid technical assistance in the attack on tuberculosis problems in the communities of our Nation. This attack is carried on in three specific areas of action:

1. Prompt identification of tuberculosis.
2. Quickly applied and effective treatment.
3. Adequate nursing and social services to patients and families to solve their individual problems.

The tuberculosis program will continue to stimulate case finding activities in the States and local communities. Action will be particularly applied in areas where the tuberculosis problem is severe, among contacts of known cases, in occupational groups at special hazard, among the elderly who are especially liable to breakdown of latent infections, chronic alcoholics, patients in mental hospitals, prison inmates, and others. This program will reduce the size of the reservoir of infection created by undiscovered active tuberculosis cases from which so much disease emanates.

A certain measure of the effectiveness of State and local casefinding activities is provided by reports for 1955 that show that over 17 million X-rays were taken in the Nation—more than in any former year and an increase of 6.5 percent over 1954. Indeed, mass X-ray programs were responsible for the discovery of about one-third of all newly reported tuberculosis cases.

Casefinding combined with thorough followup, prompt treatment, and careful case-management has the effect of rounding-up and corralling sources of infection. If these techniques are applied widely and intensively in the population, chains of infection can be broken and a further significant reduction in sickness and death rates can be expected.

A great deal of work still remains to be done. The new antituberculosis drugs have had the effect of shortening the duration of hospital stay. Patients are being released from institutions to continue treatment at home. In some areas hospitalization is not being prescribed for many patients: their entire care has become a problem for community health activities. If these two classes of patients are not vigorously supervised the community experiences increased risk of infection and consequent widespread disease.

More work is needed to strengthen local programs in the management of the nonhospitalized tuberculosis patients. In 1954 the tuberculosis program undertook a study of nonhospitalized patients. The results disclosed that almost one-half of the significant caseload is outside the hospital. Eighty-seven percent of these patients are in the advanced stages of disease, and in almost half the sputum status is unknown. A large proportion of these cases—almost half in rural areas—had no clinic, public health, or social services. Recent studies in States and local communities show that no significant changes or improvements have occurred in the last 2 years.

Plainly, these facts demonstrate the need for increased medical supervision and nursing care of patients outside tuberculosis institutions. Health departments have the primary responsibility of protecting the public against the encroachments of infectious diseases. In the field of tuberculosis such protection can only be guaranteed through the effective application of case supervision techniques. Active cases who endanger their communities must be kept under care until they become noninfectious. This will require expanded clinical and nursing services. In addition, health departments must maintain current information on their nonhospitalized patients: their service programs must provide inclusive diagnostic treatment and social services, as well as public health supervision.

In 1958 the tuberculosis program of the Public Health Service will continue its program of technical and financial assistance to State and local health de-

partments. Application of current knowledge, the development of new skills, the creation of a nationwide attack on the remaining tuberculosis challenge in this country will enable us eventually to defeat this disease enemy of mankind.

TOTAL UNDISCOVERED ACTIVE CASES

Senator PASTORE (presiding). All right, Doctor. You have a pretty fair idea of how we are proceeding, and you may do likewise.

Dr. BLUMQUIST. Mr. Chairman and members of the committee, in 1955, 15,000 people died of tuberculosis. Approximately 75,000 new active cases are being reported annually. It is estimated that there are at this moment about 100,000 undiscovered active cases in the United States. In addition, there are many millions of people in this country who have been infected in the past by tuberculosis germs and thus are at risk of breaking down into active disease.

The major emphasis for our 1958 program is based on an important observation which has become clarified during the past year. It concerns the source of newly reported cases. In the past we emphasized the fact that persons were at the highest risk of developing tuberculosis immediately after infection, that is, after the tubercle bacilli invade the body. If they survived this initial period, we considered them at little or no risk from the infection. We believed that the period of highest risk was immediately after infection and underestimated the danger of breakdown after this initial period had passed.

PREVENTIVE PROGRAM

Today, our epidemiological studies clearly demonstrate that a large number of new cases of tuberculosis represent breakdown of disease in persons infected many years ago. We estimate that there are, roughly, 50 million adults in the United States potentially at risk of developing tuberculosis from infections acquired early in life. Unless we are able to develop a method of preventing, or at least reducing, the risk of breakdown, we shall continue to have a tuberculosis program of considerable magnitude for many years to come.

USE OF THE DRUG ISONIAZID

Preventing the occurrence of tuberculosis involves two major activities: (1) preventing the spread of infection from one person to another; and

(2) preventing the breakdown of infection in persons whose bodies have already been invaded by the tubercle bacilli.

As we reported last year, the prophylactic use of the drug isoniazid holds promise of being effective in both of these areas. With the additional funds appropriated by the Congress, trials of the effectiveness of this drug in human beings were instituted in 1957 and an additional \$275,300 is being requested for 1958 to expand this vital study. Because household contacts of active cases of tuberculosis are one of the most highly exposed groups, we started with this group. We have proceeded to establish research programs throughout the country.

Whenever a case of tuberculosis is discovered in the communities participating in the study, the members of the family are immediately tuberculin tested, X-rayed, and enrolled in the study population. Additional projects among other highly exposed groups will be started

later. We firmly believe that these studies will provide evidence on which we can base tuberculosis programs of tomorrow, programs which may succeed in eradicating tuberculosis as a major disease.

Senator HILL. Is the work in isoniazid really making progress?

Dr. BLOMQUIST. We are very pleased with it. We have started in many communities. The response of the people of the communities has been very favorable.

INCREASE IN FUNDS REQUESTED

Senator HILL. You have an increase here for \$340,000. I am sorry I only got into this a few minutes after you started testifying. This is another important matter. Did you make clear what that increase is?

Dr. BLOMQUIST. It is all for expansion of this isoniazid study.

Senator HILL. All for research and study that is going on?

Dr. BLOMQUIST. Besides the mandatory increase.

Senator HILL. Besides the mandatory increase, the isoniazid was what amount?

Dr. BLOMQUIST. We are asking for a total increase of \$275,300.

Senator HILL. The other end, the \$340,000, is for mandatory increases; is that correct?

Dr. BLOMQUIST. Yes, sir.

Senator HILL. Senator Potter.

Senator POTTER. Was last year the first year you started your study on human beings with the drug?

Dr. BLOMQUIST. Yes, sir.

CONCLUSIONS AS TO VALUE OF DRUG

Senator POTTER. And with this expanded program you should have conclusions as to the value of the drug about when, would you say? I know that you hate to pinpoint it.

Dr. BLOMQUIST. That is a hard question to answer. It will depend, of course, on the success with which we get cooperation—the rate at which people enter into the study. It will also depend upon the number of cases of tuberculosis that occur in the group of persons who are not getting the drug. These are the two main factors. We think that the answers will come in series, we will get some results earlier than others. For example, we expect to get the answer to “Does it prevent first infections?” before we get an answer as to how effective it is in preventing longtime breakdowns and relapses.

Senator HILL. You think your first breakthrough, though, will be as a preventive?

Dr. BLOMQUIST. Yes, sir.

Senator HILL. That is to be desired, is it not?

Dr. BLOMQUIST. Indeed it is. That will be the No. 1 problem.

Senator HILL. I do not know if you were here when I mentioned some of these other diseases that we had but do not have today. Do you contemplate we will add tuberculosis to that list?

Dr. BLOMQUIST. There is no doubt but that the day will come. It will follow the pattern of some of these other diseases you mentioned. It is just a question of time.

Senator HILL. It is just a question of time.

Senator PASTORE. We had quite a discussion, Doctor, when another witness appeared on these hospital cases. What is the trend of tuberculosis?

Dr. BLOMQUIST. With respect to treatment?

Senator PASTORE. No. I mean diminishing the cases.

TUBERCULOSIS DEATH RATE DECLINING

Dr. BLOMQUIST. The death rate is dropping much faster than the case rate. That, I think, is to be expected since we have better treatment. The first effect is prolonging life. It is going to take more time to reduce the rate of infection, so that there are less cases.

For example, the death rate is decreasing at about a rate of 10 percent, whereas the rate of newly reported cases has been declining at only to 2 to 3 percent.

Senator PASTORE. Was not there a time when tuberculosis patients had to stay in the hospital for a long time?

HOSPITALIZATION PERIOD

Dr. BLOMQUIST. That has changed. I think the biggest change with respect to treatment in the hospitals has been in the time patients need to spend in the hospital. A few years ago the average period of hospitalization was 24 months. Today the period averages between 8 and 10 months.

Senator HILL. Well, although you have very much shortened the length of stay, the need for hospitalization is certainly just as great now, though, as it was when they had to stay the longer period?

Dr. BLOMQUIST. That is so true.

Senator HILL. In other words, even though you have these new drugs which, as you say, have reduced your death rate, you need the hospitalization for the best treatment with these drugs, do you not?

Dr. BLOMQUIST. Indeed we do.

PROBLEM OF DISCIPLINE OF PATIENTS AT HOME

Senator POTTER. It puts more responsibility, too, does it not, on the patient and his family when he is back home. There are certain things he has to be disciplined to follow, certain procedures in self-care which while in the hospital they can watch over him much closer. I understand that is one of the major problems they have today in the care of tubercular patients.

Dr. BLOMQUIST. That is one of the very big problems, and, of course, one of the advantages of having them initially hospitalized is that patients can get this training. As you indicated, practically all patients are now being discharged on chemotherapy, which is definitive treatment. That treatment extends on the average of 24 months after hospitalization.

This puts an additional and new burden on community agencies, particularly the public-health departments where they must render the medical services and supervisory services to the patient and his family.

Senator POTTER. Are you quite encouraged as to how the communities are accepting that responsibility?

NEED FOR CLINICS

Dr. BLOMQUIST. They are recognizing the problem. There is some difficulty in getting an efficient pattern established. I feel that we are going to need more clinics than we have had, places to which patients can report periodically to get care and supervision. That is a definite need.

CASES DISCOVERED BY MOBILE X-RAY UNITS

Senator POTTER. Let me ask you this further question, Mr. Chairman. I mentioned to the previous witness about the mobile units, X-ray units. How many cases of tuberculosis do you normally find? Is it a greater proportion of cases that you find from these mobile clinics, or is it by staffing?

Dr. BLOMQUIST. No; we find a rather consistent number of cases per people examined. We are finding about 1 active new case, an unreported case, per 1,000 people examined. Last year we X-rayed, countrywide, about 17 million people. That is an increase of about a million over the year before.

Senator POTTER. You find about one per thousand?

Dr. BLOMQUIST. Yes, sir.

Senator POTTER. So it has been a worthwhile program?

Dr. BLOMQUIST. It has been a tremendously important program. One of the big services that the health departments are giving is discovering cases early. One of the disadvantages we have with tuberculosis is that in the early stages some patients have no symptoms and the disease becomes quite advanced before they are aware of it.

Senator POTTER. Well, do X-rays always show tuberculosis?

Dr. BLOMQUIST. Almost always. The tuberculosis problem in the United States is almost 100 percent pulmonary tuberculosis, and that does show early stages by X-ray.

IMPROVEMENT OF LABORATORY DIAGNOSIS

Senator HILL. You have a new method now for cultivating the sputum?

Dr. BLOMQUIST. Yes; the laboratory tests are being improved. The time factor is being reduced, all of which helps in early diagnosis.

NEW DRUG STREPTOVARICIN

Senator HILL. Did you mention the new drug streptovaricin?

Dr. BLOMQUIST. I didn't mention it today. We are interested in it. We have plans to investigate its effectiveness in cooperation with a number of hospitals throughout the country. That will be one of our programs this year.

Senator HILL. You haven't had an opportunity to investigate it, though?

Dr. BLOMQUIST. It is just starting.

Senator HILL. Just starting.

Dr. BLOMQUIST. The preliminary tests indicate that it will probably be a very good partner in connection with isoniazid. Perhaps it will be a better partner than "PAS," which is the drug we are using. It is an oral drug, and has the advantage of being taken easily by the patient.

Senator HILL. No needle is necessary?

Dr. BLOMQUIST. No needle is necessary.

Senator POTTER. That is tremendously helpful. Is this a preventive drug, or a treatment?

Dr. BLOMQUIST. So far its true effectiveness has not been demonstrated. We are going to test that. It has been used on animals and on just a selected few patients. So far it has only been looked upon as a therapeutic agent, or a treatment drug, not a preventative.

Senator HILL. Thank you, Doctor.

CONTROL OF COMMUNICABLE DISEASES

STATEMENTS OF DR. THEODORE J. BAUER, DEPUTY CHIEF, BUREAU OF STATE SERVICES; ROY L. HARLOW, CHIEF FINANCE OFFICER; AND JAMES F. KELLY, DEPARTMENT BUDGET OFFICER

APPROPRIATION ESTIMATE

Communicable diseases: To carry out, except as otherwise provided for, those provisions of sections 301, 311, and 361 of the Act relating to the prevention and suppression of communicable and preventable diseases, and the interstate transmission and spread thereof, including the purchase, erection, and maintenance of portable buildings; [purchase of not to exceed eighteen passenger motor vehicles for replacement only;] and hire, maintenance, and operation of aircraft; [\$5,210,000] \$6,260,000.

Amounts available for obligation

	1957 appropriation	1958 budget estimate	1958 House allowance
Appropriation or estimate.....	\$5,750,000	\$6,260,000	\$6,200,000
Total obligations.....	5,750,000	6,260,000	6,200,000

Obligations by activities

Description	1957 appropriation		1958 budget estimate		House allowance	
	Positions	Amount	Positions	Amount	Positions	Amount
1. General disease prevention and control.	462	\$2,953,300	491	\$3,310,000	487	\$3,250,000
2. Specific disease prevention and control.	280	2,310,200	292	2,435,000	292	2,435,000
3. General epidemic and disaster aid.....	0	40,000	0	40,000	0	40,000
4. Administration.....	87	446,500	87	475,000	87	475,000
Total obligations.....	829	5,750,000	870	6,260,000	866	6,200,000

EFFECT OF HOUSE ACTION

Activity No. 1. General disease prevention and control

The House allowed \$119,100 for mandatory increases, and reduced the program increase requested of \$258,000 and 29 positions to \$198,000 and 25 positions. The program reduction of \$60,000 will seriously impede the much needed acceleration of work on diagnostic reagents.

Diagnostic procedures cannot be undertaken without the necessary reagents. Essentially, none of the more unusual diagnostic reagents are available commercially and many of the commonly used ones are not standardized to make general use practicable. Standardization is of utmost importance so that they can be depended upon in laboratory diagnoses. Although the Communicable Disease Center has undertaken the preparation of a number of these reagents, there are few standards for their production or utilization.

The reduction in this activity will delay the production and standardization of these diagnostic reagents and will inhibit State and local health laboratories in making more rapid and accurate diagnoses on many communicable diseases.

Activity No. 2. Specific disease prevention and control

The full amount requested of \$2,435,000 for 292 positions and other expenses was allowed by the House. This is an increase of \$132,200 over the 1957 base. This increase includes \$53,400 for mandatory items and \$78,800 for 12 positions and related costs for studies of respiratory and other virus diseases.

Activity No. 3. General epidemic and disaster aid

The full amount requested of \$40,000 was allowed by the House. This amount provides for assistance to State and local health departments in the prevention and control of communicable diseases during epidemics and disasters.

Activity No. 4. Administration

The House allowed the full amount of the requested increase of \$28,500 over the 1957 base for mandatory items.

Obligations by objects

	1957 appropriation	1958 budget estimate	1958 House allowance
Total number of permanent positions.....	\$29	\$70	\$66
Full-time equivalent of all other positions.....	5	5	5
Average number of all employees.....	770	805	798
Number of employees at end of year.....	\$15	\$55	\$47
01 Personal services.....	\$4,171,535	\$4,343,165	\$4,304,465
02 Travel.....	263,300	272,100	271,100
03 Transportation of things.....	61,300	67,800	66,900
04 Communication services.....	\$2,900	\$5,400	\$4,900
06 Rents and utility services.....	85,200	\$1,500	\$9,800
06 Printing and reproduction.....	33,600	34,200	34,200
07 Other contractual services.....	518,500	537,000	532,500
Services performed by other agencies.....	3,100	3,100	3,100
08 Supplies and materials.....	325,865	357,935	349,235
09 Equipment.....	135,300	194,600	190,600
11 Grants, subsidies, and contributions.....	0	195,800	195,800
13 Refunds, awards, and indemnities.....	7,900	7,900	7,900
15 Taxes and assessments.....	21,500	29,500	29,500
Unclassified (general epidemic and disaster aid).....	40,000	40,000	40,000
Total obligations.....	5,750,000	6,260,000	6,200,000

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New positions requested, 1958

Title	Grade	Number	Annual salary
1. General disease prevention and control:			
Scientist.....	GS-13.....	2	\$17,980
Do.....	GS-12.....	1	7,570
Do.....	GS-11.....	4	25,560
Do.....	GS-9.....	5	27,200
Research technician.....	GS-5.....	5	18,350
Do.....	GS-4.....	1	3,415
Clerical assistant.....	GS-3.....	3	9,525
Research technician.....	GS-2.....	1	2,960
Animal caretaker.....	GS-1.....	2	5,380
Full grade.....	CO.....	1	8,013
Senior assistant grade.....	CO.....	1	6,918
Laborer.....	Ungraded.....	2	4,617
Animal caretaker.....	do.....	1	2,309
Total positions and annual salaries.....		29	139,797
Deduct lapses.....			26,097
Net cost.....			113,700
2. Specific disease prevention and control:			
Medical officer.....	GS-14.....	1	10,320
Scientist.....	GS-13.....	1	8,990
Do.....	GS-12.....	1	8,215
Do.....	GS-11.....	1	6,390
Do.....	GS-9.....	2	11,420
Clerical assistant.....	GS-5.....	3	11,010
Research technician.....	GS-5.....	1	3,670
Clerical assistant.....	GS-4.....	3	10,245
Do.....	GS-3.....	2	6,350
Animal caretaker.....	GS-2.....	1	2,960
Full grade.....	CO.....	1	8,359
Senior assistant grade.....	CO.....	2	12,036
Junior assistant grade.....	CO.....	1	4,063
Laborer.....	Ungraded.....	2	5,000
Total positions and annual salaries.....		122	109,028
Deduct lapses.....			60,098
Net cost.....			48,930

¹ Part of this increase is offset by a reduction of 10 positions in the departmental service, at net cost of \$54,000.

Summary of changes

1957 actual appropriation.....	\$5,750,000
Deductions for passenger motor vehicles and other program reductions.....	—27,800
Adjusted 1957 appropriation.....	5,722,200
1958 appropriation request.....	6,260,000
Net change requested.....	537,800

	Positions	Estimate	Positions	House allowance
For mandatory items:				
Extra day of pay.....		\$8,800		8,800
Retirement and social-security contributions.....		192,200		192,200
Annualization of 1957 program.....				
Total.....		201,000		201,000
For program items:				
General disease including diagnostic reagents, insect resistance to insecticides, and economic poisons.....	29	258,000	25	198,000
Specific disease—respiratory and other virus.....	12	78,800	12	78,800
Total change requested.....	41	537,800	37	477,800

STATEMENT BY DEPUTY CHIEF, BUREAU OF STATE SERVICES, PUBLIC HEALTH SERVICE, ON CONTROL OF COMMUNICABLE DISEASES, PUBLIC HEALTH SERVICE

Mr. Chairman and members of the committee, I wish to discuss first the budget as submitted to Congress and later in the statement I will speak to the effect of the House action on the budget.

This appropriation provides funds for the operation of the Communicable Disease Center of the Public Health Service, which is the headquarters for our nationwide battle against infectious diseases.

The center's program has evolved around the concept that the ultimate solution to disease problems involves prompt and thorough investigation of each major disease outbreak in the locality and at the time it occurs. These investigations, in which the center and State health departments cooperate, enable State health authorities to act more effectively in controlling outbreaks and accelerate the center's development of more rapid diagnostic methods and preventive measures. Our weapons in this battle are the practical scientific measures of epidemiologic investigations, field studies, laboratory research, demonstrations, and training.

DISEASE CONTROL AID TO STATES

Communicable Disease Center activities begin with disease outbreaks or threats to health that tax or exceed State health resources, transcend State boundaries, or are associated with Federal activity. Assistance in the form of scientific personnel, special materials, or equipment is dispatched to States upon request; in some instances, consultation services may suffice. In 1956 the center responded to 76,900 requests for services, consultation, and aid, 250 of which were field investigations to meet emergencies in epidemics or disasters. Outbreaks of encephalitis in 13 widely separated States accounted for a majority of the aid requests so far this year and required the services of 32 professional specialists, as well as equipment and emergency supplies. Continuing studies on the source of the encephalitis virus in nature, methods of transmission to man, and ways of preventing the disease are conducted at center field stations. Therefore, trained personnel and specialized equipment were available immediately when the need arose. Assistance to the States in the control of encephalitis outbreaks met a twofold need. The State health agencies received expert assistance, and the center was provided with opportunities to conduct firsthand epidemiologic studies on the role of insect populations, distribution of the virus in nature, and other factors which offer promising leads to the solution of this widespread problem.

A similarly logical pattern of activity has developed in relation to poliomyelitis and the Salk vaccine. During fiscal year 1957 the center continued to evaluate the safety and effectiveness of the vaccine. Field epidemiologists working in the center's Polio Surveillance Unit, the CDC laboratories, and 27 State and university laboratories under contract, supply immediate aid to State and local health jurisdictions, provide accurate laboratory diagnoses of cases, and data upon which to judge effectiveness and safety of the vaccine.

In fiscal year 1956, diagnostic laboratories found that approximately one-third of the specimens from cases clinically diagnosed as nonparalytic polio yielded viruses which did not belong to the polio family. It thus became evident that an even more thorough diagnostic job must be done in the laboratories of the country in order to differentiate polio from the polioliike diseases. Since the Salk vaccine is specific only for poliomyelitis, its effectiveness and safety would be unfairly questioned if polio-like diseases, particularly in vaccinated individuals, were mistakenly diagnosed as polio. Further, these newly discovered diseases constitute a health problem of their own which also merit attention. The CDC epidemiology and laboratory branches, in cooperation with 10 other contract laboratories, are studying them in an effort to provide definite diagnostic methods that can be used by State and local laboratories.

During fiscal year 1956, 36 requests for emergency aid involving 20 different diseases came from States or territorial health departments, the Air Force, and the Navy. In addition to poliomyelitis, polioliike diseases and encephalitis, center assistance was most frequently sought in connection with diphtheria, rabies, psittacosis, viral hepatitis, and diarrhea of the newborn. Scientific personnel, specialized equipment, and materials were provided by the center on 14 occasions when disasters threatened the public health.

INVESTIGATIONS

Investigative work continued on other viral diseases and on many which are of bacterial, mycotic, or parasitic origin. These include the diseases for which epidemic aid was requested and others less known but equally devastating.

Problems related to insect resistance to insecticides and toxic hazards associated with the use of pesticidal compounds have grown rapidly within the past 5 years. The public, having enjoyed the health benefits of insect control provided by DDT, is insistent upon maintaining the gains. New compounds effective on DDT resistant insects, but potentially poisonous to man, have been developed and used in large quantities. Thus, attempts to overcome the problem of insect resistance have accentuated the problem of toxicity to man. The center has conducted limited investigations on both problems during the past 3 years. Increased funds requested for fiscal year 1958 will permit expansion of these studies that have worldwide significance.

LABORATORY SERVICES AND NEW TECHNIQUES

In addition to the 15,022 laboratory diagnoses and other services performed in conjunction with epidemiologic investigations and field studies in 1956, the center—

1. Processed 20,036 reference diagnostic specimens and 12,244 received from health departments of States and Territories, from other Federal agencies, and from foreign countries.

2. Served as a referee for interstate laboratory programs and evaluated methods and performance in parasitology diagnosis for 6 States and in bacteriology for 7.

3. Prepared and stocked 32 types of antigens and antisera, which are not available commercially, for use by State laboratories. The demand for diagnostic antigens and antisera is increasing with the increased interest in such diseases as leptospirosis, histoplasmosis, and the other mycoses, the enteric diseases, staphylococcal infections, psittacosis, the polioliike diseases, and many others. Therefore, it has become necessary for the center to develop and produce a wider range of such materials and to make them available to diagnostic laboratories as a prerequisite to achieving the progress that is possible with current methods. An increase in funds has been requested for this activity.

4. Continued investigations to develop more rapid, accurate, and economical diagnostic techniques. Last year the Center reported the development of a new and relatively simple technique which permits rapid and specific identification of pathogenic organisms even when they are present in small numbers in heavily contaminated materials. This procedure, which employs a fluorescent dye associated with serum antibodies, is as specific as any serological test and requires less than an hour for organism identification in contrast to older methods which require up to a week or more for identification. Continuing studies of these procedures have permitted the detection and identification of the organisms causing cholera, brucellosis, plague, tularemia, and glanders in animals and man. Currently, studies are underway to apply this procedure to the rapid identification of the organisms involved in anthrax, diphtheria, and streptococcal infections. Modification of the procedures may reduce the number of specific reagents required and thus make possible its wider utilization in diagnostic laboratories throughout the country. This timesaving technique has important implications, both in connection with defense against biological warfare and the diagnosis of communicable disease during peacetime.

TRAINING

During fiscal year 1956, 110 organized training courses in 73 subject areas were presented for physicians, nurses, laboratories, sanitarians, and other professional and subprofessional public health personnel. These courses were attended by more than 1,547 health workers from State and local health departments, other Federal agencies, industries, and from foreign countries. More than 100 other persons were given instruction on an individual basis.

Training for medical health officers and nurses has been accelerated during the past year. It is largely through these workers in the State and local health departments that the public receives the benefits which accrue from the Center's investigative activities.

To extend the laboratory training services, specimens for review and for practice in diagnosis were supplied to qualified individuals and State and territorial laboratories. More than 5,000 parasitology, mycology, pulmonary mycology, and tuberculosis specimens were distributed.

Because of the growing awareness in the medical profession that pulmonary mycoses are frequently misdiagnosed and treated as tuberculosis, the Center's training in diagnostic methods for these infections and its laboratory reference diagnostic services were drawn upon increasingly often.

Audiovisual training aids produced during the past year included 6 motion pictures, 8 filmstrips, 12 short subjects and special projects, 16 slide series and 9 exhibits. Distribution of training materials, which included audiovisual aids and literature, totaled more than 100,000 items.

CONSULTATION AND DEMONSTRATIONS

Through years of studies and investigations, the Center has gradually accumulated a stockpile of information related to communicable diseases. A significant means through which this information is made available to public health workers, nationally and internationally, is by dispatching qualified personnel to work with requesting health agencies. They serve as consultants and advisors on specific public health problems.

Consultative teams are available, upon request, to review the technical and administrative aspects of public health laboratory, epidemiology, and training programs anywhere in the United States. Specialists in insect and rodent control are available to advise and assist health agencies on proper methods and formulations to control disease-bearing pests.

In cooperation with State and local health departments, the Center periodically conducts field demonstrations to acquaint public health personnel with new concepts and techniques being developed and tested at the Center.

As reported last year, the Center has organized a tristate rabies control demonstration project for Florida, Georgia, and Alabama. The CDC provides veterinary officers to assist these States in their control programs, act as coordinator for the region, conducts experimental laboratory work, and effects integration of the investigational phases of the program. Cooperative study programs on rabies in wildlife, including bat rabies, have been established. Since the beginning of the project, the number of complete countywide control programs has increased in Georgia and Florida and a new statewide program is in operation in Alabama. In Georgia, all confirmed cases of rabies are now routinely followed up and control campaigns are begun before the disease becomes widespread. This has been accompanied by a decrease in the incidence of animal rabies reported during the year.

Disease vector demonstration projects are operated at Laredo, Tex., Cedar Rapids, Iowa, Gadsden, Ala., and Boise, Idaho. Problems dealt with include (1) refuse handling and disposal; (2) elimination of insanitary privies; (3) rodent control; (4) proper maintenance of animal shelters; and (5) mosquito production from artificial breeding sites.

SUMMARY

In summary, the Communicable Disease Center, in cooperation with other public health agencies—local, State, and Federal, has as its goal the elimination of communicable diseases as public health problems. The combined efforts of all of these agencies have resulted in noteworthy progress as evidenced by the downward trend of deaths caused by infectious diseases, but much still remains to be done. Continuing and unremitting efforts are necessary to insure that diseases of reduced incidence remain under control and that the challenge of uncontrolled communicable disease is met.

I would like to discuss what the effects will be in reducing this estimate from \$6,260,000 to \$6,200,000, or a net decrease of \$60,000.

EFFECT OF HOUSE ACTION

A proposed reduction by the House of \$60,000 of the increase requested would seriously impede the much needed acceleration of work on diagnostic reagents.

Diagnostic procedures cannot be undertaken without the necessary reagents. Essentially, none of the more unusual diagnostic reagents are available commercially and many of the commonly used ones are not standardized to make general use practicable. Standardization is of utmost importance so that they can be

depended upon in laboratory diagnoses. Although the Communicable Disease Center has undertaken the preparation of a number of these reagents, there are few standards for their production or utilization. It is imperative that this program be extended to develop standards of production and reactivity which will assure reasonable reproducibility of results from laboratory to laboratory.

A reduction of \$60,000 in this activity will delay the production and standardization of these diagnostic reagents and will inhibit State and local health laboratories in making more rapid and accurate diagnoses on many communicable diseases.

ATLANTA CENTER

Senator HILL. Doctor, will you proceed now in your own way, sir. We are glad to have you here, sir.

Dr. BAUER. Mr. Chairman and members of the committee, I am pleased to have an opportunity to make a brief statement concerning the program of the Communicable Disease Center, a division of the Bureau of State Services, located in Atlanta, Ga. It was established in 1946 to assist the States in the prevention and suppression of communicable diseases. This is done by converting the findings of basic research into practical disease-control methods, and by disseminating this new knowledge and new information and new techniques to State and local health authorities. The center provides a mobile resource of scientific personnel and the most modern methods and equipment to strike against these diseases whenever and wherever they may appear.

Despite the significant progress which has been made, the occurrence of many communicable diseases continues at a high level. As knowledge advances, the complexities of some of our disease problems become more apparent.

EXAMPLES OF DISEASES

Senator HILL. Excuse me, 1 minute. Suppose you give us a few examples of diseases you are now referring to as communicable diseases, and then we will get a little better picture of what you are speaking about.

Dr. BAUER. The communicable diseases are diseases caused by an infectious living agent, the viruses, the bacteria, the fungus growths and parasites.

Senator HILL. Now call off the names of some of these diseases. I was about to make that suggestion, that you call off the names of some of these diseases.

Dr. BAUER. Examples of these diseases would be smallpox, typhoid fever, polio, diarrhea and dysentery, encephalitis or sleeping sickness. Also malaria and yellow fever which we fortunately have no longer in this country although they are a constant threat.

COMMON COLD

Senator POTTER. What about the common cold?

Dr. BAUER. The common cold.

Senator POTTER. That is not so good.

Dr. BAUER. And its associated virus diseases of course gives rise to the most important problem we have in communicable diseases, as it relates to the loss of manpower in the country. In fact we cannot exactly estimate the cost of the common cold to the country, but it amounts to around \$2.5 billion a year.

Senator HILL. You might also make some estimate as to the mental and physical discomfort, Doctor.

Dr. BAUER. Yes.

Senator HILL. That disturbs me much more than the manpower loss.

Dr. BAUER. Well, it is the disease, of course, which causes the most difficulty to the normal population, that is, the good working population.

EFFECTIVENESS OF WONDER DRUG ON COMMON COLD

Senator POTTER. Do you have any wonder drugs or anything that will take care of that virus problem?

Dr. BAUER. No, sir; I am sorry to report that the antibiotics, the wonder drugs, have not attacked the viruses associated with the common cold to the same extent they have the bacterial diseases, such as streptococcus and staphylococcus infections, which are the normal infectious agents of boils, sore throats and tonsilitis, and a great many other things.

Senator POTTER. How many viruses are there that we normally refer to as the common cold?

STUDY OF COMMON COLD VIRUSES

Dr. BAUER. Right now we are confronted with the problem of differentiating between the various viruses. There are now up to more than 40 different types and there are many that are still unidentified, so 1 of the increases that we are asking for is just to study this particular problem.

Senator POTTER. I think, Mr. Chairman, I get all 40 at once when I get them.

Senator HILL. At least you feel that way.

All right, Doctor.

Dr. BAUER. One of the most monumental problems actually that we are confronted with today is that of the virus diseases. Some of the virus diseases have been identified, and their effects defined. However, as knowledge develops, it is increasingly more apparent that the viruses under control are relatively few as compared to the total species that apparently are present in this country.

DISEASE CENTER STUDY ON SALK VACCINE

I would like to say a word about the Communicable Disease Center studies on the use of the Salk vaccine. These are continuing, and should continue for a number of years. They should continue, first, to follow the potency level on the vaccine; and, secondly, to determine the duration of immunity afforded.

BUDGETARY INCREASES REQUESTED

Budgetary increases requested are in four areas for next year. The first is for additional work on the laboratory diagnostic reagents, which are fundamental to State and local progress in the identification and ultimate control of many diseases.

The second is for field and laboratory studies in hepatitis, which is a virus infection of the liver, and the acute respiratory infections.

These studies are made possible by recent advances in this field, such as the virus tissue culture techniques.

The third increase is requested for studies on the mechanisms of insect resistance against insecticides. These are essential to continue the progress in the control of vector-borne diseases.

The fourth increase is for developing means for protecting users and the public from the toxic effects of the many newly developed economic poisons now being marketed by the millions of pounds each year.

WORK ON DIAGNOSTIC REAGENTS

The proposed reduction by the House of \$60,000 of the increase requested would seriously impede the much needed acceleration of the work on diagnostic reagents. Diagnostic procedures cannot be taken without these necessary reagents. Essentially none of the more unusual diagnostic reagents are available commercially and many of the commonly used ones are not standardized to make general use practicable. This reduction will inhibit State and local health departments from making rapid and accurate diagnoses in many of the communicable diseases.

Thank you.

EFFECT OF HOUSE REDUCTION

Senator HILL. Dr. Bauer, let me ask you this question: This cut of \$60,000 made by the House would come from where?

Dr. BAUER. The cut of \$60,000 would decrease our efforts in producing and standardizing diagnostic reagents which are necessary for State and local laboratories to diagnose infectious diseases, particularly many of these newly discovered infectious diseases caused by the viruses.

Senator HILL. That \$60,000 will be a cut out of how much for this particular purpose?

Dr. BAUER. For this particular purpose it will be a cut out of approximately, I don't have the exact figure, but it runs about \$125,000 to \$150,000 total expenditure in this area at the present time. In other words it would be \$60,000 less than such sum.

Senator HILL. You still get between \$125,000 and \$150,000?

Dr. BAUER. No, sir; this would be a decrease from that figure.

(CLERK'S NOTE.—The budget estimate for this appropriation is \$6,260,000, an increase of \$537,800 over the current year's appropriation. Mandatory increases account for \$201,000, leaving a total of \$537,800 sought for expanded program items. The \$60,000 cut by the House is out of the increase requested for expanded program items, and will not require a reduction below the 1957 level for any item.)

Senator HILL. Oh, that would be a decrease. Well then, elaborate a little more on just what that effect would be, or what the result of that would be?

Dr. BAUER. Well, actually, it amounts to the fact that many of these laboratory reagents are not now commercially profitable from the standpoint of industry producing them, because their need isn't sufficient to make mass production necessary; therefore, in the differential diagnosis of virus diseases, particularly those virus diseases that cause illnesses like nonparalytic polio, we would just collect laboratory specimens that couldn't be run.

DESCRIPTION OF DIAGNOSTIC REAGENTS

Senator HILL. Well now, give us an illustration of diagnostic reagents.

Dr. BAUER. An example of a diagnostic reagent is material that is developed in a laboratory animal that when put together with the blood or serum of an individual will identify a specific type of organism or infection. In other words, if you have a person who is ill with a disease that appears to be like polio, but may not be polio, these biological products would be used to tell you whether or not you are dealing with a polio epidemic or some other epidemic. This service, of course, will be at the local level or at least at the State level.

Senator HILL. You carry out the experiments here at your center, but of course the application, as you say, would be at the local level?

Dr. BAUER. Well, we go further than that, Mr. Chairman; we actually produce these biologics and provide them to the States and local laboratories, that is, those types that are not now commercially available.

REAGENTS NOT COMMERCIALY AVAILABLE

Senator HILL. Those which they can't buy from pharmaceutical houses?

Dr. BAUER. That is correct.

Senator HILL. They haven't yet reached that stage where commercially it would be profitable so that a private company would be encouraged to produce them: is that right?

COOPERATION WITH INDUSTRY

Dr. BAUER. That is correct, sir, and we work very closely with industry so that as soon as they are, we turn the production over to them.

Senator HILL. And now you have cases, do you, where you have produced these reagents and have distributed them and now those reagents are being produced by pharmaceutical companies, so that you no longer produce them?

Dr. BAUER. That is correct.

ILLUSTRATION OF TYPES DEVELOPED

Senator HILL. Can you give us an illustration?

Dr. BAUER. That is true in some of the streptococcus types. I know it is also true for psittacosis, that is, the parrot fever illness. There are other examples that I just don't have at the moment.

Senator HILL. Well now, according to the figures that I have here, the estimate for this was \$250,000, approximately \$250,000, and the House cut you \$60,000, which would give you \$198,000.

Dr. BAUER. That is correct, but that includes not only the diagnostic reagents, but these others.

Senator HILL. It includes all these insecticides?

Dr. BAUER. The studies on insect resistance and the studies of the toxicity of economic poisons and also the mandatory increases in civil service retirement.

Senator HILL. How much of that would be mandatory?

Dr. BAUER. Of the overall increases or of this specific item?

Mr. KELLY. \$212,000 of the total appropriation.

Senator HILL. When you say "the appropriation" what item are you speaking of?

Mr. KELLY. The grand total of communicable disease appropriation.

Senator HILL. That is the overall total?

Mr. KELLY. That is correct.

Mr. HARLOW. Mr. Chairman, with your permission, we have to correct this record. I think Dr. Bauer left the intimation that this particular \$60,000 cut by the House would reduce this particular activity and I am not so sure he is right on that, but I would like to take a good look at it when we get the record. I think that is a part of the increase, but not necessarily a reduction in the total amount available.

Senator HILL. In other words, it may be a reduction in plans for proposed increased activities rather than a reduction in the existing activities?

Dr. BAUER. That is what I meant, sir.

Senator HILL. I see. Now, give us a demonstration of an economic poison.

TOXIC HAZARDS OF ECONOMIC POISONS

Dr. BAUER. An economic poison is a chemical or group of chemicals that are used to kill insects of public-health importance such as mosquitoes, flies, fleas.

Senator HILL. Roaches?

Dr. BAUER. Roaches do not have the same public-health significance as the others, but these drugs will kill all insects of that sort, and in using these compounds there is a toxic hazard not only to the user but a potential hazard, if not properly used, to the community. These compounds are increasing in number very rapidly, and there is a need to increase our activities in the area and to study the effects on the population as well as on the user of them.

Senator HILL. Since I mentioned the roach, is the roach a carrier of disease?

Dr. BAUER. Actually, the roach is not a known carrier of disease, except as it might step in some contaminating matter and spread it somewhere else.

Senator HILL. Just as you or I might put our hands or something into some contaminated matter?

Dr. BAUER. Yes; that is the only way it will carry it. It is not like the mosquito or the flea, the former of which is essential to the spread of malaria and the latter of plague.

Senator HILL. Do you have any questions you would like to ask?

Senator PASTORE. No, but I would like to have it stated whether they are asking for restoration of the \$60,000.

Dr. BAUER. No.

Senator HILL. All right. They are not asking for it.

Doctor, we certainly have very much appreciated having you with us, and are always glad to have you with us.

SANITARY ENGINEERING ACTIVITIES

STATEMENTS OF MARK D. HOLLIS, CHIEF, DIVISION OF SANITARY ENGINEERING; ACCOMPANIED BY WESLEY E. GILBERTSON, ASSISTANT CHIEF, DIVISION OF SANITARY ENGINEERING SERVICES; DR. ALBERT L. CHAPMAN, CHIEF, DIVISION OF SPECIAL HEALTH SERVICES; AND JAMES F. KELLY, DEPARTMENT BUDGET OFFICER

APPROPRIATION ESTIMATE

Sanitary engineering activities: For expenses, not otherwise provided, necessary to carry out those provisions of sections 301, 311, 314 (c), and 361 of the Act relating to sanitation and other aspects of environmental health, including enforcement of applicable quarantine laws and interstate quarantine regulations, and for carrying out the purposes of the [Act] Acts of July 14, 1955 (Public Law 159), [including] and July 9, 1956 (Public Law 660), including \$2,700,000 for grants to States and \$300,000 for grants to interstate agencies; the hire, maintenance, and operation of aircraft; and the purchase of not to exceed [eight] nine passenger motor vehicles for replacement only; [\$6,000,000] \$13,063,000, to remain available only until June 30, [1957] 1958.

[Sanitary engineering activities: For an additional amount for "Sanitary engineering activities", for carrying out the purposes of the Act of July 9, 1956 (Public Law 660), not otherwise provided for, \$3,000,000, including \$1,800,000 for grants to States and \$200,000 for grants to interstate agencies.]

Amounts available for obligation

	1957 appropriation	1958 budget estimate	1958 House allowance
Appropriation or estimate.....	\$9,000,000	\$13,063,000	\$12,640,000
Deductions: Comparative transfer to "Assistance to States, general, Public Health Service".....	51,000	0	0
Total obligations.....	\$,949,000	13,063,000	12,640,000

Obligations by activities

Description	1957 appropriation		1958 budget estimate		1958 House allowance	
	Positions	Amount	Positions	Amount	Positions	Amount
1. Air pollution.....	157	\$2,740,000	213	\$4,100,000	213	\$4,000,000
2. Water supply and water pollution control.....	355	4,224,100	430	6,610,000	430	6,500,000
3. Ratiological health.....	42	347,800	78	608,000	51	395,000
4. Milk and food sanitation.....	55	446,000	58	490,000	58	490,000
5. Interstate carrier and general sanitation.....	70	493,000	70	510,000	70	510,000
6. Sanitary engineering center research services.....	66	403,100	66	440,000	66	440,000
7. Administration.....	43	295,000	43	305,000	43	305,000
Total obligations.....	788	\$,949,000	958	13,063,000	931	12,640,000

EFFECT OF HOUSE ACTION

Activity No. 1. Air pollution

The House allowed an increase of \$67,205 for mandatory items but reduced the program increase requested of \$1,292,795 to \$1,192,795. This reduction will curtail important medical and engineering investigations regarding the sources and effects of air pollution which are already under way; will set back scientific

studies to provide the technical information so urgently needed for local control programs.

Activity No. 2. Water supply and water pollution control

The House allowed an increase of \$446,940 for mandatory items and reduced the program increase requested of \$1,938,960 to \$1,828,960. This reduction will curtail research on the pollutional effects of complex chemicals, synthetics and other substances now preventing use of scarce waters, and will limit the consultative service to be furnished.

Activity No. 3. Radiological health

The House allowed an increase of \$21,743 for mandatory items and reduced the program increase of \$238,457 and 36 positions to \$25,457 and 9 positions. This action will reduce to token efforts the research studies in the epidemiological and environmental aspects of radiation, and the program of training and technical assistance. This is most serious as the program is just coming to grips with one of the most extensive and serious threats to public health of the current age, i. e., the effect of accumulated radiation upon human beings, a matter of grave concern to scientists and public officials.

Activity No. 4. Milk and food sanitation

The House allowed the full request of \$490,000 and 58 positions. This represents an increase of \$44,000 and 3 positions over the 1957 base of \$446,000. Of this increase \$13,817 is for mandatory items, and \$30,183 for expansion of the program to provide for research studies and field investigations with regard to poultry sanitation.

Activity No. 5. Interstate carrier and general sanitation

The House allowed the full amount requested of \$510,000 and 70 positions, which represents an increase of \$17,000 over the 1957 base, all of which is for mandatory items.

Activity No. 6. Sanitary engineering center research services

The House allowed the full amount requested of \$440,000 and 66 positions. This is an increase of \$36,900 over the 1957 base of \$403,100. Of this increase \$17,600 is for mandatory items, and \$19,300 for additional supplies, materials, equipment and services essential in performing maintenance work in the laboratory and building facilities.

Activity No. 7. Administration

The full amount requested of \$305,000 and 43 positions was allowed by the House. This represents an increase of \$10,000 over the 1957 base, all of which is for mandatory items.

Appeal requested

It is urgently requested that \$213,000 be restored to the budget for research, training, and technical assistance in the radiological health activity.

Obligations by objects

	1957 appropriation	1958 budget estimate	1958 House allowance
Total number of permanent positions.....	788	958	931
Full-time equivalent of all other positions.....	15	30	30
Average number of all employees.....	687	891	858
Number of employees at end of year.....	750	900	853
01 Personal services.....	\$4, 105, 750	\$5, 324, 650	\$5, 126, 450
02 Travel.....	445, 660	573, 350	545, 150
03 Transportation of things.....	91, 700	109, 340	103, 640
04 Communication services.....	56, 000	70, 920	69, 920
05 Rents and utility services.....	76, 700	102, 590	101, 590
06 Printing and reproduction.....	80, 760	137, 180	131, 180
07 Other contractual services.....	341, 090	999, 650	925, 650
Services performed by other agencies.....	552, 000	605, 000	605, 000
08 Supplies and materials.....	185, 900	232, 670	203, 870
09 Equipment.....	203, 770	492, 250	426, 450
11 Grants, subsidies, and contributions.....	2, 785, 000	4, 159, 000	4, 159, 000
Contribution to retirement fund.....	0	223, 500	210, 800
13 Refunds, awards, and indemnities.....	4, 100	7, 800	7, 300
15 Taxes and assessments.....	20, 570	25, 100	24, 000
Total obligations.....	8, 949, 000	13, 063, 000	12, 640, 000

New positions requested, 1958

Title	Grade	No.	Annual salary
1. Air pollution:			
Engineer.....	GS-15.....	2	\$23, 220
Scientist.....	GS-15.....	1	11, 610
Scientist.....	GS-15.....	2	20, 640
Engineer.....	GS-13.....	3	26, 970
Administrative officer.....	GS-12.....	1	7, 570
Engineer.....	GS-12.....	1	8, 000
Scientist.....	GS-12.....	3	24, 645
Engineer.....	GS-11.....	2	13, 640
Public health program specialist.....	GS-11.....	1	6, 390
Scientist.....	GS-11.....	2	13, 640
Statistician.....	GS-11.....	1	6, 390
Engineer.....	GS-9.....	3	17, 535
Scientist.....	GS-7.....	4	19, 180
Engineering assistant.....	GS-5.....	1	3, 670
Scientist.....	GS-5.....	7	25, 690
Clerical assistant.....	GS-4.....	4	13, 660
Director grade.....	CO.....	1	9, 690
Senior grade.....	CO.....	3	27, 747
Full grade.....	CO.....	7	52, 280
Senior assistant grade.....	CO.....	5	35, 340
Assistant grade.....	CO.....	1	5, 730
Junior assistant grade.....	CO.....	1	4, 446
Total positions and annual salaries.....		56	377, 683
Deduct lapses.....			53, 634
Net cost.....			324, 049
2. Water supply and water pollution control:			
Scientist.....	Exempt.....	1	14, 800
Chief of section.....	GS-15.....	1	11, 610
Engineer.....	GS-14.....	3	30, 960
Engineer.....	GS-12.....	3	23, 355
Scientist.....	GS-12.....	6	49, 290
Scientist.....	GS-11.....	5	34, 100
Statistician.....	GS-11.....	1	6, 390
Program publication specialist.....	GS-11.....	1	6, 390
Scientist.....	GS-9.....	1	5, 440
Administrative staff assistant.....	GS-8.....	1	4, 970
Administrative staff assistant.....	GS-7.....	2	9, 050
Engineering assistant.....	GS-7.....	1	4, 525
Scientist.....	GS-7.....	4	19, 180
Engineering assistant.....	GS-6.....	1	4, 080
Clerical assistant.....	GS-5.....	2	7, 340
Laboratory technician.....	GS-5.....	1	3, 670
Personnel assistant.....	GS-5.....	4	14, 680
Clerical assistant.....	GS-4.....	8	27, 320
Laboratory technician.....	GS-4.....	8	27, 320
Clerical assistant.....	GS-3.....	9	28, 575
Clerical assistant.....	GS-2.....	1	2, 960
Director grade.....	CO.....	10	92, 042
Assistant grade.....	CO.....	1	4, 995
Total positions and annual salaries.....		75	433, 042
Deduct lapses.....			129, 912
Net cost.....			303, 130
3. Radiological health:			
Scientist.....	GS-13.....	1	10, 065
Statistician.....	GS-12.....	1	7, 570
Public health program specialist.....	GS-9.....	1	5, 440
Scientist.....	GS-9.....	3	17, 130
Clerical assistant.....	GS-5.....	4	14, 680
Engineering assistant.....	GS-5.....	3	11, 010
Clerical assistant.....	GS-4.....	5	17, 075
Clerical assistant.....	GS-3.....	2	6, 350
Director grade.....	CO.....	2	20, 625
Senior grade.....	CO.....	2	21, 681
Full grade.....	CO.....	7	54, 947
Senior assistant grade.....	CO.....	5	31, 569
Total positions and annual salaries.....		36	218, 142
Deduct lapses.....			34, 798
Net cost.....			183, 344

New positions requested, 1958—Continued

Title	Grade	No.	Annual salary
4. Milk and food sanitation:			
Clerical assistant.....	GS-4.....	1	\$3, 415
Full grade.....	CO.....	1	8, 376
Senior assistant.....	CO.....	1	5, 717
Total positions and annual salaries.....		3	17, 508
Deduct lapses.....			2, 235
Net cost.....			15, 273

Summary of changes

1957 actual appropriation.....	\$9, 000, 000
Transfers: Comparative transfer to "Assistance to States, general, PHS" for accident prevention.....	—51, 000
Adjusted 1957 appropriation.....	8, 949, 000
1958 appropriation request.....	13, 063, 000
Net change requested.....	4, 114, 000

	Positions	Estimate	Positions	House allowance
For mandatory items:				
Extra day of pay.....		\$9, 681		\$9, 681
Retirement and social security contributions.....		213, 056		213, 056
Annualization of 1957 program.....		371, 568		371, 568
Total.....		594, 305		594, 305
For program items:				
Air pollution.....	56	1, 292, 795	56	1, 192, 795
Water supply and water pollution control.....	75	1, 938, 960	75	1, 828, 960
Radiological health.....	36	238, 457	9	25, 457
Milk and food sanitation.....	3	30, 183	3	30, 183
Sanitary Engineering Center research service.....		19, 300		19, 300
Total change requested.....	170	4, 114, 000	143	3, 691, 000

STATEMENT BY CHIEF, DIVISION OF SANITARY ENGINEERING SERVICES, PUBLIC HEALTH SERVICE, ON SANITARY ENGINEERING ACTIVITIES, PUBLIC HEALTH SERVICE

Mr. Chairman and members of the committee, I wish to discuss first the budget as submitted to Congress and later in the statement I will speak to the effect of the House action on the budget.

Sanitary engineering activities deal with environmental factors affecting man's health and well-being. Included in this appropriation are funds for Public Health Service programs on—

Air pollution
Water supply and water pollution control
Milk and food sanitation
Radiological health
Facility operations cost of the Sanitary Engineering Center

As a vital link between man's environment and his health, sanitary engineering research and operations have the objectives of assessing emerging problems, developing and advancing public health protection measures and, in a positive sense, the securing of maximum benefits from the environment for improving health and general welfare.

At this time we should note especially two important considerations bearing on future programs:

First, environmental health problems are changing. The potential threat of such communicable diseases as typhoid fever and malaria has been reduced by public-health measures, but we are faced with an entirely new range of problems arising from the growing urbanization and technological development in our country. Large concentrations of population, application of new industrial processes, and introduction of previously unknown products into our daily lives—

these are familiar illustrations of changes that affect the air we breathe, the water we drink and use in industry, and the food we eat. They call for new approaches, emphasizing complex chemical and radiation methods, and a keen appreciation of the economic forces behind the trends.

Second, the rate of change of these environmental health factors is rapidly increasing. The first half of the present century set the stage for highly accelerated national growth and development in the second half, as indicated currently by population and economic trends. Even more significant to this discussion is the fact that pollution and other environmental problems often increase proportionately at even greater rates. In the future, this will mean that there will be less time between the emergence of problems and their development to national significance.

Commensurate with the extent and complexity of these environmental problems—the job of coping with them is large and difficult. Against them are pitted the resources of State and local agencies, industry, and voluntary agencies, as well as the Public Health Service and other agencies. The Public Health Service role is one of probing ahead, identifying gap areas, giving some stimulus and leadership in the field and assisting State and local agencies in meeting their problems—particularly in the newer and complex areas.

To carry out these functions, the Public Health Service is requesting in this appropriation, the amount of \$13,063,000 for fiscal year 1958. The largest portion of this, \$6,610,000, is for the water supply and water pollution program, including \$3 million for program grants to State and interstate water pollution agencies; \$4.1 million is for air pollution activities; and \$608,000 is for radiological health work in the public health aspects of radiation and atomic energy. The remainder is for basic programs in milk, food, and general sanitation, interstate carrier sanitation, and supporting activities.

AIR POLLUTION

Air pollution is a relatively recent but growing environmental problem which has been given congressional recognition through recent enabling legislation. In the approximately $1\frac{1}{2}$ years since passage of Public Law 159, 84th Congress, sound and gradual implementation of its provisions has been planned and is getting underway. The principal activities authorized have been initiated—research, extension of technical assistance on specific problems, and training of professional personnel—designed for the dual purposes of correcting serious deficiencies in technical knowledge and promoting more effective use of existing know-how in solution of community air pollution problems. In our program to date, we have recruited an excellent key staff, and have worked out effective cooperative relationships with other appropriate Federal agencies, universities, and State and local control agencies in a coordinated attack on the growing and complex problem of atmospheric contamination.

A carefully designed research plan, using facilities and competencies both within and outside the Federal Government, has been developed to help find the answers to unsolved problems concerned with the causes, effects, and control of air pollution. This research program covers three broad areas:

1. The identification, physical measurement, and tracing of air pollutants: What is in the air? How much is there? Where does it come from?
2. Health effects of air pollution: In what way and how much does it affect man's health?
3. Prevention and abatement of air pollution: What can be done about it?

Research projects have been initiated on all of these. Some progress is already being made and promising leads are being uncovered for future study. Some of the necessary and basic information is beginning to become available on particulate pollutants through the operation of an air-sampling network. It should be emphasized, however, that quick and easy answers are not available and many studies, particularly those concerned with the effects on health, will require a long time for significant progress to be made as, for example, in determining the effect on people of living under varying conditions of air pollution. The estimate for fiscal year 1958 includes provision for further orderly development of the research program.

In response to urgent requests, the estimate also calls for some expansion of technical assistance and training activities. Increasing numbers of States and local communities are considering the enactment of legislation or regulations and initiation of programs for control of air pollution. Technical assistance in the appraisal of the problem in such areas has already been extended to a number of

States and to a larger number of local communities. The increasing number of requests for technical assistance on these and other problems is being handled, to the extent that available resources permit, through the staff of our Sanitary Engineering Center and by demonstration project grants to public control agencies.

The expansion of State and local air pollution control programs is putting further demands on an already inadequate pool of technical personnel trained to work in this field. All of the short-term air pollution training courses conducted to date at the Sanitary Engineering Center have been attended to capacity. Expansion of these courses to permit more widespread participation is planned. In addition, a training grant program to stimulate basic training in this field at universities, particularly for public agency employees, has been initiated and will be further emphasized in fiscal year 1958.

The overall estimate of \$4,100,000 for air-pollution activities for fiscal year 1958 provides for continued sound and orderly development of the program authorized under Public Law 159. This constitutes, in our opinion, a practical means of Federal participation in the joint effort needed to prevent future major damage to public health and welfare from the growing problem of community air pollution.

WATER SUPPLY AND WATER POLLUTION CONTROL

The unprecedented growth, relocation, and concentration of population and industry have resulted in an ever-increasing demand on the Nation's surface waters and need for their conservation. In recognition of these serious problems, the 84th Congress passed Public Law 660, the Water Pollution Control Act Amendments of 1956, following extensive hearings before the Public Works Committees of the Senate and House. During the hearings, deep concern was expressed by Members of Congress and a wide cross section of interested national groups about the need for increased Federal action against the problem of water pollution and its detrimental effects on water resources.

The new act provides for a rounded program with broadened authority for research, training, and technical assistance; limited and modified Federal enforcement procedures; increased program grants-in-aid to State and interstate agencies; and grants to municipalities for construction of sewage treatment works. This appropriation includes all funds requested for support of these activities except the funds for construction grants. To continue the development of water supply and water pollution control activities in fiscal year 1958, \$6,610,000 is requested. The increase of \$2,385,900 will provide the amount authorized (\$3,000,000) for grants-in-aid to State and interstate water pollution control programs, annualize the cost of activities begun in 1957, and begin the implementation of certain other authorizations in the act.

PROGRAM GRANTS-IN-AID

The new act authorizes grants-in-aid of \$3 million annually to State and interstate water pollution control agencies for 5 years. Although the \$2 million grant funds for the current year became available after the beginning of the period, the response has clearly demonstrated a stimulatory effect on programs and the States' desire to provide matching funds. In the first 6 months of this grant activity, over 94 percent of the funds available have been matched. To reinforce these effects and to obtain full benefit during the 5-year period, appropriation of the \$3 million authorized is recommended for 1958.

RESEARCH

The most urgent technical need of State and interstate agencies is sound scientific knowledge on which to base their requirements for construction of treatment works. Since construction expenditures amounting annually to several hundred million dollars are involved, it is important to the national economy that this knowledge be provided. It can be provided only through a broadened and intensified research effort. This research effort has two principal goals:

- (1) To develop systematically over a period of years fundamental knowledge concerning the behavior of those synthetic-organic compounds, heavy metals, and radioactive materials of significance as water contaminants. This is a broad-scale effort for which the Public Health Service has proposed a national plan—or framework—for joint coordinated effort by Federal, State, and interstate agencies, industry, and the universities. Through research the behavior of these polluttional materials would be defined with

respect to their response to basic treatment processes, effect on the stream, effect on humans, and their effect on the removability by water-treatment processes. The role of the Public Health Service in this broad national effort will be to plan the technical course, develop basic procedures, including identification, for characterizing chemical compounds, and test these procedures in the laboratory and field. As this program moves forward and a substantial body of basic knowledge is assembled, it is hoped that it may be possible to predict in advance of general use the polluttional impact of new chemical compounds. The principal increase in research funds is for the initiation of this national plan.

(2) To develop more economical sewage treatment methods.

Although longer studied and better understood, serious problems remain with respect to treatment of domestic sewage. For example, the cost of treatment of municipal sewage is becoming increasingly expensive and burdensome. Some progress is being made in exploring and developing new concepts leading to cheaper methods. For example, comparative cost studies on a treatment facility installed by a city of 1,500 indicate possible savings in both construction and operation. Engineering analysis shows that a conventional sewage treatment plant for the community would cost about \$135,000, or \$75 per capita, to construct. The oxidation pond project, which provides a comparable degree of treatment acceptable to the State, was constructed for about \$45,000 or \$30 per capita. Our current studies relate to the efficiency of this treatment method, design criteria, and applicability to various situations to provide State control agencies with reliable guides for evaluation of proposed installations. Pilot studies are also underway in the laboratory on other approaches to the cost problem.

BASIC DATA COLLECTION AND ANALYSIS

In view of the large and continually increasing municipal and industrial expenditures for control of water pollution, the new act authorized collection and dissemination of data concerning water quality. The need for such information has been stressed by the report of many groups. The Presidential Advisory Committee on Water Resources Policy states: "The problem of pollution of streams by municipal and industrial wastes is becoming increasingly serious. Measurements of this aspect of water quality have been so sparse and of such short duration that the available information is inadequate to meet existing needs.

During 1958 major emphasis will be placed on development of the national water quality network, begun this year. Through this network it will be possible to assess trends in water quality and pollutional effects. The Public Health Service will assume direct responsibility for the long-range hard core of the network. Supplementary data to expand greatly its scope and usefulness will be obtained through cooperative arrangements with industry, municipalities, States, and interstate agencies. Thus the basic information necessary for intelligent water-quality management will be assembled systematically and economically.

This year we are bringing up to date the Public Health Service inventories of what is being done in sewage treatment and water supply, and developing our capacity for assessing economic losses caused by water pollution, as well as the benefits of its control.

TECHNICAL ASSISTANCE

The growing emphasis on conservation of water resources through water pollution control has resulted in increased demands for technical assistance from State and local agencies.

As the State, interstate, and other responsible agencies apply the new practices and procedures developed through research, they often encounter problems beyond their own technical competence. In these special situations they call on the Service for the more highly specialized, technical consultation that it is not practical or economical for them to provide.

Reinforcing backup technical services to control agencies is also required due to the limited total national technical capacity available. Water pollution control agencies, while attempting expansion, are generally faced with inadequate salary scales to compete for highly qualified personnel. The limited State and local technical capacity results in increased demands for technical assistance on

specialized and difficult pollution problems, and technical training for fullest development of their own personnel.

The fiscal year 1958 technical assistance expansion will increase resources for specialized field investigations, demonstrations, and technical training services for State and local water pollution control personnel.

ENFORCEMENT

The enforcement provisions of the new act provide a powerful stimulus for voluntary abatement of interstate water pollution. With this fact recognized by all concerned, the primary approach of the Public Health Service will continue to aim at prevention and control of pollution through better understanding and voluntary action.

To make this approach effective, it is necessary to gather and organize as much factual material concerning each problem situation as would be needed to settle the matter in court.

During the current year, 110 actual or potential interstate pollution situations are being evaluated and docketed. Action is being taken through responsible State agencies by seeking voluntary abatement or making plans for collecting legal evidence and initiating the procedures prescribed by the act. These processes will continue into 1958, progressing gradually from factfinding, through informal discussions with polluters, and proceeding to the formal conferences and hearings in those instances in which informal approaches do not educe satisfactory action toward abatement.

The proposed increase provides for annualization in 1958 of positions filled in the current year and stepped-up investigative activities and hearings in the field.

RADIOLOGICAL HEALTH

Scientific research and advances in technology have brought about a host of improvements in the health protection of our Nation. However, in some instances, they have brought health problems along with the benefits. An outstanding example involves the utilization of nuclear energy and ionizing radiations.

So far as the public health is concerned, the most significant fact is that radiation damage to people is related, to a major extent, to the total dose received during a lifetime, regardless of source. The exposures resulting from contamination of the general environment are additive to those from working environments and from natural background radioactivity and the intentional exposure resulting from medical uses of X-rays and radioactive materials. The increasing availability of radioactive materials and other sources of ionizing radiation and their utility for medical, industrial, and other purposes make inevitable their growing and widespread use throughout this country.

As of October 1, 1956, there were 68 reactors of various types in operation in 13 States and the District of Columbia. Currently under construction or development are 49 more reactors that will involve 8 additional States and Alaska. In connection with these developments health authorities are faced with practical problems of safety and radioactive contamination that must be considered both in the planning and operational stages. Other significant radioactive waste-producing industries, such as ore-processing mills, are located in eight additional States.

However, in addition to the real and growing source of radiation exposure, represented by the expanding atomic-energy industry, the use of radiation in the healing arts constitutes a significant source of exposure, although much more information is needed regarding the effects on humans of relatively low-level repeated exposures as encountered in medical diagnosis and therapy. It is an accepted principle, however, that any unnecessary exposure, or any exposure not compensated for by the anticipated benefit, is to be avoided. Even essential medical exposures can currently be reduced in amount by improvements in radiation equipment and its operation coupled with an increasing awareness of the significance of the problem. Scientific and medical groups have indicated growing concern on this score and have urged the attention of the Public Health Service to this problem.

Protection of the public health requires not only the prevention of overexposures at major sources of radiation, but also minimizing the release of radioactive materials to the general environment and the control of exposure from all sources. The need is to minimize the total dose, from whatever source, and to begin the long-range assessment of the amount and effects of radiation exposure on a broad public-health basis. These developments portend new responsibilities and

complex problems for public-health agencies, working in collaboration with other interested agencies and groups. Health-agency programs to deal with these matters have lagged because of scarcity of trained personnel and inadequacies of technical information.

The Public Health Service is assisting States in meeting this growing problem by providing training courses for public-health personnel, furnishing technical consultation and guidance on specific problems, and in developing their radiological health programs.

In addition to expanding the training and consultative activities, the increased funds requested will permit intensification of research in the public health problems in radiological health. For example, long-range epidemiological studies will be initiated to determine the eventual effects of repeated low-level exposures on human groups previously and currently exposed in the normal course of industrial, medical, and other activities. This is fundamental to the assessment of the hazard to the public health of the total radiation exposure of the population, as previously pointed out.

Emphasis will also be given to research on such practical public health problems as the treatment and disposal of intermediate and low-level radioactive wastes and the development of methods useful in measuring and in assessing the public significance of radioactivity on the environment.

MILK AND FOOD SANITATION

Though new and dramatic public health problems such as those mentioned previously demand our immediate attention, we should not overlook the need for such basic public health activities as milk, food, and shellfish sanitation. These activities are cornerstones in our disease prevention structure and are necessary in the protection of the public health.

The milk and food program aids the States and municipalities in meeting the needs resulting from such changes in technology. This is accomplished through research and field investigations, development of uniform standards, and provision of technical assistance and leadership in the application and administration of public-health procedures.

In the research area, studies are and will increasingly be directed toward the development of practical techniques for the rapid detection, identification, and control of organisms and toxins that cause foodborne disease.

As an illustration of technical assistance, the Service is developing poultry sanitation guidelines in response to requests from the States. A pilot investigation and demonstration project has been initiated in the field as part of this activity.

The Public Health Service will continue to work with the States in the voluntary programs for the sanitary control and certification of milk shippers and shellfish shippers. These joint cooperative State-PHS programs, in which the industries participate eliminate the need for duplicate inspections by State and local agencies, by facilitating the nationwide acceptance of high-quality products from certified sources.

INTERSTATE CARRIER SANITATION AND GENERAL ENGINEERING

The interstate carrier sanitation and general sanitation program is also among our basic activities. The provision of sanitary protection for the thousands of persons who travel daily on interstate trains, planes, boats, and buses is an activity which involves close cooperation between the Public Health Service and the interstate carriers, their equipment producers, as well as their sources of water, milk, and food. This program is continuing its inspection and technical consultation on the facilities of over 400 interstate carrier companies which obtain water from 2,800 watering points and milk and food supplies from about 1,500 sources.

SUMMARY

This discussion has outlined briefly the great environmental health problems of air pollution, water supply and water pollution, food sanitation, radiological health, and general sanitation. These problems are clearly associated with the growth and development of our country. As we continue to broaden our technology and expand our metropolitan areas, solutions become more pressing. The programs proposed are designed to furnish stimulation, assistance, and leadership to the State and local agencies, universities, research centers, and industry. The interest and support of the committee is greatly appreciated.

I would now like to discuss, by program, what the effects would be of the House's action in reducing our estimates from \$13,063,000 to \$12,640,000, or a total of \$423,000.

EFFECT OF HOUSE ACTION

The lack of scientific knowledge about what is in the air, where it comes from and the effects on people who breathe it day in and day out, requires emphasis on research in the air pollution program at this time. We must find the answers as quickly as possible in order that well-planned control programs may be carried out. However, the House's action in reducing the estimates for air pollution by \$100,000 would throw into jeopardy critical medical and engineering investigations regarding the sources and effects of air pollution which are already underway. Curtailment of the research program requested in the budget would set back scientific studies to provide the technical information so urgently needed for local control programs.

The 84th Congress enacted Public Law 159 setting up a 5-year program in air pollution control with an authorized appropriation of \$5 million per year.

The House committee which recommended enactment of this legislation stated: "A solution of the [air pollution] problem is delayed by inadequate observations, insufficient exchange of data, and limited know-how * * *."

If the objectives of Public Law 159 are to be accomplished, it is urgent that the research program be expedited.

Across the Nation, water resources are a matter of top priority. Water problems threaten to halt further expansion in many areas. By 1975, water uses are expected to double. Mounting demands require conservation. Water pollution control is an important conservation measure. Ninety million people are dependent on surface streams for drinking water. Last year Congress enacted Public Law 660, Water Pollution Control Act Amendments of 1956, after extensive hearings in which deep concern was expressed by many Members of Congress and a wide cross-section of interested national groups about the need for increased Federal action against the problem of water pollution and its detrimental effects on water resources. The new program authorized by this legislation is just getting underway in the current year and the reduction proposed by the House will retard the research effort aimed at fulfilling the purpose of the act.

The \$110,000 reduction in the water supply and water pollution control program would curtail research on pollutional effects of complex chemicals, synthetics, and other substances now preventing use of scarce waters. Methods are urgently needed for handling these pollutants in order to help the States meet their water resources problems, especially in the so-called drought areas of the Southwest. Consultative services would also be limited by the reduction.

However, the greatest impact of the House reduction falls upon the radiological health program. This program, which is just coming to grips with one of the most extensive and serious threats to public health of the current age—i. e., the effect of accumulated radiation upon human beings—needs every cent which was requested to carry out this role. With exposure to radiation growing daily and in face of the realization that it is the total lifetime cumulative dose for each individual that is of transcendent importance, we cannot afford to lose a day in the development of the public health knowledge and methods needed to deal with the tremendous problem. The budget request contained minimum amounts for research studies in the epidemiological and environmental aspects of radiation plus limited amounts for training and technical assistance. The effect of the reduction would be to reduce these to token efforts.

APPEAL REQUESTED

It is urgently requested that \$213,000 be restored to the budget for research, training, and technical assistance in the radiological health activity.

I shall be glad to answer any questions you may have regarding our activities.

PROGRAM AREAS

Senator HILL. All right, Mr. Hollis, we will be glad to have you make your statement in any manner in which you desire.

Mr. HOLLIS. I have a summary, Senator, of 4 or 5 pages. In the interests of time I will be very glad to highlight the significant points in that summary rather than read it all.

My name is Mark D. Hollis and I am appearing as Chief of the Division of Sanitary Engineering Services.

The submitted statement, Mr. Chairman, outlines the six program areas in sanitary engineering covered by this appropriation estimate.

These areas are air pollution, water supply and water pollution control, radiological health, milk, food and shellfish sanitation, our general engineering operations, and our direct responsibility for sanitation on interstate carriers.

NEW PROGRAMS IN WATER AND AIR POLLUTION

The principal increases are for new programs authorized by the 84th Congress in its recognition of the impact on health of the increasing water and air pollution.

There is a growing public awareness and concern about the deterioration of our air and water resources. We probably cannot avoid some damage to these resources in this age of metropolitan and industrial expansion. The simple fact is that with more people and more machines and more changes there is not only an increase in the volume of pollution, but also much more complex types of pollutants.

These are introducing new hazards to public health and community life.

The job is to modify these impacts—to keep them in bounds—to protect the air we breathe and the water we drink, and to preserve the other essential and valuable uses of these vital resources.

RESEARCH IN COMMUNITY AIR POLLUTION

Regarding community air pollution, regulatory control is the responsibility of the State and local communities. This control work is seriously hampered by the lack of adequate knowledge on air pollution. Under terms of the Air Pollution Act, Public Law 159 of the 84th Congress, Federal funds are authorized for research, technical assistance, and training. Our major efforts on research are geared to find out five things:

- (1) What pollution is in the air, and how much?
- (2) Where does it come from and how can it be reduced?
- (3) What interactions are taking place in the air and what new compounds are being formed?
- (4) What is the behavior of air pollution in relation to changes in the weather; and
- (5) What and how much effect does this pollution have on man's health and well-being and his community life?

WATER POLLUTION CONTROL

Water pollution control is also a matter of top priority. Water requirements to provide the things we eat and wear and use, already at a level of about 1,500 gallons per capita per day, is expected to double by 1975. Even now 90 million people depend on surface streams for drinking water.

Water pollution control is an essential conservation measure. It provides for the safe use and reuse of streams for all purposes.

Last year Congress extend and strengthened the Water Pollution Control Act. This is Public Law 660, 84th Congress.

COOPERATIVE PROGRAM WITH STATES AND CITIES

The act provided broadened authority for a cooperative program with the States and cities on research, training, and technical assistance; for more realistic Federal enforcement where interstate pollution is involved; and for Federal financial aid to strengthen State and interstate programs and a program of limited grants for construction of sewage treatment works in communities.

CONCERN ABOUT NUCLEAR EXPOSURE

The atomic age introduces new sources of contamination into the environment. There is a growing public awareness and concern, about radiation exposure and its health implications. Radiological health is the item in this appropriation which provides for moving ahead in the areas of technical assistance to States, training of health personnel, and limited research to assess health effects and to improve radiation protection methods.

Mr. Chairman, I shall be glad to answer any questions.

EFFECT OF HOUSE REDUCTION

Senator HILL. I notice the House reduced the budget estimate by some \$400,000.

Mr. HOLLIS. That is correct.

Senator HILL. Are you asking for restoration of that amount?

Mr. HOLLIS. Of the \$423,000 reduction, \$110,000 was from our research on water pollution, \$100,000 out of the research and technical assistance item of the air pollution program. The remaining \$213,000 reduction was out of our radiological health item, a reduction of approximately 33⅓ percent of the budget request. The health problems of radiation are rapidly increasing and this reduction of the radiological health item will require more than a third cutback in the planned program for the next fiscal year.

RADIOLOGICAL SAFETY

Senator PASTORE. Now, on this question with respect to radiological safety, how much of this is now being done by the Atomic Energy Commission?

I think I ought to preface my question this way:

I am on the Joint Committee on Atomic Energy and I know very much all of the programs that Atomic Energy is engaged in, and it is quite a large field. It is desirable work and has to be done. I expect the time will eventually come when a great part of this will have to be assumed by the Public Health Department, rather than the Atomic Energy Commission, but at this stage don't you think we are being somewhat premature in embarking upon these programs, to the extent of almost a quarter of a million dollars, to educate States on a very primitive basis on a matter that they don't have too intimate a knowledge, as of the moment, and in a field that is pretty comprehensively covered by the Atomic Energy Commission?

Mr. HOLLIS. Well, Senator, there are two problems.

Senator PASTORE. Let me say something further so you can answer my question a little more elaborately.

Don't you think this project you are talking about is on a rather broad scale, rather than you projecting this over something like 10 to 15 years?

Mr. HOLLIS. We don't think so, sir, in view of the very rapid expansion in the use of these new materials.

Senator PASTORE. Wouldn't you say that once you embark upon the program the Atomic Energy Commission could cut it out completely?

Mr. HOLLIS. I don't think so.

POSSIBLE DUPLICATION OF AEC ACTIVITIES

Senator PASTORE. That is the point I am making. We are getting into a field of duplication which I think is serious. Don't you think it is pretty much of a field that the Atomic Energy Commission is in now, and when the proper time comes, when the Public Health Service ought to be in it it ought to be shifted over from one agency to another? Do you think we ought to have three agencies doing it all the time?

Mr. HOLLIS. There is an interesting factor, Senator, the Atomic Energy Act does place in that agency the responsibility for health and safety, along with other aspects, but it relates to atomic materials that are produced and are under the supervision and direction of the Atomic Energy Commission.

The Atomic Energy Commission's program primarily relates to plants and problems within the enclosure of the plants where they are producing materials and carrying out their responsibility. The public health significance of radiation is related to the total exposure of individuals from all sources, regardless of what they are. One must include the exposures from X-rays, the exposures from fallout radiation, which is building up somewhat, and the exposure of industrial uses of radiation. It is the total of all these exposures that has an impact on the public health.

In working on this program—of course, we work closely with the Atomic Energy Commission—but there is no duplication in the sense that our program is dealing with the public health impacts on the total population, and not with the radiation exposures within the Atomic Energy Commission's installations. In that sense ours is complementary; it complements the Atomic Energy Commission's activities.

Senator PASTORE. You mean to tell me the Atomic Energy Commission is not engaged now in trying to explore the effects of radioactive fallouts upon people, as distinguished from working in the factories, where they may be exposed to radiation from different sources of fissionable material? They are certainly interested in what the fallout might do to drinking water. They are certainly engaged in that in a very, very broad sense, and grants have been made all over the country to research that to the highest degree possible.

I understand from your program, that what you are going to do is to set up an organization right here in Washington and man it with a few scientists or doctors who are engaged in this type of work primarily. With this amount of money you are going to pay boys fresh out of college to go to Brookhaven or Oak Ridge, to go to one of the atomic institutions, to find out what they are doing, and after they come back they are going to go to Rhode Island and meet with a couple of our doctors, and they are going to teach them radiation?

I think that that is pretty far fetched. I think eventually the Public Health is going to get into this field, but I think you are starting in a very primitive way on something we have perfected to some degree already in the Atomic Energy Commission.

Mr. HOLLIS. I assure you, Senator, there is a purpose in this program that we have underway, to do this.

Senator PASTORE. All right. Tell me about the program you have underway. Precisely what type of program is it going to be and how many people are you going to hire and what are they going to do and where are you going to get them?

Mr. HOLLIS. All right. I will first break it down into three areas, what our research program is, what our technical assistance to States is, and training.

RADIOACTIVE MATERIALS IN NATURAL STREAMS

First, on research, we are attempting to measure and determine the behavior of radioactive materials in natural streams, for example.

Some of this program is dovetailed with the Atomic Energy Commission activities, but it is not on a duplication basis. Now, the advantage is this, Senator.

Senator PASTORE. All right. Before you get any further, how many people are you going to hire to do this?

Mr. HOLLIS. We have in this program at the moment 78 people.

Senator PASTORE. On radiological?

Mr. HOLLIS. Yes.

Senator PASTORE. That has to do with hospitals and X-rays and all that sort of thing?

Mr. HOLLIS. No, sir. This personnel is assigned to the radiological health aspect. This is the public-health aspect of radiation and specifically, for example, the question of what can our normal water treatment technology do by way of removing radioactive materials from water.

This research we have been carrying out for 5 years at Oak Ridge in a laboratory that was provided for our personnel.

The sense, I think, of introducing sanitary engineering into this problem is to use personnel already familiar with problems of the environment. Engineers who know and understand the water problem from a health standpoint and the related sanitary engineering aspects of environmental health.

It is this existing personnel that we are training. We think we have some very competent people on this that are well trained in radiological aspects. The speed with which this field is developing provides little time for development of the responsibilities the public health agencies must accept.

COOPERATION WITH STATE HEALTH DEPARTMENTS

In the States, for example, the State health departments are already beginning to develop staff personnel in this field. We are assisting with this, looking to the day when the States are going to have a much broader job.

Senator PASTORE. How many States have you got in that?

MR. HOLLIS. Many States. We will be glad to provide a list of them. There are some that have actually passed laws.

An outstanding example is the work in New Jersey, New York, Ohio, and Illinois, and many others. Another point I might make is that there will be—and you know this much better than I do—an increasing number of atomic reactors on a commercial basis, operated by private industry under license from the Atomic Energy Commission, functioning in States.

I am fully confident that the necessary protection, the necessary safeguards on the operation of these reactors will be provided, but the States want to know in their responsibility for the broad public health, what radioactive contaminants from reactors are getting into the streams, in air and into the soil. This must be added to other radiation—natural background radiation, fallout radiation, and radiation from other reactors upstream and downstream, to appraise the total effect as streams flow from State to State.

SENATOR PASTORE. Well, the thing disturbing me, and possibly many other Members of Congress, even though these things are very desirable and, in many instances very necessary, but somewhere along the line someone has to coordinate this effort. The Atomic Energy Commission will come in and make a very, very fine presentation as to why they should engage in this research, and it is understandable and plausible; then the Public Health Service comes in, and they make a presentation more or less along the same lines.

Now, I know that this work has to be done, and I know in a large measure a lot of it is being done, but as I note from this appropriation, your request is more than 50 percent, almost a hundred percent more, and I would like to know how many more people you are going to hire in order to carry out this program, and exactly what these people are going to do.

If this is merely a program that they are going to go to school and learn something so that one day they may know what information they can disseminate throughout the various States, I think we ought to know that. I mean, this is going to be more or less a program that is initiated to educate certain staff members of the health department as to the problems of the day and what work can be done in that direction, and the next question is to find out how much of this work is already being done by the Atomic Energy Commission.

No doubt there are millions of dollars being spent on this right now.

MEDICAL PUBLIC HEALTH ASPECTS OF RADIATION EXPOSURE

MR. HOLLIS. Well, of course, one aspect is training. But of the increase, most of the increase, Senator, is for more emphasis on the effects of radiation on public health—on the medical public health aspects of radiation exposure.

SENATOR PASTORE. You don't think that the Atomic Energy is doing that job now?

MR. HOLLIS. The Atomic Energy Commission is sponsoring research, yes, sir.

SENATOR PASTORE. They have a lot of publications that are being disseminated to the public. There isn't a health officer anywhere in the whole country that can't go to the Atomic Energy Commission and get instructions on it.

Mr. HOLLIS. Senator, Dr. Chapman, who is the Chief of our Special Health Services, can give you information on the medical aspects, if I may call on him.

Senator PASTORE. Yes; because I am very much interested in this.

Now, I am not quarreling with this. It has to be done, but there is a question of who is going to do it.

SPECIALISTS IN EPIDEMIOLOGY

Dr. CHAPMAN. I think there is one point that might be brought out, and that is the public health departments throughout the country have specialists in epidemiology, who have spent their lives learning how to track down the sources of diseases from the information they have obtained, and how to control those diseases, and the spread of these diseases.

Now this huge army of specialized doctors is potentially available for tracking down the long-range effects of total radiation on individuals, and that is an area in which our radiological health and medical groups are probably very extensively engaging in, that is, epidemiological studies to try to determine the amount of radiation to which people have been exposed over a long period of time, and then following them through to find out what the effects of this radiation is, so that at some point along the way total radiation standards, based on scientific evidence can be established.

Now, if the Health Department is not brought into this picture, you are going to, in effect, build a barrier between this potential competency and the problem. The use of health departments would in no way be duplicating nor taking away from the efforts made by any other agency. It would mean the mobilizing of a great potential force which already exists, which can be transferred to work in this very necessary area.

Senator PASTORE. Do you think it is necessary to double the appropriation to do that?

Dr. CHAPMAN. Yes, sir.

Dr. BURNEY. Mr. Chairman, may I say something?

Senator HILL. Yes, Dr. Burney.

CLOSE COOPERATION WITH AEC

Dr. BURNEY. We have been in this program, in the National Institutes of Health as well as the engineering aspects, for a great many years, and some of our medical and engineering officers were in on the original tests of the atomic explosion and a number of our men have been in on both Pacific and continental tests.

We have been asked continuously to monitor the programs for the continental tests for the area, and last year for the entire country.

In addition, we have continually had very close and good relationships with the members of the Atomic Energy Commission, so everything we do has the complete understanding and support of the technical staff at the Atomic Energy Commission. That may not answer your question.

Senator PASTORE. I go along with that. I think we are talking about a different thing entirely, unless I don't understand this completely. I can understand where your present personnel maybe will

need a little additional money because, after all, this does entail traveling and maybe reassignments of people and all that sort of thing, and extracurricular work, and I can see a modest increase in the budget merely to better train these people to become familiar with all of these techniques and maybe to prolong their research, or to go into it a little more deeply, but this is an appropriation that actually doubles the existing appropriation, and it strikes me that you are setting up a project here which now means that you will envelop this whole scope of activities so you can begin to disseminate this to the various States of the Union. It looks to me like that, and I don't think that it will look like that to the whole House.

Now, this means that your personnel, who are interested in this work, and must be interested in this work, will go to these centers that are now existing, and being staffed and maintained by the Atomic Energy Commission, and become better familiarized with this kind of activity, and I can understand that, but I don't think we are talking about the same thing.

Mr. Hollis here was talking about setting up a whole new project whereby this whole responsibility would be assumed now by the Health Department, so that the various States could be trained in radiological effects of fallouts on water.

Now, I think the Atomic Energy Commission is doing that, unless we don't understand the problem, and I think it ought to be explained.

Senator HILL. Dr. Chapman, do you have an explanation?

PROBLEMS OF X-RAY RADIATION

Dr. CHAPMAN. There is one thing that was not mentioned that is very important. That is, that we are receiving requests from the States to provide assistance to them so they can go into the institutions that are taking X-rays, using X-rays for therapeutic purposes, to find out the ways they are using X-ray equipment to make it safe for the operator. They did this in Cincinnati, and it was done upon request.

Senator PASTORE. That is a little different. That is purely public health.

Dr. CHAPMAN. The people found out that many of these people using X-rays were exposing themselves to radiation and that, by proper direction and instruction in its use, the amount of radiation could be cut down, yet better pictures could be gotten. This was done in one city and the demand was terrific. The same demand exists all over the country. We are totally unable to provide that assistance with the present staff.

FALLOUT OF STRONTIUM 90

Senator PASTORE. I want to say at this point that that function belongs completely in the Health Department. I would go along with that, but it does not justify the increase in expenditures. We are not talking about the same thing. I say that does belong completely within the Health Department, and it would receive our complete support, but we are talking here about fallout and strontium 90 and what effects it has on water for drinking purposes.

That is an entirely different field which the Atomic Energy Commission is in completely. I wonder how much of this increase is going

for that as compared to what you are speaking about, which I think is a very laudable thing to do. Now we are talking about effects of X-rays upon people in hospitals—and, of course, that is health and it belongs in your Department and should receive every kind of support, but I hope when we are talking about the effects of strontium 90 and teaching the various students what effects it will have on drinking water, that is something that is really done by the Atomic Energy Commission.

Mr. HOLLIS. This program deals with the effects of radiation from all sources. Regarding radiation behavior in streams, radioactive material in streams do not follow normal formulae relating to dispersion and dilution. It tends to concentrate in certain agents, biological agents. An understanding on this we feel is becoming more and more essential to the whole question of water treatment and public water supplies. This is a State health responsibility. There are 90 million people taking their drinking water from these streams.

Senator PASTORE. I know the job has to be done. I am talking about which department is going to do it. Would you say that you and the Atomic Energy Commission ought to be doing the same job? Would you take that position because 90 million people drink water?

Mr. HOLLIS. No, sir.

Senator PASTORE. Now, I am not arguing against the job being done, but about the job being done by two different departments.

CONVERSATIONS WITH AEC PERSONNEL

Now, have you had any conversations with the Atomic Energy Commission personnel on this?

Mr. HOLLIS. Yes, sir; extensive conversations with them.

Senator PASTORE. Have you any documentation as to their feelings on this matter, as to what they are doing and what they are not doing, and why it is desirable for you to get into this field?

Mr. HOLLIS. Yes.

Senator PASTORE. If you do, I suggest you put it in the record, because that is the argument that is going to be made in the House.

Mr. GILBERTSON. My name is Wesley E. Gilbertson and I am the Assistant Chief, Division of Sanitary Engineering Services.

Senator PASTORE. You see, if we can resolve some of these questions, we will eliminate much of the objection and resentment to the size of the budget. People keep saying that there is duplication, duplication. I hope that the Public Health Services are not going to get into a field that is already very much explored by the Atomic Energy Commission. Either they ought to give it up and you take it over, or vice versa. We certainly ought not to have two departments doing the same thing.

Mr. GILBERTSON. During the past years, during this last year and also over a period of several years, we have had conversations specifically on the kinds of activities that are included in this budget. The Atomic Energy Commission staff feels that it cannot cover the areas which are outlined here as related to the radiation effects on health. They feel that the health people will have to get into this field more, will have to gain the confidence of the people.

TRAINING

Now, this is going to have to be accomplished over a period of years. About a third of our total funds here are directed specifically to the training area, which is very, very important. About 500 people a year are trained in the orientation aspects of radiation at the center, at Cincinnati. This is very important, because it gives them at least the initial groundwork that they need to deal with the problem as industries start to use radiation and radioactive materials to a greater extent.

There have been a number of statements made during the past year.

For example, a year ago at the Cincinnati Engineering Center, we held the first seminar on the sanitary engineering aspects of atomic energy.

Some of the top staff people from the Division of Reactor Development were present at that seminar as were many people from the State agencies and from the industry.

There were several statements made at that meeting which indicated the lines of approach which they thought the Public Health Service should go into. They are included in these presentations. So I think we have, sir, made a real honest attempt to move in the directions in which these people, who have been dealing directly with the problem, think that we should go. As far as I know, we are not conflicting with the sort of things they are going.

As a matter of fact, some of the things that we have been doing in the past have been done by us with their money, because we were more competent to do them than they were. As this thing moves forward they think that more of the public health aspects should be assumed by the Public Health Service.

Senator PASTORE. Now you are hitting the jackpot. You see, if they are willing to take the money that is appropriated for this purpose and assign it over to you, that is all right, but I am wondering if, after you come in here and ask for it on your own, if they are going to be asking for it, too. I hope not.

Well, the point I mean to make, as I said before, is that this is a function that eventually will have to come to the Public Health Department, and there is no question in my mind about that, but I do hope if this work has to be done it will be done only by one agency. That is the point.

Senator HILL. Well, at the present time, you see no duplication of effort between the Public Health Service and the Atomic Energy Commission?

Mr. GILBERTSON. We do not.

Senator PASTORE. And you have correspondence to that effect?

Mr. GILBERTSON. We have it.

Senator PASTORE. Get it on the record.

CORRESPONDENCE

Senator HILL. Could you submit the correspondence you might have, any exchange of memorandums of that kind to show you are moving forward together, and not in any way duplicating any efforts?

Mr. GILBERTSON. Yes, sir.

Senator HILL. Could you do that for us?

Mr. GILBERTSON. Yes, sir.

Senator HILL. That is fine.

Without objection, the material will be incorporated into the record at this point.

(The material referred to follows:)

MAY 25, 1956.

Mr. W. KENNETH DAVIS,

*Director, Division of Reactor Development,
United States Atomic Energy Commission, Washington, D. C.*

DEAR MR. DAVIS: Your letter of May 11 outlining plans for a cooperative assignment of Public Health Service personnel to Idaho Operations Office has been reviewed by our staff.

We agree that this proposal offers an opportunity for cooperative action on the part of the Atomic Energy Commission and the Public Health Service which will be beneficial to the industry and public health. Accordingly, steps are being taken to assign Mr. Donald J. Nelson to the IOO on or about July 1, 1956.

Mr. Nelson, who is basically a chemical engineer, has just completed 2 years graduate study in radiological health at the University of Michigan. He has had experience previously with the Public Health Service, including an assignment to Los Alamos National Laboratory and will be, we believe, an excellent man for this assignment.

Selection of the second man, to be assigned on or about October 1, 1956, will be deferred until Mr. Nelson has been on duty at IOO for a period of a month or two and the details of the cooperative system have been developed as indicated in your letter.

I am asking Mr. James G. Terrill, Jr., chief of our radiological health program, to follow through with personnel of your Division in arranging details of this cooperative program.

We are pleased to have this opportunity of strengthening the very fine relationship that exists between the Bureau of State Services and the Division of Reactor Development.

Sincerely yours,

*Assistant Surgeon General,
Chief, Bureau of State Services.*

UNITED STATES ATOMIC ENERGY COMMISSION,
Washington 25, D. C., May 11, 1956.

Dr. OTIS L. ANDERSON,

*Assistant Surgeon General,
Chief, Bureau of State Services,
United States Public Health Service,
Washington 25, D. C.*

DEAR DR. ANDERSON: Recent discussions between members of your staff and sanitary engineers of this Division have established a basis for cooperation in assignment of Public Health Service personnel to the Idaho Operations Office to participate in engineering studies of environmental problems associated with operations at the National Reactor Testing Station, as follows:

1. After July 1, 1956, the USPHS is to assign two experienced "Q" cleared engineers to the IOO to participate in the program for an indefinite period. It is anticipated that the first man will report soon after July 1, and the second approximately October 1, 1956.

2. Salaries of the USPHS personnel on this assignment, including cost incidental to their transfer and other travel will be borne by the USPHS, except that the IOO will bear the cost of travel which is performed for the benefit of the AEC as authorized by the Manager, IOO.

3. The details of the cooperative program will be jointly determined and mutually concurred in by representatives of USPHS, the IOO, and the sanitary engineering group of the Division of Reactor Development, and will be transmitted in a memorandum to the manager of IOO. It is anticipated that the program will be reviewed jointly on a periodic basis.

4. Direction of the program will be the responsibility of the IOO, Division of Health and Safety. All equipment, supplies, office space, and other items

which are required to carry out the program successfully will be furnished by IOO.

5. For security reasons all reports or communications of the USPHS personnel which are based upon information developed in connection with NRTS and IOO activities will be cleared through the Director, Health and Safety Division, IOO, before release.

6. These arrangements may be terminated at any time by AEC or USPHS.

Upon receipt of your concurrence Allan C. Johnson, Manager, COO, will be requested to implement this arrangement.

We are pleased that the USPHS is interested in participating in studies of the environmental problems at the NRTS and feel confident that this cooperative effort will prove to be beneficial in the expansion of the atomic energy industry and in the interest of the public health.

Sincerely yours,

W. KENNETH DAVIS,
Director, Division of Reactor Development.

JULY 22, 1955.

Mr. W. KENNETH DAVIS,
*Director, Reactor Development Division,
United States Atomic Energy Commission,
Washington, D. C.*

DEAR MR. DAVIS: Thank you very much for your letter of July 12, 1955, transmitting a communication regarding the Public Health Service participation in research on radioactive waste, from the Director, Oak Ridge National Laboratory. We sincerely appreciate your favorable comment regarding the contribution of our staff to research and development in sanitary engineering phases of the ORNL program.

We are very interested in the suggestion made by Dr. Larson, that the Public Health Service increase its participation in research on high level radioactive waste disposal in view of the significance of disposal problems associated with the development of the peacetime reactor power industry. This is a very timely suggestion which has been further supported in current discussions with representatives of State health agencies and professional and technical organizations.

We concur with you that this problem should be given immediate consideration.

We are glad to learn that the organization of activities at ORNL has been modified to establish a Sanitary Engineering Research Section within which are included studies on air contamination, hydrological and geological problems, soil engineering and field investigations.

We will appreciate the opportunity to review our activities and interests in this program with the staff of your office and of the laboratory in relation to your request. It would seem desirable to have a joint meeting on this matter in the near future. If you concur, we will be happy to arrange to participate at a mutually satisfactory time and place.

Sincerely yours,

M. D. HOLLIS,
*Assistant Surgeon General,
Chief, Division of Sanitary Engineering Services.*

UNITED STATES ATOMIC ENERGY COMMISSION,
Washington 25, D. C., July 12, 1955.

Mr. M. D. HOLLIS,
*Chief, Division of Sanitary Engineering Services,
United States Public Health Service, Washington 25, D. C.*

DEAR MR. HOLLIS: The attached letter to you from C. E. Larson, Director of the Oak Ridge National Laboratory, was referred by the Director, Division of Production to this Division for review and forwarding.

Through allocation of funds for research and development in waste disposal, the Division of Reactor Development is supporting the sanitary engineering phases of the ORNL program. The cooperation ORNL has received from the Public Health Service during the past 5 years has been a very substantial contribution to the research and development in waste disposal.

We concur in the suggestion of Director Larson that United States Public Health Service increase its participation in the program of high-level radioactive waste disposal at ORNL; and hope you will find it possible to act favorably on this suggestion.

Sincerely yours,

W. KENNETH DAVIS,
Director, Reactor Development Division.

OAK RIDGE NATIONAL LABORATORY,
OPERATED BY CARBIDE & CARBON CHEMICALS Co.,
Oak Ridge, Tenn., May 27, 1955.

Subject: Cooperative Waste Disposal Research Program.

Mr. M. D. HOLLIS,

*Chief, Division of Sanitary Engineering Services,
United States Public Health Service, Washington, D. C.*

DEAR SIR: For approximately 5 years the Oak Ridge National Laboratory and the Public Health Service have participated jointly in the subject program of research and development on problems of water decontamination and radioactive waste disposal. The PHS has made a significant contribution in this program through technical sponsorship and the assignment of personnel to the Health Physics Division of ORNL. The progress of the work of the sanitary engineers and scientists assigned to this program have shown promising results.

During the past year the program of waste disposal research in the Health Physics Division of the Laboratory has been reoriented to give primary cognizance to the problems of disposal associated with the development of a peacetime reactor power industry. In order to conserve time and effort, all groups engaged in these studies have been brought together to form one section in the Health Physics Division designated as the "Sanitary Engineering Research Section." Study groups within this section include: Air contamination studies; soil engineering studies; field studies; and hydrological and geological studies. These studies are already active. In general, the program includes laboratory, pilot plant, and experimental field studies as may be found necessary.

In view of the increasing interest in a program of civilian protection and control with the advent of a nuclear power industry, the Laboratory would like to suggest that the Public Health Service increase its participation in the program of high level radioactive waste disposal at ORNL. As in the past overall direction of this integrated program would be by the Laboratory in accordance with agreements between the cooperating agencies concerned.

If the Public Health Service concurs in this suggestion, it is requested that we be advised in order that our plans for the furtherance of these studies may be put into effect.

Very truly yours,

OAK RIDGE NATIONAL LABORATORY,
C. E. LARSON, *Director.*

OAK RIDGE NATIONAL LABORATORY,
OPERATED BY CARBIDE & CARBON CHEMICALS Co.,
DIVISION OF UNION CARBIDE & CARBON CORP.,
Oak Ridge, Tenn., May 24, 1955.

Mr. M. D. HOLLIS,

*Assistant Surgeon General, Chief Engineer,
Bureau of State Services, United States Public Health Service,
Washington, D. C.*

DEAR MR. HOLLIS: It was indeed a pleasure to have Messrs. W. E. Gilbertson, J. G. Terrill, Jr., H. G. Hanson, and J. E. Flanagan, Jr., of the Public Health Service, with us on their recent visit to Oak Ridge. It was of great value to hear their constructive comments and suggestions concerning our studies of the disposal of radioactive wastes. Feeling as I do about our relations with the Public Health Service, I can only say that our visits are always too brief and too infrequent.

It has occurred to me that you might be interested in my impressions of two particular developments which were discussed. First, the possibility of extending our cooperative enterprise to problems of mutual interest other than waste disposal; and secondly, the possibility of our being diverted from a study of the

reactor waste problem out of respect to the present clamor concerning the hazards of radioactive fallout. Let me hasten to add that I do not mean to belittle the seriousness of this problem.

Concerning the former, may I say that I am encouraged to hear that we might consider extending the diversifying of our cooperative efforts with the Public Health Service. The suggestion that we explore such a possibility with Mr. Arthur C. Stern, chief of the air pollution control program, is an excellent one. As you know, we have been concerned with the radioactive particle problem for a long time, yet we have not been successful in developing an understanding of the biological effects of such particles for reasons of a lack of interest on the part of those who have the facilities and the know-how to experimentally determine their effect. Our point of view has been that the hazards associated with radio particulates, particularly the particles in submicron size ranges, are not clearly recognized. The difficulty with experimental work of this kind is the techniques involving the generation, measurement, and control of the aerosols under study. Recently, J. W. Thomas of our division has succeeded in developing a quick and simple particle-sizing technique that would, I'm sure, be of interest to Mr. Stern.

The work of the Occupational Health Field Headquarters group in their study of uranium miners on the Colorado Plateau is not unrelated to the studies of uranium distribution and excretion in man by our Applied Radiobiology Section. What is needed to complete the project are some carefully conceived and controlled inhalation experiments with animals larger than rats or mice. It is to be hoped that this work can be shown to be of sufficient interest and importance to the PHS to lead to a cooperative effort of some considerable extent. Dr. H. E. Stokinger, Division of Special Health Services, is ideally qualified to aid in a study of this problem.

In reference to the fallout problem, I would be the first to agree that investigations must be initiated immediately. It is important to understand its effect on man and his food resources, and to develop procedures for civilian protection. Indeed, we have this past year begun a study of the effects of radiation and radioactivity on natural populations in the forest community with this problem partly in mind. Admittedly, the forest niche is only a small part of man's environment, but it seems logical to begin there since ORNL is in the heart of a deciduous forest area. We are hopeful that others will undertake similar basic ecological studies in the grassland community, the fresh water community, the desert community, and so on. This is a tremendously complex study that will require years of studious effort by many groups and disciplines to obtain the information needed to understand the long range effects of fallout, radioactive wastes, and weapons activity. We need to spend a greater effort on the study of pollution effects, and not be content merely to determine their dilution and dispersion in nature.

Meanwhile, we are faced with immediate and far-reaching developments in the nuclear power field and peacetime use of atomic energy. You are cognizant of the present administration's objectives in this regard, I am sure, and the momentum in this country is increasing day by day. Great Britain is similarly concerned and their recently revealed plans appear to be very ambitious and astute. This becomes all the more worrisome when one considers the state of disposal methods in relation to the advance of reactor design and fuel processing. The design engineers and process engineers have the advantage of several years experience over the sanitary engineers who have just recently started their study of the reactor waste problem. As I see it, we cannot afford to relax our efforts in this regard, and I am hopeful that we can maintain our present forces at work on the study.

I appreciate your interest in the program at ORNL and I hope that you may have an opportunity to visit the Laboratory soon.

Very truly yours,

K. Z. MORGAN,
Director, Health Physics Division.

UNITED STATES ATOMIC ENERGY COMMISSION,
Washington, D. C., July 27, 1956.

HON. ROSWELL B. PERKINS,
Acting Secretary of Health, Education and Welfare.

DEAR MR. PERKINS: I appreciate very much your letter of July 5, 1955, regarding the conference of State representatives on the AEC licensing program.

Dr. Burney and other members of the Public Health Service staff contributed

importantly to the success of the conference, and we are most appreciative of their efforts.

The conference enabled us to obtain a more definitive indication of the health and safety problems to be dealt with in our regulations, and we welcome the Department's interest in working with us to resolve them.

Sincerely yours,

K. E. FIELDS, *General Manager.*

[Excerpts from Public Works Appropriations for 1956-Atomic Energy Commission hearings before the Subcommittee of the Committee on Appropriations, House of Representatives, 84th Cong.]

(Pp. 418-419)

Mr. RABAUT. What other agencies of the Government receiving appropriations are in any way concerned with this program? What are your relations with the Public Health Service and the Veterans' Administration?

Dr. BUGHER. * * * From the standpoint of other agencies and departments of the Government that are doing research in the same broad area of knowledge, we have extensive connections with the United States Public Health Service and with the National Institutes of Health organization.

In the general field of public health, we have a great deal of common interest with the Public Health Service and the National Institutes of Health, and that is particularly true in the area of industrial medicine, and in the field of cancer research.

TESTIMONY OF REAR ADM. H. G. RICKOVER, CHIEF, NAVAL REACTORS BRANCH,
DIVISION OF REACTOR DEVELOPMENT

(P. 147—Pt. 2: Investigation of Atomic Electric Power)

We have kept the Pennsylvania State Department of Health and the Ohio Valley Sanitary Commission, composed of representatives from all the States bordering on the Ohio River, fully informed of the safety and radiological aspects of the plant. We have had excellent cooperation from them. An officer of the United States Public Health Service is stationed at the Pittsburgh area office of the Atomic Energy Commission and devotes full time to the Shippingport reactor problems. We expect that the amount of radiation that may enter the Ohio River will be less than one-tenth of what the National Bureau of Standards considers permissible. In addition, we have obtained approval for our pressure vessels and containers, as applicable, from the State of Pennsylvania Department of Labor and Industry.

Reference: Hearings before Subcommittees of the Committee on Appropriations, House of Representatives, 84th Congress, second supplemental appropriation bill, 1957.

[Excerpt from Joint Committee on the Peaceful Uses of Atomic Energy Report of the Panel on the Impact of the Peaceful Uses of Atomic Energy to the Joint Committee on Atomic Energy]

(P. 17)

We therefore recommend:

1. * * *
2. That other departments and agencies of the executive branch be encouraged to develop their own organizations for dealing with their functional interests in peaceful uses of atomic energy, drawing upon the Commission for advice and services rather than leaning on the Commission or delegating their functions to it:
3. * * *
4. * * *

ACTIVITIES BASED ON NEW LEGISLATION

Senator HILL. Any further questions?

Senator PASTORE. No.

Senator HILL. Well, of course, the act that Congress passed last year increased considerably your activities; is that right, Mr. Hollis?

Mr. HOLLIS. Yes, sir; it did, particularly in water and air pollution. Of course, the air legislation was passed year before last, in the first

session, but both air and water pollution were in legislation of the 84th Congress.

Senator HILL. Then also, this item of "Grants for waste treatment works construction," is under your department, too?

Mr. HOLLIS. Yes, sir; this is a separate appropriation, Senator.

GRANTS FOR WASTE TREATMENT WORKS CONSTRUCTION

STATEMENTS OF MARK D. HOLLIS, CHIEF, DIVISION OF SANITARY ENGINEERING SERVICE, ACCOMPANIED BY WESLEY E. GILBERTSON, ASSISTANT CHIEF; AND JAMES F. KELLY, DEPARTMENT BUDGET OFFICER

APPROPRIATION ESTIMATE

Grants for waste treatment works construction: For payments under section 6 of the Water Pollution Control Act, as amended, \$50,000,000, to remain available only until June 30, [1958] 1959.

Allocations of grant-in-aid funds for waste-treatment works construction

State or territory	1957 allocations	Estimated 1958 allocations	State or territory	1957 allocations	Estimated 1958 allocations
Alabama.....	\$1,150,125	\$1,157,175	New Jersey.....	1,113,600	1,110,125
Arizona.....	566,725	578,490	New Mexico.....	631,850	627,850
Arkansas.....	1,047,925	1,030,190	New York.....	2,749,675	2,746,550
California.....	2,053,325	2,052,475	North Carolina.....	1,270,675	1,272,425
Colorado.....	624,300	636,675	North Dakota.....	702,575	676,250
Connecticut.....	628,275	626,575	Ohio.....	1,653,325	1,655,100
Delaware.....	350,350	346,450	Oklahoma.....	865,825	858,725
District of Columbia.....	445,650	453,675	Oregon.....	647,125	651,575
Florida.....	910,775	907,550	Pennsylvania.....	2,097,650	2,098,725
Georgia.....	1,137,700	1,136,150	Rhode Island.....	520,500	509,600
Idaho.....	576,475	593,325	South Carolina.....	995,100	1,007,525
Illinois.....	1,752,825	1,749,050	South Dakota.....	660,775	664,050
Indiana.....	1,027,490	1,029,725	Tennessee.....	1,130,050	1,130,075
Iowa.....	873,075	882,450	Texas.....	1,716,475	1,716,350
Kansas.....	733,550	749,150	Utah.....	591,175	588,525
Kentucky.....	1,067,225	1,075,525	Vermont.....	575,325	556,650
Louisiana.....	993,975	993,350	Virginia.....	1,027,450	1,025,525
Maine.....	627,125	634,650	Washington.....	755,850	756,050
Maryland.....	750,350	750,000	West Virginia.....	891,525	904,200
Massachusetts.....	1,137,125	1,126,450	Wisconsin.....	971,725	974,625
Michigan.....	1,389,675	1,386,275	Wyoming.....	440,375	450,750
Minnesota.....	929,450	923,250	Alaska.....	426,525	425,100
Mississippi.....	1,180,375	1,172,550	Hawaii.....	496,100	504,325
Missouri.....	1,059,775	1,060,950	Puerto Rico.....	1,185,550	1,177,725
Montana.....	503,650	503,325	Virgin Islands.....	830,000	822,175
Nebraska.....	661,075	674,150			
Nevada.....	325,775	330,200			
New Hampshire.....	543,150	529,825			
			Total.....	50,000,000	50,000,000

STATEMENT BY CHIEF, DIVISION OF SANITARY ENGINEERING SERVICES, PUBLIC HEALTH SERVICE, ON GRANTS FOR WASTE TREATMENT WORKS CONSTRUCTION, PUBLIC HEALTH SERVICE

Mr. Chairman and members of the committee, the Federal Water Pollution Control Act (sec. 6) authorizes grants to States, municipalities, and interstate and intermunicipal agencies to stimulate and assist them in the construction of necessary waste-treatment works. The authorized amount of \$50 million per year for such grants is being requested.

The Committee on Public Works, in its Report No. 2190 submitted to the House on May 21, 1956, cites needs for construction of sewage-treatment plants and intercepting sewers totaling more than \$5 billion for the period 1955-65. This included \$1.9 billion to meet the current backlog, 1.72 billion to replace facilities becoming obsolete, and 1.71 billion to meet requirements of population growth. These estimates were based on a total of 6,685 communities known to need construction at that time. More recent data submitted by State water-pollution

control agencies show needs totaling over 9,000 potential projects. Present construction rates are not adequate to meet growth and obsolescence requirements and to cut into the backlog.

The construction grant feature of the new act, first implemented by the \$50 million appropriation of July 31, 1956, should provide needed stimulation in the construction of pollution abatement works. While it is too early to determine the total effect of these grants on the rate of construction of waste-treatment works to reduce the backlog of required works, there is sufficient information to indicate its effect is in the right direction.

ALLEVIATION OF WATER POLLUTION

Mr. HOLLIS. This appropriation relates specifically to the water-pollution item we have discussed here. This is, the \$50 million per year for construction grants.

Senator HILL. This is a matching problem or proposition with the States and with a ceiling on the Federal funds that can be given to any one project?

Mr. HOLLIS. Yes; restrictive grants. In other words, a maximum of 30 percent for any project, or \$250,000, whichever is smaller, but no city can get over \$250,000 for any project.

Senator HILL. The House allowed you the full amount of this item?

Mr. HOLLIS. Yes, sir.

Senator HILL. That is what the act authorized, what you had last year?

Mr. HOLLIS. Yes, sir.

TOTAL PROJECTS APPROVED

Senator HILL. Do you have many applications?

Mr. HOLLIS. As of April 11 we had actually approved 307 projects. These involved a total construction cost of \$104 million, of which the Federal share or Federal participation, under this incentive grant, was \$24.9 million. But this is a new program, only about 5 months old now. Applications that are in process in our regional offices, or in the States, as of March 31—and this is country wide—total 604 projects. These involve a total additional construction cost of \$352 million.

To apply the provisions of the act to all of these additional projects it would require \$59.5 million Federal funds.

Senator HILL. That is, the States and the local funds?

Mr. HOLLIS. Yes, sir. But of course, some of these projects will get low priorities by the States, under the provisions of the act.

Senator HILL. Are there any questions?

TOTAL FUNDS FOR RESEARCH

Senator PASTORE. On this \$100,000, you say that was taken out of research? Now, does that give you any money for research?

Mr. HOLLIS. Yes, sir.

Senator PASTORE. Well, how much? Give it to me roughly, I don't care.

Mr. HOLLIS. I have it right here.

The total research item is \$1,070,000 for the water-pollution work

Senator PASTORE. \$1,070,000?

Mr. HOLLIS. That is, as passed by the House. The House cut was \$110,000.

Mr. GILBERTSON. That is correct.

Senator PASTORE. How much would it reduce the program?

Mr. HOLLIS. It would reduce the research activity by that amount.

Senator PASTORE. Do you have any additional research at all?

RESEARCH CONTRACTS AND GRANTS

Mr. HOLLIS. No, sir; most of this research is with outside institutions.

Senator PASTORE. By contract?

Mr. HOLLIS. By research grants and, in smaller amounts, by contracts. They have supplemented it since that operation. We do have some research at our Cincinnati center.

Senator PASTORE. How much was your 1957 budget?

Mr. HOLLIS. \$629,000.

Senator PASTORE. In other words, they decreased it to \$529,000?

Mr. HOLLIS. Approximately: yes.

Senator PASTORE. And you think that \$100,000 would disrupt or interfere with the orderly progress of that research program?

Mr. HOLLIS. As I said, in all honesty, you could apply a mathematical rule; this would reduce the program by \$100,000.

(CLERK'S NOTE.—The testimony of the witness is at variance with the justifications furnished the committee. The funds available in the current fiscal year for water-supply and pollution-control activities total \$4,224,100, of which \$440,100 is for research; the budget estimate for fiscal year 1958 totaled \$6,610,000, of which \$1,140,000 is sought for research; the estimate for 1958 sought a total increase of \$2,385,900, of which \$699,900 was for additional research. The committee has been advised that the House allowance would make available for research \$1,070,000, an increase of \$629,900 over the 1957 allowance, or 142.92 percent.)

Senator PASTORE. Why did you ask for \$629,900, because this has become quite a national problem?

BEHAVIOR OF SYNTHETIC CLEANING MATERIALS

Mr. HOLLIS. Extremely so. On water supply, Senator, there is a most urgent need to understand more about new types of pollutants. Over the years, we have developed a very clear picture and clear understanding of the behavior of natural organic pollutants—sewage and pollution of packing plants, and things of that type. In recent years, we have had introduced many thousands of new chemicals, many synthetic chemicals. We have had the introduction of all types of synthetic materials, new types of cleaning materials, and the like.

Synthetic organics, introduced in streams, do not behave like natural organics. They have a different method of stabilizing and breaking down, a difference in their relation to stream conditions. This upsets established understanding of how pollution introduced into a stream, reacts downstream—how to get maximum safe use of the stream in sewage-disposal or waste-disposal problems.

The picture is changing. We don't yet know the effects of many of these new types of wastes on normal stream uses, in addition to water supplies and agricultural uses, fish and wildlife and recreational uses. The research program is geared, in one aspect, to develop a

better understanding, to develop knowledge, both on the behavior of the materials in streams and the effects of these materials.

Senator PASTORE. I quite understand that. That has been because of the evolution of time, but that problem is with us gradually, maybe in a more exaggerated form, in one year more than the next, but how do we justify it by almost 100 percent from one year to another, 1957 to 1958? Has the problem become so acute suddenly?

INCREASE IN NEW TYPES OF INDUSTRIES

Mr. HOLLIS. Well, of course, one point is that we are in the midst—and have been since 1940—of an extremely rapid increase in many new types of industries, and in the total volume of industrial work. But one of the reasons for the increase this year, the heavy increase this year, is the passage last year of the new Water Pollution Act.

NEW LEGISLATION AUTHORIZES ACTIVITY

Now, before last fall we had no categorical authority in our whole act to enter into any contracts or to make research grants. We had a very awkward method of approaching the problem of interstate pollution.

Senator PASTORE. You have answered my question. Congressional act made it necessary.

Senator HILL. Any further questions?

Senator PASTORE. No.

Senator HILL. Mr. Hollis, we are certainly very much obliged to you. Thank you very much.

GRANTS FOR HOSPITAL CONSTRUCTION

STATEMENT OF DR. VANE M. HOGE, CHIEF, DIVISION OF HOSPITAL AND MEDICAL FACILITIES, ACCOMPANIED BY JAMES F. KELLY, DEPARTMENT BUDGET OFFICER

APPROPRIATION ESTIMATE

Grants for hospital construction: For payments under parts C and G, title VI, of the Act, as amended, [to remain available until expended, \$125,000,000] \$121,200,000, of which [to remain available until expended, \$102,800,000] \$90,000,000 shall be for payments for hospitals and related facilities pursuant to part C, \$1,200,000 shall be for the purposes authorized in section 636 of the Act, and [to remain available until expended, \$21,000,000] \$30,000,000 shall be for payments for facilities pursuant to Part G, as follows: [to remain available until expended, \$6,500,000] \$10,000,000 for diagnostic or treatment centers, [to remain available until expended, \$6,500,000] \$10,000,000 for hospitals for the chronically ill and impaired, [to remain available until expended, \$4,000,000] \$5,000,000 for rehabilitation facilities, and [to remain available until expended, \$4,000,000] \$5,000,000 for nursing homes: *Provided*, That allotments under such parts C and G to the several States for the current fiscal year shall be made on the basis of amounts equal to the limitations specified herein.

[The paragraph under this head in the Supplemental Appropriation Act, 1955 (68 Stat. 810), is amended by striking out "to remain available until expended" and inserting in lieu thereof "to remain available until June 30, 1957"; the paragraph under this head in the Department of Health, Education, and Welfare Appropriation Act, 1956 (69 Stat. 405), and the paragraph under this head in the Department of Health, Education, and Welfare Appropriation Act, 1957 (70 Stat. 431), are amended by striking out in each the words "to remain available until expended"; and funds appropriated under this head in the Department of Health, Education, and Welfare Appropriation Act, 1955 (68 Stat. 441), and all appropriation acts prior thereto, remaining unobligated on June 30, 1956, are hereby rescinded and ordered to be covered into the Treasury immediately upon approval of this Act.]

Amounts available for obligation

	1957 appropriation	1958 budget estimate	1958 House allowance
Appropriation or estimate	\$125,000,000	\$121,200,000	\$121,200,000
Additions: Unobligated balance brought forward	79,662,560	91,379,548	91,379,548
Deductions:			
Unobligated balance carried forward	91,379,548	86,179,548	86,179,548
Unobligated balance rescinded (70 Stat. 688)	1,064,024	0	0
Total obligations	112,218,988	126,400,000	126,400,000

Allocations by activities

	1957 appropriation	1958 budget estimate	1958 House allowance
1. Construction of hospitals, etc., under part C of the act	\$102,800,000	\$90,000,000	\$99,000,000
2. Construction of medical facilities under part G of the act:			
(a) Hospitals for the chronically ill and impaired	6,500,000	10,000,000	6,500,000
(b) Diagnostic and treatment centers	6,500,000	10,000,000	6,500,000
(c) Rehabilitation facilities	4,000,000	5,000,000	4,000,000
(d) Nursing homes	4,000,000	5,000,000	4,000,000
3. Hospitals and medical facilities research activities	1,200,000	1,200,000	1,200,000
Total allocations	125,000,000	121,200,000	121,200,000

Obligations by activities

Description	1957 appropriation	1958 budget estimate	1958 House allowance
1. Construction of hospitals, etc., under part C of the act	\$89,419,709	\$101,150,000	\$110,150,000
2. Construction of medical facilities under part G of the act:			
(a) Hospitals for the chronically ill and impaired	6,391,075	8,025,000	5,021,880
(b) Diagnostic and treatment centers	6,625,217	8,025,000	5,021,880
(c) Rehabilitation facilities	3,866,196	4,000,000	2,503,120
(d) Nursing homes	4,716,791	4,000,000	2,503,120
3. Hospital and medical facilities research activities	1,200,000	1,200,000	1,200,000
Total obligations	112,218,988	126,400,000	126,400,000

EFFECT OF HOUSE ACTION

Activity No. 1. Construction of hospitals, etc., under part C of the Public Health Service Act

The House increased this activity by \$9 million to a new total of \$99. This is \$3,800,000 below the amount provided for 1957. The allowance of \$99 million for part C construction will permit the construction of approximately 17,700 equivalent general hospital beds.

Activity No. 2. Construction of medical facilities under part G of the act

The House decreased this activity \$9 million to the 1958 base level of \$21 million. The amount recommended by the House, if concurred in by the Senate, would be allocated as follows: \$6,500,000 for construction of chronic disease hospitals, \$6,500,000 for diagnostic and treatment centers, \$4 million for rehabilitation facilities, and \$4 million for nursing homes.

The reduction in the part G phase of the program will materially reduce the number of facilities that may be provided which will ultimately tend to relieve the general hospital bed shortage and provide a means for more adequate care of an aging population. Further, fewer facilities for the care of ambulatory patients and for rehabilitation of the disabled could be provided. It is therefore recommended that the allocations of funds be restored to those shown in the budget estimates.

Activity No. 3. Hospital and medical facilities research activities

The full amount requested of \$1,200,000 was allowed by the House. This is the same amount as was provided for 1957. This amount will allow for intramural and extramural research in connection with the hospital and medical facilities survey and construction program and other activities.

Obligations by objects

	1957 appropriation	1958 budget estimate	1958 House allowance
07 Other contractual services.....	\$114, 250	\$114, 250	\$114, 250
11 Grants, subsidies, and contributions.....	112, 104, 738	126, 285, 750	126, 285, 750
Total obligations.....	112, 218, 988	126, 400, 000	126, 400, 000

PREPARED STATEMENT

Senator HILL. All right, Dr. Hoge, we are very happy to have you here. We will be glad to have you proceed in your own way.

Dr. HOGE. Thank you, Mr. Chairman.

I believe you have before you a statement for the record.

Senator HILL. That will go in the record in full.

(The statement referred to follows:)

STATEMENT BY CHIEF, DIVISION OF HOSPITAL AND MEDICAL FACILITIES PUBLIC HEALTH SERVICE, ON GRANTS FOR HOSPITAL CONSTRUCTION

PREFACE

Mr. Chairman and member of the committee, this presentation is in support of the President's budget which would provide for a total of \$121,200,000. While the action of the House would also provide for a like amount, some modification was made in the President's recommendations. These will be taken up at the end of this justification.

HOSPITAL AND MEDICAL FACILITY CONSTRUCTION FUNDS

Federal payments for hospital and medical facilities survey and construction purposes were first authorized by title VI of the Public Health Service Act approved August 13, 1946 (Public Law 725, 79th Cong.). Subsequent amendments have extended the program authorization through fiscal year 1959.

The purpose of the hospital and medical facilities survey and construction program, as amended, is to assist the States to afford the necessary physical facilities for furnishing adequate hospital, clinic, and similar services to all their people, as well as services in facilities providing chronic disease, nursing home, ambulatory and rehabilitative care. This is accomplished in two successive steps, namely, the survey and planning phase, which is a continuing program activity; and the construction phase of Federal financial assistance on a matching basis for the construction of hospitals, public health centers, and related facilities, nursing homes, diagnostic or diagnostic and treatment centers and rehabilitation facilities.

Allocation of funds to States

Federal funds are allocated to the States on the basis of a formula contained in the law, the controlling factors of which are population and per capita income. The amount authorized in the law for appropriation annually, in the hospital and public-health center categories, is \$150 million. Under broadening amendments enacted in 1954 an additional amount of \$60 million is authorized for appropriation for the 4 categories of facilities covered by those amendments. However, the amounts appropriated by the Congress, annually, determine the size and scope of the program. The amounts allocated to each State result from the application of the statutory formula to the funds appropriated. The States, in turn, determine the amount of Federal funds to be made available to a project sponsor, which may vary from a minimum of one-third to a maximum of two-

thirds of the cost of the project. The remaining project construction money represents local funds and, in some instances, State funds utilized in a matching arrangement. Federal payments for construction are made as construction of the project reaches various stages.

Total construction funds appropriated

A total of \$874,100,000 for the hospital and public-health center construction phase of the program has thus far been made available. This represents what may be termed as the original program. An additional \$63 million has been appropriated for the 4 categories of facilities included by the 1954 amendments. All of these funds have been allocated to the States. As of January 1, 1957, over \$828 million in Federal funds have been committed to 3,232 projects by the 53 States and Territories. This, in turn, has been matched by \$1,793 million, so that the program is adding 143,000 hospital beds and over 650 public-health centers to our national resources. More than 2,260 of these projects are now open, in operation, and serving their communities; 700 are under construction and the remaining projects are in various preconstruction stages.

The first funds for the construction phases of the program were appropriated for fiscal year 1948. With the present fiscal year's appropriation, we will have completed 10 years and it is appropriate, therefore, to briefly evaluate our progress. State surveys reveal that we now have about 1,100,000 acceptable hospital beds, whereas the original surveys indicated existence of only 900,000 acceptable beds. About half of this national gain of 200,000 hospital beds has been attributable to the Hill-Burton program.

During the life of the program we have assisted in the construction of from 0.4 bed per 1,000 population in our wealthiest States to well over 1.0 bed per 1,000 population in our neediest States. In fact, the figure for Mississippi is 1.5 beds. As expected, the greater percentage of the projects assisted has been in the general hospital category. Fifty-four percent of these general hospital projects have been in communities of less 5,000 population and only 12 percent in communities where the population exceeds 50,000. Almost 600 new general hospitals are in communities that never before had a hospital, while another 250 projects are in communities that only had a nonacceptable facility designated as a hospital.

With such emphasis on rural needs, however, the need for expanded teaching facilities has not been neglected. Sixty-six projects in medical schools and universities and 91 projects in facilities affiliated with medical schools and universities have been approved while another 350 projects are to be found in teaching hospitals approved for intern and resident training. Thus, more than 25 percent of the Federal funds are in facilities which are making some contribution toward providing the essential professional staffs so necessary for our expanding physical facilities.

Hospital bed needs

In spite of our progress there is a continuing need for Federal assistance. Total need for hospital beds in the Nation stands at over 1,900,000 beds and is fast approaching the 2 million mark. There are still areas of the Nation which have no acceptable hospital facilities and we find that even in the wealthier States there are many areas with less than 50 percent of their needs for hospital facilities and services being met. Briefly, there are two major factors which tend to offset the potential gains from new construction. These are population increase and plant obsolescence, physical as well as functional. The annual increase of population alone requires about 30,000 additional hospital beds annually (approximately 12 beds per thousand population in all categories for an increase of $2\frac{1}{2}$ million population). Fifty percent of the hospitals in this Nation are 50 years of age. The average life expectancy of a hospital building is 50 years; it depreciates at about 2 percent annually. Thirteen percent of the hospital beds in the Nation are reported by the States to be in hospitals which are fire hazards, or have narrow corridors, or other major inadequacies. In addition, because of the rapid development of new medical techniques, functional obsolescence takes place more rapidly and many of our hospitals are today becoming obsolete more quickly.

Aims of the original program

It is recognized that the responsibility for meeting shortages in hospitals and health facilities rests initially with the States and communities and the function of the Federal Government is to assist and stimulate State and local action. The

amount of Federal funds included in the President's budget for the 1958 fiscal year to provide that essential assistance and stimulation under the original program is \$90 million. While the newer portion of the program emphasizes facilities for long-term and ambulatory care, the original program must continue to assist in meeting the needs for short-term facilities, for general hospital beds, and must also assist in the mental disease category, where 45 percent of the bed need remains unmet.

The 1954 amendments

You will recall that the 1954 amendments authorize annual appropriations to assist in the construction of facilities in four types of categories. Minimum annual allotments authorized for any State are \$100,000 for diagnostic and treatment centers, \$100,000 for chronic disease facilities, \$50,000 for rehabilitation facilities, and \$50,000 for nursing homes. The budget request for fiscal year 1958 is \$30 million for this part of the program.

Chronic disease and nursing home facilities

You are well aware of the tremendous increase in our population aged 65 and over. This increase in the number of aged persons has likewise contributed to the incidence of the chronic and degenerative diseases. It is estimated that a fourth of the patients in general hospitals are there for long-term care.

The present budget proposal is that \$10 million be made available for chronic disease facilities and \$5 million for nursing homes. These two types of facilities are less expensive to construct than general hospitals and can provide patient care at less cost than in more expensive general hospitals. They would free more general hospital beds for patients with acute illness and permit more urgently needed facilities for the chronically ill patients. We must admit, however, that the problem is so great that the limited amounts under this program cannot approach solving the problem. We can, however, with these funds, give material assistance to the States in providing facilities for increasing numbers of chronically ill patients.

Diagnostic and treatment facilities

It is proposed that \$10 million be made available for diagnostic and treatment facilities to care for ambulatory patients. By emphasizing preventive medicine and care of the ambulant patient, the demands for general hospital beds could be further reduced and the total cost to the patient will be less than the cost of hospitalization. This type of facility providing earlier diagnosis will help in the prevention of chronic illness and subsequent long-term hospitalization with its tremendous expense to the individual.

Rehabilitation facilities

For rehabilitation facilities it is proposed that \$5 million be appropriated. There is now a great shortage of adequate rehabilitation facilities for both patient care and training purposes. We believe that we have made a good start in this phase of the program toward alleviating these shortages. Appropriation of the amount requested for this category will represent orderly progress in attaining the objective of providing essential facilities for the rehabilitation of the disabled.

Problems encountered in development of new program

Progress under the 1954 amendments, while slower than originally anticipated, has been satisfactory. The process of developing a sound program, under new legislation, requires considerable time after the enactment of the legislation. The preparation of State inventories and of their State plans, as required by the 1954 amendments, was timeconsuming and followed the pattern of the original program, when nearly 2 full years were required for the approval of comprehensive plans for all States. Further experience has shown that a substantial time interval is required to develop projects at the community level.

Appropriation request for Part G

When we testified on the appropriation a year ago, only 14 projects, utilizing less than \$1 million, had actually been approved prior to January 1956. As of June 30, 1956, 182 had been approved, obligating almost \$19 million of the first \$21 million that had been appropriated for the 4 categories. Further, as of January 1, 1957, we are able to report the approval of an additional 58 projects, or a total of 250 such projects. Obligations for these projects now exceed \$30 million and the States are working with many more communities in developing projects to the point where funds can be obligated and construction started. The present

request of \$30 million for 1958 represents half of the \$60 million authorized by the 1954 amendments. We regard this halfway mark as an orderly rate of progress in the development of the new program and we are fully confident that these funds will be utilized by the States.

HOSPITAL AND MEDICAL FACILITY RESEARCH ACTIVITIES

The Congress, when it enacted amendments to our basic law in 1949, authorized the Surgeon General to conduct research, and make grants-in-aid to States, political subdivisions, universities, hospitals, and others for research, experimentation, or demonstrations relating to the development, utilization, and coordination of hospital services, facilities, and resources.

Authorization for research

The appropriation act for fiscal year 1956 authorized the expenditure of a sum not to exceed \$1,200,000 for such research activities. Thus, for the first time, an appropriation was made available through the Public Health Service to seek answers to the many administrative and planning problems confronting the Nation in the hospital and health field. A similar authorization was contained in our Appropriation Act for the present fiscal year.

Aims of the program

The program is designed to aid research, experiments, and demonstrations relating to the needs for hospital and related services, measurement of resources available and necessary to meet these needs, and the planning of facilities from both the relationship of community needs as well as architectural or functional design standpoint.

Methods for increasing the availability and effectiveness of hospital and medical services to the public and of improving the quality and efficiency of hospital and other medical services by clinical, administrative, financial, and educational means need to be studied. The methods by which services of hospitals and other medical facilities can be improved or the costs of such services lowered through coordinated efforts of hospitals and other medical facilities with one another on a regional or other basis must be explored.

Allocation of funds

In order to accomplish these ends, both intramural and extramural programs of research have been undertaken. At the present time, comparatively small sums of the \$1,200,000 available each year have been set aside for intramural studies. In 1956, \$37,500 was obligated; in 1957, \$114,250 was set aside for this purpose. This left \$1,162,500 in 1956 and \$1,085,750 in 1957 available for extramural research.

Eighty-nine extramural applications, submitted to the Surgeon General, have been studied and reviewed by a study section composed of authorities in the fields of hospital administration, medical care, sociomedical economics, biostatistics, anthropology, sociology, and basic scientific research. Following recommendations by the study section as to priority of the applications, the Surgeon General, as provided by the act, consulted with the Federal Hospital Council concerning the project applications. Awards of research funds have been made on 40 of the project applications which have utilized all the funds available.

Appropriation request

The present request is for \$1,200,000 for 1958. Approved projects to date, if continued in 1958, will utilize more than \$940,000 of the amount requested. The ceiling contained in the basic law precludes an expenditure of more than \$1,200,000 annually. The need for research is great indeed. The continuance of such research and studies will provide the administrative advances necessary to close the gap between the progress in clinical research and the administrative application of such progress.

A great challenge to those interested in improving hospital facilities and services lies in this research grant phase of the program. Major responsibility for the success of this program depends primarily on the vision, interest, and ability of the grant recipients.

Effect of house action

The House has approved the total of \$121,200,000 requested for hospital construction and for the research activities but has reduced the part G construction estimate of \$30 million to \$21 million and increased the part C estimate of \$90 million to \$99 million. While this provides more money for the construction of general, mental, and chronic disease hospitals under the original phase of the

program, it deemphasizes the construction of chronic disease hospitals, diagnostic and treatment centers, nursing homes, and rehabilitation facilities under the categorical phase of the program.

This reduction in the part G phase of the program will materially reduce the number of facilities that may be provided which will ultimately tend to relieve the general hospital bed shortage and provide a means for more adequate care of an aging population. Further, fewer facilities for the care of ambulatory patients and for rehabilitation of the disabled could be provided. It is therefore recommended that the allocations of funds be restored to those shown in the budget estimates.

Tentative allocations to States and Territories for construction of hospital and medical facilities for fiscal year ending June 30, 1958, under the budget estimate

State or Territory	Total allocation	Allocation under pt. C—Hospitals	Allocation under "Pt. G—Medical Facilities"				
			Total allocation under Pt. G	Diagnostic or treatment facilities	Chronic disease facilities	Rehabilitation facilities	Nursing homes
Total	\$120,000,000	\$90,000,000	\$30,000,000	\$10,000,000	\$10,000,000	\$5,000,000	\$5,000,000
Alabama	3,876,636	2,993,764	882,872	294,291	294,291	147,145	147,145
Arizona	952,158	652,158	300,000	100,000	100,000	50,000	50,000
Arkansas	2,415,210	1,865,166	550,044	183,348	183,348	91,674	91,674
California	5,143,939	3,972,449	1,171,490	390,497	390,497	195,248	195,248
Colorado	1,166,139	866,139	300,000	100,000	100,000	50,000	50,000
Connecticut	792,927	492,927	300,000	100,000	100,000	50,000	50,000
Delaware	500,000	200,000	300,000	100,000	100,000	50,000	50,000
District of Columbia	541,401	241,401	300,000	100,000	100,000	50,000	50,000
Florida	3,010,804	2,325,118	685,686	228,562	228,562	114,281	114,281
Georgia	4,020,865	3,105,145	915,720	305,240	305,240	152,620	152,620
Idaho	738,088	438,088	300,000	100,000	100,000	50,000	50,000
Illinois	3,668,242	2,832,830	835,412	278,471	278,471	139,235	139,235
Indiana	2,624,879	2,027,085	597,794	199,265	199,265	99,632	99,632
Iowa	2,146,014	1,657,278	488,736	162,912	162,912	81,456	81,456
Kansas	1,576,181	1,217,219	358,962	119,654	119,654	59,827	59,827
Kentucky	3,394,175	2,621,179	772,996	257,665	257,665	128,833	128,833
Louisiana	3,134,726	2,420,818	713,908	237,969	237,969	118,985	118,985
Maine	916,943	616,943	300,000	100,000	100,000	50,000	50,000
Maryland	1,475,582	1,139,530	336,052	112,017	112,017	56,009	56,009
Massachusetts	2,431,919	1,878,069	553,850	184,617	184,617	92,308	92,308
Michigan	3,427,476	2,646,896	780,580	260,193	260,193	130,097	130,097
Minnesota	2,417,414	1,866,868	550,546	183,515	183,515	91,758	91,758
Mississippi	3,075,433	2,375,029	700,404	233,468	233,468	116,734	116,734
Missouri	2,910,667	2,247,787	662,880	220,960	220,960	110,480	110,480
Montana	621,420	321,420	300,000	100,000	100,000	50,000	50,000
Nebraska	1,178,684	878,684	300,000	100,000	100,000	50,000	50,000
Nevada	500,000	200,000	300,000	100,000	100,000	50,000	50,000
New Hampshire	629,305	329,305	300,000	100,000	100,000	50,000	50,000
New Jersey	1,946,440	1,503,154	443,286	147,762	147,762	73,881	73,881
New Mexico	900,634	600,634	300,000	100,000	100,000	50,000	50,000
New York	6,396,160	4,939,486	1,456,674	485,558	485,558	242,779	242,779
North Carolina	5,098,687	3,937,503	1,161,184	387,061	387,061	193,531	193,531
North Dakota	849,559	549,559	300,000	100,000	100,000	50,000	50,000
Ohio	4,551,595	3,515,007	1,036,588	345,529	345,529	172,765	172,765
Oklahoma	2,016,756	1,557,456	459,300	153,100	153,100	76,550	76,550
Oregon	1,152,071	852,071	300,000	100,000	100,000	50,000	50,000
Pennsylvania	6,537,718	5,048,806	1,488,912	496,304	496,304	248,152	248,152
Rhode Island	662,191	362,191	300,000	100,000	100,000	50,000	50,000
South Carolina	2,925,636	2,259,346	666,290	222,097	222,097	111,048	111,048
South Dakota	662,462	362,462	300,000	100,000	100,000	50,000	50,000
Tennessee	3,884,060	2,999,498	884,562	294,854	294,854	147,427	147,427
Texas	7,245,863	5,595,677	1,650,186	550,062	550,062	275,031	275,031
Utah	834,773	534,773	300,000	100,000	100,000	50,000	50,000
Vermont	557,709	257,709	300,000	100,000	100,000	50,000	50,000
Virginia	3,200,864	2,471,894	728,970	242,990	242,990	121,495	121,495
Washington	1,402,017	1,082,719	319,298	106,433	106,433	53,216	53,216
West Virginia	2,156,690	1,665,522	491,168	163,723	163,723	81,861	81,861
Wisconsin	2,555,841	1,973,769	582,072	194,024	194,024	97,012	97,012
Wyoming	500,000	200,000	300,000	100,000	100,000	50,000	50,000
Virgin Islands	34,694	26,792	7,902	2,634	2,634	1,317	1,317
Alaska	500,000	200,000	300,000	100,000	100,000	50,000	50,000
Hawaii	578,319	278,319	300,000	100,000	100,000	50,000	50,000
Puerto Rico	3,276,633	2,530,407	746,226	248,742	248,742	124,371	124,371
Guam	85,401	65,951	19,450	6,483	6,483	3,242	3,242

NOTE.—Basis of allocations, per statutory formula:

(a) Total population, as estimated by Bureau of the Census: United States, July 1, 1956 (Series P-25, No. 148, dated Nov. 18, 1956); Territories, July 1, 1955 (Series P-25, No. 145, dated Oct. 19, 1956), except Guam, 1950 census.

(b) Allotment percentages for the fiscal years 1958 and 1959, as promulgated in the Federal Register, Sept. 5, 1956.

Tentative allotments to States and Territories for construction of hospital and medical facilities, under title VI of the Public Health Service Act, as amended, under House allowance for fiscal year ending June 30, 1958

State or Territory	Total allotment	Allotment under part C, hospitals	Allotment under part G, medical facilities				
			Total under part G	Diagnostic or treatment facilities	Chronic disease facilities	Rehabilitation facilities	Nursing homes
Total.....	\$120,000,000	\$99,000,000	\$21,000,000	\$6,500,000	\$6,500,000	\$4,000,000	\$4,000,000
Alabama.....	3,827,283	3,295,825	531,458	156,760	156,760	108,969	108,969
Arizona.....	1,017,959	717,959	300,000	100,000	100,000	50,000	50,000
Arkansas.....	2,359,135	2,053,355	335,780	100,000	100,000	67,890	67,890
California.....	5,078,453	4,373,257	705,196	208,006	208,006	144,592	144,592
Colorado.....	1,253,530	953,530	300,000	100,000	100,000	50,000	50,000
Connecticut.....	842,662	542,662	300,000	100,000	100,000	50,000	50,000
Delaware.....	500,000	200,000	300,000	100,000	100,000	50,000	50,000
District of Columbia.....	565,757	265,757	300,000	100,000	100,000	50,000	50,000
Florida.....	2,972,473	2,559,715	412,758	121,748	121,748	84,631	84,631
Georgia.....	3,909,676	3,418,444	551,232	162,593	162,593	113,023	113,023
Idaho.....	782,289	482,289	300,000	100,000	100,000	50,000	50,000
Illinois.....	3,621,541	3,118,653	502,888	148,333	148,333	103,111	103,111
Indiana.....	2,591,464	2,231,612	359,852	106,143	106,143	73,783	73,783
Iowa.....	2,145,138	1,824,492	320,646	100,000	100,000	60,323	60,323
Kansas.....	1,640,033	1,340,033	300,000	100,000	100,000	50,000	50,000
Kentucky.....	3,350,965	2,885,647	465,318	137,251	137,251	95,408	95,408
Louisiana.....	3,094,819	2,665,071	429,748	126,759	126,759	88,115	88,115
Maine.....	979,191	679,191	300,000	100,000	100,000	50,000	50,000
Maryland.....	1,554,505	1,254,505	300,000	100,000	100,000	50,000	50,000
Massachusetts.....	2,404,279	2,067,561	336,718	100,000	100,000	68,359	68,359
Michigan.....	3,383,843	2,913,959	469,884	138,598	138,598	96,344	96,344
Minnesota.....	2,391,134	2,055,230	335,904	100,000	100,000	67,952	67,952
Mississippi.....	3,036,282	2,614,662	421,620	124,362	124,362	86,448	86,448
Missouri.....	2,873,616	2,474,582	399,034	117,700	117,700	81,817	81,817
Montana.....	653,850	353,850	300,000	100,000	100,000	50,000	50,000
Nebraska.....	1,267,341	967,341	300,000	100,000	100,000	50,000	50,000
Nevada.....	500,000	200,000	300,000	100,000	100,000	50,000	50,000
New Hampshire.....	862,531	362,531	300,000	100,000	100,000	50,000	50,000
New Jersey.....	1,964,244	1,654,818	309,426	100,000	100,000	54,713	54,713
New Mexico.....	961,237	661,237	300,000	100,000	100,000	50,000	50,000
New York.....	6,314,733	5,437,865	876,868	258,643	258,643	179,791	179,791
North Carolina.....	5,033,778	4,334,784	698,994	206,177	206,177	143,320	143,320
North Dakota.....	905,007	605,007	300,000	100,000	100,000	50,000	50,000
Ohio.....	4,493,652	3,869,660	623,992	184,054	184,054	127,942	127,942
Oklahoma.....	2,027,976	1,714,598	313,378	100,000	100,000	56,689	56,689
Oregon.....	1,238,042	938,042	300,000	100,000	100,000	50,000	50,000
Pennsylvania.....	6,454,489	5,558,215	896,274	264,367	264,367	183,770	183,770
Rhode Island.....	698,735	398,735	300,000	100,000	100,000	50,000	50,000
South Carolina.....	2,888,389	2,487,307	401,082	118,304	118,304	82,237	82,237
South Dakota.....	919,213	619,213	300,000	100,000	100,000	50,000	50,000
Tennessee.....	3,834,614	3,302,138	532,476	157,060	157,060	109,178	109,178
Texas.....	7,153,621	6,160,263	993,358	293,003	293,003	203,676	203,676
Utah.....	888,730	588,730	300,000	100,000	100,000	50,000	50,000
Vermont.....	583,711	283,711	300,000	100,000	100,000	50,000	50,000
Virginia.....	3,160,116	2,721,300	438,816	129,434	129,434	89,974	89,974
Washington.....	1,491,962	1,191,962	300,000	100,000	100,000	50,000	50,000
West Virginia.....	2,154,814	1,833,568	321,246	100,000	100,000	60,623	60,623
Wisconsin.....	2,523,304	2,172,916	350,388	103,351	103,351	71,843	71,843
Wyoming.....	500,000	200,000	300,000	100,000	100,000	50,000	50,000
Alaska.....	500,000	200,000	300,000	100,000	100,000	50,000	50,000
Hawaii.....	606,400	306,400	300,000	100,000	100,000	50,000	50,000
Puerto Rico.....	3,234,921	2,785,717	449,204	132,498	132,498	92,104	92,104
Virgin Islands.....	34,252	29,496	4,756	1,403	1,403	975	975
Guam.....	84,311	72,605	11,706	3,453	3,453	2,400	2,400

NOTE.—Basis of allotments, per statutory formula: (a) Total population, as estimated by Bureau of the Census: United States, July 1, 1956 (series P-25, No. 148, dated Nov. 18, 1956), Territories, July 1, 1955 (series P-25, No. 145, dated Oct. 19, 1956), except Guam, 1950 census. (b) allotment percentages for the fiscal years 1958 and 1959, as promulgated in the Federal Register, Sept. 5, 1956.

PURPOSE OF SURVEY PROGRAM

Dr. HOGE. I shall be very brief and just give a short summary, if I may.

The purpose of the hospital and medical facilities survey and construction program is to assist the States to afford the necessary physical facilities for furnishing adequate hospital, clinic, and similar services to all their people.

Now the amounts appropriated each year by Congress determine the size of the program. The Congress has thus far made available a total of \$874,100,000 for the hospital and public health center construction phase of the program. An additional \$63 million has been appropriated for the 4 categories of facilities included by the 1954 amendments. That makes a total of \$937,100,000. Now all of these funds have been allocated to the States. As of January 1, 1957, over \$828 million in Federal funds have been committed to 3,232 projects by the 53 States and Territories. This entire amount has been matched by \$1,793 million, so that the program is adding 143,000 hospital beds and over 650 public health centers to our national resources.

More than 2,260 of these projects are now open, and in operation, and serving their communities; 700 are under construction, and the remaining projects are in various preconstruction stages.

TENTH ANNIVERSARY OF PROGRAM

Since the first appropriation for construction funds was for fiscal year 1948 we are now completing 10 years under the construction phase of the program. Last year at the time of our 10th anniversary, various professional journals took cognizance of this fact. The American Hospital Association at its annual convention, in recognition of the program's achievements and the foresight of its authors, presented awards to them, the Department, and the Public Health Service.

The program has been particularly successful in demonstrating the effectiveness of a combined local, State, and Federal approach.

TOTAL HOSPITAL BEDS

The State surveys reveal that we now have about 1,100,000 acceptable hospital civilian beds and that our total national need is approaching the 2 million bed level. The annual population increase alone requires more than 30,000 additional beds; coupled with obsolescence and depreciation the problem has been intensified.

The primary responsibility for meeting shortages in hospitals and health facilities is recognized as the responsibility of the States and communities.

The function of the Federal Government is to assist and stimulate State and local action.

The amount of Federal funds necessary during 1958 provide that assistance and stimulation is estimated at \$120 million, of which \$90 million is for the original program.

While the newer portion of the program emphasizes facilities for long-term and ambulatory care, the original program was to assist in meeting the needs for short-term facilities, for general hospital beds, and also to assist in the mental disease categories, where a great unmet bed need still exists.

The newer portion of the program is progressing satisfactorily. As of January 1, 1957, 250 projects had been approved. These included 92 diagnostic treatment centers, 46 rehabilitation facilities, 61 nursing homes, and 51 projects for the care of the chronically ill.

The present request of \$30 million which is half of the authorized amount represents an orderly program development.

The appropriation acts for the last 2 years authorized an expenditure of up to \$1,200,000 for research activities. All of the available

funds have been utilized and there is a backlog of pending applications for grants.

HOUSE ACTION

The House has approved a total of \$121,200,000 for hospital construction and for research activities, but has reduced the construction estimate under part G from \$30 million to \$21 million, and increased the part C estimate from \$90 million to \$99 million.

While this provides more money for the construction of general, mental, and chronic disease hospitals under the original phase of the program, it deemphasizes the construction of chronic disease hospitals, diagnostic and treatment centers, nursing homes, and rehabilitation facilities under the categorical phase of the program.

This reduction in the part G phase of the program will materially reduce the number of facilities that may be provided which will ultimately tend to relieve the general hospital bed shortage, and provide a means for more adequate care of an aging population. Further, fewer facilities for the care of ambulatory patients and for rehabilitation of the disabled could be provided.

It is therefore recommended that the allocations of funds be restored to those shown in the budget estimates.

APPLICATION FOR FUNDS

Senator HILL. Doctor, do you have the information up to date as to the applications in the different States for the funds, both for part C and part G?

Dr. HOGE. Yes, sir.

Senator HILL. You have a chart showing all of that?

Dr. HOGE. Tables.

Senator HILL. Tables, yes.

Dr. HOGE. Yes, sir; we have that.

Senator HILL. What is the amount now of the application for part C, the sum total?

Dr. HOGE. You mean the projected needs, the forecast?

Senator HILL. That is right.

Dr. HOGE. They are for 1958 and 1959—now, these are figures submitted by the States as to what they could use if they had the funds.

Senator HILL. When they say that, they mean they are prepared to put up their part and match it?

Dr. HOGE. Yes, sir; that is what they mean; which amounts to, in terms of dollars, a total of \$2,099,489,000. That would be the total cost of the projects they have proposed. The Federal share would be \$828,060,000 and that includes, of course, the C and G parts of the program.

Senator HILL. Now, in times past you have given us a table which is now referred to in the hearings of last year at page 396. Have you got that table to put in the record?

Dr. HOGE. Yes, sir.

Senator HILL. Without objection, we will put this table in the record, which just gives the full picture in all the different States, does it not?

Dr. HOGE. Yes, sir.

(The tables referred to follow:)

Florida:	38	28	10	1,959	50				3	2	415	3	60	\$6,299	12,971	31,349	10,496	4,950	2,475
1958.	2	2		216	500									7,000	3,200	7,000	3,200		
1959.																			
Georgia:	23	19	4	665							40		285	18,290	6,467	16,070	5,357	2,220	1,110
1958.	22	16	6	252						2			65	7,117	2,576	5,297	1,766	1,820	910
1959.																			
Idaho:	12	8	4	95									100	3,458	1,729	1,873	936	1,585	793
1958.	7	4	3	62						1			90	1,615	808	950	475	665	353
1959.																			
Illinois:	16	7	9	625	100								130	21,000	7,000	16,150	5,383	4,850	1,617
1958.	31	18	13	1,850	200					3	110	1	375	55,600	18,536	45,200	15,065	10,400	3,471
1959.										3	200	1							
Indiana:	29	20	9											23,742	7,914	16,695	5,565	7,047	2,349
1958.	11	11												12,483	4,161	12,483	4,161		
1959.																			
Iowa:	18	10	8							2		2		10,707	3,509	8,472	2,824	2,235	745
1958.	17	9	8							1				18,960	6,320	13,650	4,550	5,310	1,770
1959.																			
Kansas:	13	7	6											26,125	10,450	20,500	8,200	5,625	2,250
1958.																			
1959.																			
Kentucky:	53	50	3	1,490						1			138	32,100	16,050	28,750	14,375	3,350	1,675
1958.	62	55	7	1,085						3			375	33,500	16,750	25,200	12,600	8,300	4,150
1959.																			
Louisiana 1																			
Maine:	10	7	3	199										4,440	2,220	3,900	1,950	540	270
1958.	2	2		75						3				1,500	750	1,500	750		
1959.																			
Maryland:	36	28	8	3,848	375						1,014	1	115	92,845	16,254	85,655	14,261	7,190	1,933
1958.																	13,903		290
1959.																			
Massachusetts:	24	16	8	452	514	50				4	600		100	22,502	9,401	14,702	5,881	8,800	3,520
1958.	5	3	2	100	150								100	3,650	1,460	3,650	1,220	600	240
1959.																			
Michigan:	55	38	17	2,577	40					3	239	3	565	68,872	22,854	58,576	19,242	10,296	3,612
1958.	41	24	17	1,880						2	250		1,090	52,840	20,448	31,720	12,400	21,120	8,048
1959.																			
Minnesota:	51	44	7	2,719	48					1	285	1	1,480	58,471	20,328	52,727	22,743	5,744	3,585
1958.	96	16	80	605							50			19,913	7,965	10,027	4,515	9,886	3,450
1959.																			
Mississippi:	29	29		1,190										21,165	14,110	21,165	14,110		
1958.	10	10		75						6				3,450	2,300	3,450	2,300		
1959.																			
Missouri:	34	24	10	1,003	198	564				1		1	95	26,099	13,049	24,119	12,059	1,980	990
1958.	18	14	4	388	48	64				4			85	9,302	4,652	7,977	3,989	1,325	663
1959.																			
Montana:	14	7	7	175	153						25		95	8,369	1,926	6,551	1,599	1,818	327
1958.	8	5	3	95									25	3,000	1,000	2,326	780	674	
1959.																			
Nebraska:	19	12	7	390						3		2	60	12,170	4,868	9,750	3,900	2,420	968
1958.	9	8	1	60		40				1			40	8,250	3,300	8,070	3,228		72
1959.																			

See footnotes at end of table.

Allootments to States and Territories for construction of hospitals and medical facilities under title VI of the Public Health Service Act, as amended

State or Territory	1948	1949	1950	1951	1952	1953	1954	1955	1956	Part C hospitals	Part G medical facilities	Cumulative total
Total	\$75,000,000	\$75,000,000	\$150,000,000	\$85,000,000	\$82,500,000	\$75,000,000	\$65,000,000	\$96,000,000	\$109,800,000	\$102,800,000	\$21,000,000	\$937,100,000
Alabama.....	2,885,880	2,690,543	5,140,275	2,901,596	3,014,588	2,674,162	2,323,424	3,248,756	3,642,455	3,441,811	531,896	32,449,386
Arizona.....	451,739	443,109	852,521	481,233	483,707	463,728	412,276	795,535	916,976	698,116	300,000	6,298,935
Arkansas.....	1,966,552	1,966,552	3,776,391	2,131,707	1,885,430	1,685,566	1,435,919	1,963,947	2,399,920	2,121,907	334,366	21,497,387
California.....	1,956,160	2,121,367	5,147,909	2,905,905	2,758,014	2,655,659	2,666,054	3,914,922	4,773,857	4,818,474	744,648	34,372,969
Colorado.....	656,652	632,878	1,022,875	573,395	581,476	539,688	553,242	942,266	1,061,851	929,147	300,000	6,190,470
Connecticut.....	421,523	422,222	1,016,289	573,677	621,996	464,189	468,856	856,536	900,005	694,632	300,000	6,839,925
Delaware.....	100,000	200,000	200,000	200,000	200,000	200,000	200,000	500,000	500,000	200,000	300,000	2,000,000
District of Columbia.....	298,110	275,268	490,555	276,910	204,735	1,806,581	1,631,791	2,387,016	518,899	248,552	300,000	3,312,989
Florida.....	1,460,260	1,481,446	2,895,138	1,634,249	1,893,140	1,806,581	1,631,791	2,387,016	518,899	248,552	300,000	3,312,989
Georgia.....	2,976,228	2,791,307	5,248,356	2,962,605	3,068,889	2,774,251	3,369,738	3,369,738	3,742,818	3,600,409	556,406	33,389,447
Idaho.....	293,162	300,347	627,378	354,144	324,943	291,180	289,398	624,745	702,714	457,146	300,000	4,566,198
Illinois.....	2,768,697	2,764,357	4,723,670	2,666,429	2,695,993	2,438,910	2,061,897	2,899,794	3,368,880	3,345,710	517,046	30,250,976
Indiana.....	1,726,335	1,754,093	3,838,365	2,166,690	2,034,798	1,865,636	1,516,830	2,133,181	2,317,937	2,318,617	358,130	22,030,820
Iowa.....	1,340,446	1,393,932	3,051,411	1,722,468	1,346,525	1,205,231	1,064,130	1,490,848	1,836,808	1,784,016	312,970	16,548,785
Kansas.....	932,719	972,758	2,044,104	1,153,861	1,081,829	989,639	882,548	1,308,424	1,454,930	1,352,894	300,000	12,473,706
Kentucky.....	2,367,095	2,660,957	4,933,095	2,784,646	2,685,339	2,379,780	2,014,844	2,806,215	3,118,338	3,042,141	470,132	20,382,582
Louisiana.....	2,154,880	2,099,507	4,239,701	2,363,237	2,251,098	2,066,930	1,792,002	2,487,161	3,000,479	2,745,232	424,250	25,474,447
Maine.....	454,438	457,139	1,069,132	603,506	621,258	541,997	465,637	834,266	972,575	750,367	300,000	7,080,315
Maryland.....	869,663	827,301	1,585,285	894,866	1,020,721	950,170	824,939	1,257,924	1,717,982	1,314,679	300,000	11,263,530
Massachusetts.....	1,593,795	1,622,561	3,312,332	1,869,754	2,061,948	1,859,157	1,479,754	2,085,117	2,560,140	2,620,348	389,494	21,354,400
Michigan.....	2,169,996	2,174,668	5,134,736	2,898,469	2,662,947	2,444,644	2,116,417	2,986,686	3,178,633	3,184,039	492,062	29,443,347
Minnesota.....	1,653,926	1,725,122	3,414,126	1,927,214	1,674,461	1,502,369	1,312,011	1,843,994	2,191,549	2,175,798	327,778	19,757,448
Mississippi.....	2,401,451	2,270,043	4,469,485	2,522,946	2,404,732	2,161,135	1,868,536	2,564,272	2,973,162	2,768,899	427,000	20,832,567
Missouri.....	2,280,213	2,263,924	3,345,297	2,450,022	2,186,873	1,997,746	1,652,195	2,286,764	2,632,900	2,544,117	388,168	23,038,809
Montana.....	231,530	224,137	340,490	200,000	207,113	200,000	200,000	528,439	596,113	542,194	300,000	3,575,025
Nebraska.....	684,394	682,443	1,367,926	772,170	668,669	607,828	540,240	910,536	1,054,302	909,066	300,000	8,327,574
Nevada.....	100,000	100,000	200,000	200,000	200,000	200,000	200,000	500,000	500,000	200,000	300,000	2,600,000
New Hampshire.....	342,122	342,122	636,060	359,048	324,981	289,988	244,276	572,980	602,565	363,196	300,000	4,401,964
New Jersey.....	1,312,554	1,328,053	2,923,571	1,650,305	1,694,722	1,557,402	1,287,165	1,981,956	2,306,967	1,981,956	325,504	17,880,487
New Mexico.....	457,092	457,092	636,060	359,048	324,981	289,988	244,276	572,980	602,565	363,196	300,000	4,401,964
New York.....	2,911,692	3,029,743	8,124,532	4,938,671	5,399,397	4,557,666	3,941,511	7,691,431	8,693,067	6,663,999	300,000	6,243,874
North Carolina.....	3,420,016	3,420,016	5,942,049	3,354,183	3,375,887	3,297,309	2,917,733	4,050,960	5,130,547	5,130,547	792,578	40,023,433
North Dakota.....	308,157	287,846	473,041	267,023	264,285	300,635	282,961	416,253	456,299	454,698	705,428	40,701,976
Ohio.....	2,690,189	2,715,846	5,979,473	3,375,308	3,292,080	2,985,375	2,502,461	3,581,014	3,694,981	3,765,666	581,946	38,165,339
Oklahoma.....	1,639,061	1,730,437	3,683,879	2,079,485	1,708,338	1,548,466	1,316,413	1,804,859	2,062,421	1,901,530	320,412	19,798,246
Oregon.....	4,534,815	4,534,815	9,241,058	5,216,416	4,711,853	4,528,592	552,083	944,128	1,076,082	905,993	300,000	8,296,218
Pennsylvania.....	4,574,379	4,662,556	9,241,058	5,216,416	4,711,853	4,528,592	552,083	944,128	1,076,082	905,993	300,000	8,296,218
Rhode Island.....	267,856	267,856	522,500	264,993	357,383	319,776	268,800	611,934	694,228	574,977	892,464	63,772,624
South Carolina.....	1,974,755	1,923,581	3,693,309	2,084,809	2,080,814	1,865,785	1,583,129	2,257,698	2,475,934	2,455,802	379,520	22,775,136

South Dakota.....	359, 217	353, 873	585, 912	330, 737	315, 141	279, 264	297, 830	630, 108	769, 539	546, 382	300, 000	4, 708, 003
Tennessee.....	2, 671, 070	2, 616, 055	4, 977, 256	2, 809, 574	2, 954, 710	2, 661, 875	2, 216, 444	3, 092, 069	3, 483, 523	3, 442, 326	531, 992	31, 436, 994
Texas.....	4, 836, 567	4, 805, 137	9, 494, 344	5, 359, 392	5, 011, 244	4, 640, 780	3, 826, 929	5, 410, 770	6, 411, 972	6, 304, 352	974, 274	57, 135, 761
Utah.....	304, 840	354, 023	754, 320	425, 801	415, 457	381, 661	344, 304	699, 750	771, 394	557, 550	300, 000	5, 369, 100
Vermont.....	214, 510	227, 131	421, 695	238, 039	259, 609	229, 146	200, 000	591, 214	572, 536	306, 540	300, 000	3, 490, 220
Virginia.....	2, 208, 159	2, 114, 928	4, 062, 611	2, 293, 273	2, 446, 564	2, 230, 318	1, 918, 678	2, 767, 316	3, 071, 961	2, 979, 440	400, 442	26, 487, 690
Washington.....	511, 646	553, 979	1, 834, 829	1, 035, 729	1, 020, 065	2, 029, 243	737, 783	1, 139, 830	1, 342, 937	1, 209, 766	300, 000	10, 635, 809
West Virginia.....	1, 554, 281	1, 529, 058	2, 787, 048	1, 573, 240	1, 524, 191	1, 355, 066	1, 179, 220	1, 644, 413	1, 874, 282	1, 838, 727	316, 434	17, 175, 960
Wisconsin.....	1, 621, 161	1, 610, 133	3, 105, 901	1, 753, 227	1, 703, 089	1, 540, 051	1, 323, 078	1, 844, 327	2, 089, 367	2, 083, 385	331, 926	19, 007, 645
Wyoming.....	144, 856	146, 879	245, 652	200, 000	200, 000	200, 000	200, 000	500, 000	500, 000	200, 000	300, 000	2, 837, 387
Alaska.....	100, 000	100, 000	200, 000	200, 000	200, 000	200, 000	200, 000	500, 000	500, 000	200, 000	300, 000	2, 700, 000
Hawaii.....	222, 758	291, 868	500, 884	282, 740	249, 930	222, 220	200, 000	527, 620	565, 441	304, 286	300, 000	3, 637, 747
Puerto Rico.....	2, 460, 083	2, 327, 387	4, 619, 631	2, 607, 701	2, 487, 331	2, 228, 307	1, 905, 547	2, 639, 067	3, 027, 145	2, 923, 706	451, 830	27, 697, 735
Virgin Islands.....	32, 765	29, 271	57, 034	32, 195	30, 021	26, 809	23, 237	28, 717	29, 702	31, 453	4, 860	326, 064

Source: Department of Health, Education, and Welfare, Public Health Service, Division of Hospital and Medical Facilities, April 1957.

Senator HILL. What would be the date of that?

Dr. HOGE. January 1, 1957.

Senator HILL. January 1, 1957. All right. Are there any questions?

Senator PASTORE. No.

SALARIES AND EXPENSES, HOSPITAL CONSTRUCTION SERVICES

STATEMENT OF DR. VANE M. HOGE, CHIEF, DIVISION OF HOSPITAL AND MEDICAL FACILITIES, ACCOMPANIED BY JAMES F. KELLY, DEPARTMENT BUDGET OFFICER

APPROPRIATION ESTIMATE

Salaries and expenses, hospital construction services: For salaries and expenses incident to carrying out title VI of the Act, as amended, **[\$1,381,000]** \$1,450,000.

Amounts available for obligation

	1957 appropriation	1958 budget estimate	1958 House allowance
Appropriation or estimate.....	\$1,381,000	\$1,450,000	\$1,450,000
Total obligations.....	1,381,000	1,450,000	1,450,000

Obligations by activities

Description	1957 appropriation		1958 budget estimate		1958 House allowance	
	Positions	Amount	Positions	Amount	Positions	Amount
1. Operations and technical services.....	150	\$1,268,000	150	\$1,331,000	150	\$1,331,000
2. Administration.....	20	113,000	20	119,000	20	119,000
Total obligations.....	170	1,381,000	170	1,450,000	170	1,450,000

Obligations by objects

	1957 appropriation	1958 budget estimate	1958 House allowance
Total number of permanent positions	170	170	170
Full-time equivalent of all other positions.....	1	1	1
Average number of all employees.....	168	168	168
Number of employees at end of year	170	170	170
01 Personal services.....	\$1,204,460	\$1,209,975	\$1,209,975
02 Travel.....	101,000	101,000	101,000
03 Transportation of things.....	3,800	3,800	3,800
04 Communication services.....	3,035	3,035	3,035
06 Printing and reproduction.....	22,100	22,100	22,100
07 Other contractual services.....	17,965	17,965	17,965
08 Supplies and materials.....	10,445	10,445	10,445
09 Equipment.....	15,965	15,965	15,965
11 Grant, subsidies, and contributions (contribution to retirement fund).....	0	62,525	62,525
15 Taxes and assessments.....	2,230	3,190	3,190
Total obligations.....	1,381,000	1,450,000	1,450,000

Summary of changes

1957 actual appropriation-----	\$1,381,000
Adjusted 1957 appropriation-----	1,381,000
1958 appropriation request-----	1,450,000
Net change requested-----	+69,000

	Positions	Estimate	Positions	House allowance
For mandatory items:				
Extra day of pay-----		\$3,640		\$3,640
Retirement contribution-----		62,525		62,525
Social Security payments-----		960		960
Total mandatory items-----		67,125		67,125
For program items: Additional employment and other objects-----	0	1,875	0	1,875
Total change requested-----	0	69,000	0	69,000

PREPARED STATEMENT

Senator HILL. All right, we will take up the item on "Salaries and expenses, hospital construction services."

Dr. HOGE. I have a statement here, Mr. Chairman.

Senator HILL. All right. Your prepared statement will be made a part of the record at this point, without objection.

(The statement referred to follows:)

STATEMENT BY CHIEF, DIVISION OF HOSPITAL AND MEDICAL FACILITIES PUBLIC HEALTH SERVICE, ON "SALARIES AND EXPENSES, HOSPITAL CONSTRUCTION SERVICES"

Mr. Chairman and members of the committee, a request in the amount of \$1,450,000 is being submitted under this appropriation for 1958 to cover the technical, operational, and administrative aspects of the hospital and medical facilities survey and construction program.

EXPLANATION OF NEED

While an increase is proposed over the amount available for salaries and expenses for 1957, no increase in staff is proposed. The increase of \$69,000 requested for fiscal year 1958 will provide for mandatory increases, \$65,000 for civil service retirement fund contributions, and \$4,000 for commissioned officers' social security matching funds. The estimate of \$1,450,000 will permit retaining the present minimum central office and field staffs who are specialists in the programing, planning, design, construction, and equipment of hospitals, public health centers, diagnostic and treatment centers, rehabilitation centers, nursing homes, and related health facilities. This staff is considered essential to assure the greatest and fullest return on the investment for the Federal funds appropriated.

Many mandatory functions must be performed which are not dependent upon the volume of construction projects. These activities include the review and approval of annual revisions and supplements to State plans, development of technical and professional standards, minimum standards of construction, minimum equipment and supply needs, and general information about the program as requested by States, localities, individual sponsors, and others. Time and staff must also be devoted to other requirements of the act such as review and approval of construction programs and schedules of construction applications, architectural plans, specifications and contract documents, surveillance of bid and award procedures, assurance of compliance with minimum wage rate determinations, project inspections, approval of requests for Federal payments and review and reconciliation of final audit reports.

PROBLEMS ENCOUNTERED IN ADMINISTERING PROGRAM

Since the program is no longer concerned only with hospitals and public health centers but now covers a broad range of health facilities and resources, there has been a marked expansion in the various groups and types of organizations interested and affected by the program. Problem areas have been multiplied by the scope and complexity of the Division's functions. The Division must continue to furnish leadership and guidance to States and project sponsors and to coordinate activities into a comprehensive approach for the planning and provision of a broad range of health facilities and services; therefore, it is essential that the \$1,450,000 requested be appropriated.

MANDATORY INCREASES REQUESTED

Dr. HOGE. We are only requesting an increase of \$69,000, which is a mandatory increase, \$65,000 for civil service retirement fund contributions and \$4,000 for commissioned officers social security matching funds.

Senator HILL. In other words there will be no actual increase in your funds insofar as your operation is concerned, and the only increase would be to meet these mandatory increases as provided by the statute which we passed at the last session of Congress?

Dr. HOGE. That is correct.

Senator HILL. But there would be no additional personnel involved?

Dr. HOGE. No additional personnel.

Senator HILL. The personnel would remain the same for the next fiscal year as it is this year; is that right?

Dr. HOGE. Yes, sir.

Senator HILL. It is only to meet these mandatory increases which you indicate, is that correct?

Dr. HOGE. That is correct.

Senator HILL. Are there any questions?

Senator PASTORE. What will be the result if the allocation is made by the House? How would that affect the program?

Dr. HOGE. It would mean, Senator Pastore, that the States would probably build about 1,700 more beds in the general hospital category, and of course, what it does in the categorical part, we cannot put it in terms of units, because there are so many places which do not add beds and that sort of thing.

DIAGNOSTIC TREATMENT CENTERS

Senator HILL. For instance, a diagnostic and treatment center of a hospital is a diagnostic and treatment center where you can examine them, and all of that business?

Dr. HOGE. In a way of speaking, that is true, Senator, but of course what we mean here by a diagnostic and treatment center is for ambulatory patients and not for inpatients.

Senator HILL. It is not for bed patients.

Dr. HOGE. That is right.

Senator HILL. In building some of your hospitals you have tied in diagnostic and treatment centers with your hospitals?

Dr. HOGE. That is true.

Senator PASTORE. What justification did the House give for their action?

Dr. HOGE. None.

Senator HILL. Any other questions?

There being none, we thank you very much, Dr. Hoge.

Dr. HOGE. Thank you, Senator.

HOSPITALS AND MEDICAL CARE

STATEMENT OF DR. KENNETH R. NELSON, CHIEF, DIVISION OF HOSPITALS, ACCOMPANIED BY ROY L. HARLOW, CHIEF, FINANCE OFFICER; AND JAMES F. KELLY, DEPARTMENT BUDGET OFFICER

APPROPRIATION ESTIMATE

Hospitals and medical care: For carrying out the functions of the Public Health Service under the Act of August 8, 1946 (5 U. S. C. 150), *under the Dependents' Medical Care Act (70 Stat. 250-254)*, and under sections 307, 321, 322, 324, 326, 331, 332, 341, 343, 344, 502, 504, and [710] 810 of the Public Health Service Act, Private Law 419 of the Eighty-third Congress, as amended, and Executive Order 9079 of February 26, 1942, including purchase and exchange of farm products and livestock; conducting research on technical nursing standards and furnishing consultative nursing services; purchase of not to exceed [twelve] ten passenger motor vehicles, for replacement only; and purchase of firearms and ammunition; [\$35,736,000] \$44,399,000, of which \$1,000,000 shall be exclusively available for payments to the Territory of Hawaii for care and treatment of persons afflicted with leprosy: *Provided*, That when the Public Health Service establishes or operates a health service program for any department or agency, payment for the estimated cost shall be made in advance for deposit to the credit of this appropriation.

[For an additional amount for "Hospitals and medical care", including payment of claims for certain structures at Carville, Louisiana, as authorized by law, \$1,225,000.]

[Hospitals and medical care: For an additional amount for "Hospitals and medical care," including \$2,000,000 for grants for advanced training of professional nurses, pursuant to the provisions of the Health Amendments Act of 1956, \$2,050,000: *Provided*, That this paragraph shall be effective only upon the enactment into law of S. 3958, Eighty-fourth Congress.]

Amounts available for obligation

	1957 appro- priation	1958 budget estimate	1958 House allowance
Appropriation in annual act.....	\$35,736,000	\$44,399,000	\$44,399,000
Supplemental appropriation.....	1,225,000	0	0
Do.....	2,050,000	0	0
Supplemental estimate passed by House May 7, 1957.....	1,184,000	0	0
Reimbursements.....	2,738,700	3,002,500	3,002,500
Total obligations.....	42,933,700	47,401,500	47,401,500

Obligations by activities

	1957 appropriation		1958 budget estimate		1958 House allowance	
	Posi- tions	Amount	Posi- tions	Amount	Posi- tions	Amount
1. Operation of hospitals.....	5,583	\$31,975,000	5,803	\$34,293,000	5,803	\$34,293,000
2. Operation of outpatient clinics and offices.....	472	4,581,800	472	4,766,000	472	4,766,000
3. Operation of health units.....	71	343,000	92	490,700	92	490,700
4. Coast Guard medical services.....	95	1,115,000	103	1,256,000	103	1,256,000
5. Development and coordination of nursing resources.....	48	314,400	48	342,000	48	342,000
6. Nurse training grants.....	0	2,000,000	0	3,000,000	0	3,000,000
7. Personnel detailed to other agencies.....	40	416,000	40	429,000	40	429,000
8. Dependents' medical care.....	0	526,000	0	1,076,000	0	1,076,000
9. Payments to Hawaii.....	0	1,000,000	0	1,000,000	0	1,000,000
10. Administration.....	105	662,500	113	748,800	113	748,800
Total obligations.....	6,414	42,933,700	6,671	47,401,500	6,671	47,401,500

Obligations by object

	1957 appro- priation	1958 budget estimate	1958 House allowance
Total number of permanent positions.....	6,414	6,671	6,671
Full-time equivalent of all other positions.....	113	113	113
Average number of all employees.....	6,275	6,533	6,533
Number of employees at end of year.....	6,470	6,728	6,728
01 Personal services.....	\$31,786,700	\$33,158,600	\$33,158,600
02 Travel.....	281,500	287,200	287,200
03 Transportation of things.....	292,600	292,600	292,600
04 Communication services.....	181,900	183,500	183,500
05 Rents and utility services.....	550,300	550,300	550,300
06 Printing and reproduction.....	67,900	71,500	71,500
07 Other contractual services.....	1,328,900	1,755,900	1,755,900
Services performed by other agencies.....	676,200	855,200	855,200
08 Supplies and materials.....	4,739,700	4,761,700	4,761,700
09 Equipment.....	582,600	500,000	500,000
11 Grants, subsidies, and contributions.....	3,019,600	4,019,600	4,019,600
Contribution to retirement fund.....	0	1,529,800	1,529,800
13 Refunds, awards, and indemnities.....	26,000	1,000	1,000
15 Taxes and assessments.....	81,800	116,600	116,600
Deduct charges for quarters and subsistence.....	-682,000	-682,000	-682,000
Total obligations.....	42,933,700	47,401,500	47,401,500

New positions requested, 1958

Title	Grade	Position	Annual salary
1. Operation of hospitals:			
Medical staff assistant	GS-7	6	\$27, 150
Nurse	GS-7	10	45, 250
Nurse	GS-6	35	142, 800
Medical staff assistant	GS-5	3	11, 010
Medical staff technician	GS-5	10	36, 700
Clerical assistant	GS-4	27	92, 205
Nursing assistant	GS-4	10	34, 150
Clerical assistant	GS-3	20	63, 500
Dental staff technician	GS-3	2	6, 350
Nursing assistant	GS-3	15	47, 625
Medical staff technician	GS-2	2	5, 920
Nursing assistant	GS-2	36	106, 560
Grades established by Act of July 1, 1944 (42 U. S. C. 207):			
Medical officer	Full	5	49, 200
Medical officer	Senior assistant	4	32, 396
Ungraded positions at annual rates:			
Less than \$5,440:			
Custodial worker		5	17, 365
Dietetic assistant		10	33, 100
Housekeeping assistant		14	46, 410
Maintenance craftsman		6	25, 656
Total positions and annual salaries		220	823, 347
Less lapses			97, 647
Net cost			725, 700
3. Operation of health units:			
Nurse	GS-9	1	5, 440
Do	GS-7	20	90, 500
Total positions and annual salaries		21	95, 940
Less lapses			15, 740
Net cost			80, 200
Salaries and wages in the foregoing schedule are distributed as follows:			
Direct obligations			5, 000
Reimbursable obligations			75, 200
Total of foregoing schedule			80, 200
4. Coast Guard medical services:			
Medical staff technician	GS-7	1	4, 525
Grades established by Act of July 1, 1944 (42 U. S. C. 207):			
Full grade		4	38, 560
Senior assistant grade		3	24, 291
Total positions and annual salaries		8	67, 376
Less lapses			9, 126
Net cost			58, 250
10. Administration:			
Statistician	GS-12	1	7, 570
Administrative staff assistant	GS-7	1	4, 525
Clerical assistant	GS-5	1	3, 670
Grades established by Act of July 1, 1944 (42 U. S. C. 207):			
Senior grade		4	39, 762
Full grade		1	7, 440
Total positions and annual salaries		8	62, 967
Less lapses			6, 967
Net cost			56, 000

Summary of changes

1957 actual appropriation.....	\$39, 011, 000
Supplemental estimate pending before Congress.....	1, 184, 000
Subtotal.....	40, 195, 000
Non-recurring items :	
Purchase of vehicles.....	26, 000
Payment of claims for structures at Carville.....	25, 000
Adjusted 1957 appropriation.....	40, 144, 000
1958 appropriation request.....	44, 399, 000
Net change requested.....	4, 255, 000

	Posi- tions	Estimate	Posi- tions	House allow- ance
For mandatory items:				
Extra day of pay.....		\$28, 800		\$28, 800
Increased cost of Medical and Dental Procurement				
Act for commissioned officers on duty in 1957.....		103, 200		103, 200
Contribution to retirement fund under Public Law 854.....		1, 508, 400		1, 508, 400
Annualization of positions new in 1957.....		1 15, 200		1 15, 200
Social security payments under Public Law 881.....		35, 000		35, 000
Increase to carry Dependents' Medical Care Act for full year in 1958.....		606, 000		606, 000
Subtotal.....		2, 296, 600		2, 296, 600
Less: Adjustment for reimbursements.....		-147, 000		-147, 000
Total mandatory items.....		2, 149, 600		2, 149, 600
For program items:				
Strengthening of existing hospital program.....	220	944, 500	220	944, 500
Strengthening of Coast Guard medical care program.....	8	100, 200	8	100, 200
Strengthening of Federal employee health program.....	2 29	59, 700	2 29	59, 700
Expansion of nurse training grants program.....	0	1, 000, 000	0	1, 000, 000
Changes in health units and outpatient clinics activities.....	0	1, 000	0	1, 000
Total change requested.....	257	4, 255, 000	257	4, 255, 000

¹ Does not include \$156,000 for estimated future wage board increases.

² Positions reported reflect total program including those financed from reimbursements.

PREPARED STATEMENT

Senator HILL. Dr. Nelson, we are very pleased to have you.

Dr. NELSON. Thank you, Mr. Chairman, I would like to file this statement for the record.

Senator HILL. Without objection your prepared statement will be made a part of the record at this point.

(The statement referred to follows:)

STATEMENT BY CHIEF, DIVISION OF HOSPITALS, PUBLIC HEALTH SERVICE ON
APPROPRIATIONS "HOSPITALS AND MEDICAL CARE, PUBLIC HEALTH SERVICE"

PURPOSE OF APPROPRIATION

Mr. Chairman and members of the committee, the Hospitals and Medical Care appropriation is utilized by the Public Health Service to conduct a program of direct patient care for various groups of persons whom the Congress has at different times in our history declared eligible for medical care by the Federal Government. The largest single category of these persons is the American seaman. He has been provided medical care since the establishment of the Marine Hospital Service under President John Adams in 1798. Other major beneficiary groups for whom the Public Health Service provides medical care are officers and men of the United States Coast Guard, the Coast and Geodetic Survey, and the Public Health Service. Federal employees who are injured in the performance of their work are referred to us by the Bureau of Employees' Compensation for treatment and evaluation of their injuries. The Public Health Service

operates hospitals for the treatment and rehabilitation of persons addicted to narcotic drugs and afflicted with leprosy. Reimbursements to the Territory of Hawaii for the care of leprosy patients in the islands are also made from this appropriation. The Hospital and Medical Care appropriation also includes funds for resource and utilization studies directed toward the expansion of the Nation's manpower resources in the critical short field of nursing.

The conduct of Federal employee health programs on a reimbursable basis and the assignments of Public Health Service officers to other Federal programs on a reimbursable basis are also covered by this appropriation. The most recent responsibilities added to the foregoing programs and which must be covered by this appropriation are the provision of grants for professional nurse traineeships under the Health Amendments Act of 1956, and the medical care program for members of the uniformed services and their dependents under the Dependents' Medical Care Act.

Fund requirements for 1958

The 1957 base of \$43,009,700 includes a proposed supplemental in the amount of \$1,260,000.

The request for fiscal year 1958 provides for increases amounting to \$4,391,800. The largest portion of these increases costing \$2,273,800 are to meet recently enacted legislation, as follows:

- | | |
|---|-------------|
| 1. Public Law 854 and 881 (84th Cong.) requires Federal matching of retirement and social security payments to civil service and commissioner officer personnel----- | \$1,564,600 |
| 2. The Medical and Dental Procurement Act requires increased incentive payments to medical and dental officers on duty in 1957 for an additional year of service----- | 103,200 |
| 3. Annualization of the cost for care under the Dependents' Medical Care Act----- | 606,000 |

The cost of providing contract care under the Dependent's Medical Care Act is difficult to estimate because of the freedom of choice in selection of facilities and the lack of operating experience. The amount requested is believed to be the minimum requirement and actual costs may exceed the estimate.

An increase of \$1 million is requested to provide for an additional 275 traineeships for advanced education for professional nurses. This increase is directed toward alleviating the critical shortage of well-prepared nurses in administrative, supervisory, and teaching positions. The traineeships provided will increase the number of nurses completing graduate work in these fields and will eventually result in improved nursing services.

The remainder of the increase requested, \$1,118,000, consists of the following:

- | | |
|---|-----------|
| 1. Increased requirements for Reserve training and basic programs of the Coast Guard----- | \$100,200 |
| 2. Expansion of the Federal employee health program----- | 61,200 |
| 3. Increased employee health services (on a reimbursable basis except for \$5,700 in appropriated funds)----- | 124,000 |
| 4. Net increase in the hospital program----- | \$15,000 |
| 5. Increases in remaining activities----- | 17,600 |

Total-----	1,118,000
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The hospitals program net increase (\$815,000), after giving effect to offsetting reductions, is required principally to annualize the cost for carrying on a full year basis the 131 positions which are contained in the 1957 supplemental estimate and to provide for 89 additional positions requested in this estimate. The increased positions and funds requested in the 1958 estimate for the hospitals activity and the increases contained in a 1957 supplemental estimate are necessary to help in our efforts to raise and maintain a higher level of care in our hospitals.

These requested increases are supported by a group of evaluation studies conducted in October 1956 at five United States Public Health Service hospitals. These surveys, ordered by the Surgeon General, were performed by teams of recognized experts in hospital administration and operations. These experts were from outside the Federal Government.

The aim of the overall project was to obtain objective opinions from outside the Federal Governmental field concerning the quality of care provided, adequacy and utilization of staff, equipment, drugs, and physical facilities. Opin-

ions on the quality of care ranged from substandard to very good, but there was general agreement that overall deterioration was inevitable unless the program could be supported with adequate supplies, drugs, equipment, and personnel. They concluded that there were many essential modern-day services which were not provided patients at all, and that present staffs had reached their breaking point in trying to provide quality services with their present resources. The minimal supplies and equipment available combined with some obsolescent physical facilities mitigated against a quality level of care.

As a step toward meeting the most critical deficiencies in our hospitals, we are submitting a supplemental estimate for additional funds in 1957. The portion of the supplemental which is pertinent toward the improvement of the hospitals provides for the restoration of 131 positions which were eliminated in the medical, nursing, and related areas, as a result of absorptions of unbudgeted costs; and \$388,000 for the procurement of urgently needed equipment and supplies. The \$815,000 requested in the 1958 estimate will permit the annualization of the 131 positions requested in the 1957 supplemental and also permit the addition of 89 positions principally in the nursing and medical record areas. Together, these increases will be used to alleviate some of our most serious problems and provide important relief in the most pressing areas of personal services, equipment and supplies.

DESCRIPTION OF PROGRAM

Senator HILL. You may proceed, Doctor.

Dr. NELSON. I have a very brief summarization that I would like to read, Mr. Chairman.

Mr. Chairman and members of the committee, The "Hospitals and medical care" appropriation is primarily concerned with the direct patient care of American seamen, coastguardsmen, Federal employees injured in line of duty, persons afflicted with leprosy, and individuals suffering from narcotic drug addiction.

The appropriation also provides for making reimbursements to the Territory of Hawaii for the care of leprosy patients, conducting resource and utilization studies in the critically short field of nursing, conducting Federal employee health programs, and assigning Public Health Service officers, upon request, to other agencies on a reimbursable basis.

Recent additions to this appropriation include the provision of grants for professional nurse traineeships under the Health Amendments Act of 1956 and the medical care program for members of the uniformed services and their dependents, under the Dependents' Medical Care Act.

The estimate before you includes in the 1957 base of \$43,009,700 a proposed supplemental request of \$1,260,000.

ITEMS ARISING FROM RECENT LEGISLATION

This 1958 fiscal year request provides for increases of \$2,273,800 for items arising from recent legislation, as follows:

1. Federal matching of civil service retirement and social security payments, \$1,564,600.
2. Added costs of the Medical and Dental Procurement Act, \$103,200.
3. Annualization of the cost of care under the Dependents' Medical Care Act, \$606,000.

An increase of \$1 million is requested for 275 additional traineeship grants for advanced education of professional nurses.

The remainder of the increase, \$1,118,000 includes \$100,200 for increased medical services to the Coast Guard; \$61,200 for the Federal employee health program; \$124,000 for increased employee health services on a reimbursable basis; \$17,600 for increases in other activities; and a net increase of \$815,000 for the hospitals program.

ADDED STAFF, EQUIPMENT, AND SUPPLIES

This last item, after offsetting reductions in other objects, will supply funds principally to annualize on a full year basis 131 positions included in the 1957 supplemental estimate, and for 89 new positions primarily in the nursing and medical record areas. The portion of the supplemental which is pertinent toward the improvement of the hospitals provides for the restoration of 131 positions which were eliminated in the medical nursing, and related areas as the result of absorptions of unbudgeted costs; and \$388,000 for the procurement of urgently needed equipment and supplies. Together, these increases will be used to alleviate some of our most serious problems and provide important relief in the most pressing areas of personal services, equipment, and supplies.

The need for this added staff, equipment, and supplies is supported by the findings of a group of evaluation studies conducted in October 1956, at five of our hospitals. Ordered by the Surgeon General, these surveys were performed by experts in hospital administration and operations. These experts were from outside the Federal Government. The overall aim of these studies was to obtain an objective evaluation of the level of hospital and medical care rendered in the five Public Health Service hospitals, as well as the adequacy and utilization of personnel, equipment, and supplies. They concluded that there were many essential modern-day services which were not provided patients at all, and that present staffs had reached their breaking point in trying to provide quality services with their present resources. The minimal supplies and equipment available, combined with some obsolescent physical facilities, mitigated against a quality level of care.

CLOSING OF HOSPITALS

Senator HILL. Now, Doctor, in recent years you have closed down quite a few of the hospitals, have you not?

Dr. NELSON. That is correct, Mr. Chairman.

Senator HILL. How many?

Dr. NELSON. We closed our hospital in Portland, Maine; we closed a hospital in Vineyard Haven; we closed a hospital in Cleveland; in Fort Stanton; at San Juan; at Kirkwood, Mo.; Mobile, Ala.; Ellis Island; Pittsburgh, Pa.; and Buffalo, N. Y.

Senator HILL. How many does that make?

Dr. NELSON. Ten hospitals.

Senator HILL. You closed down 10 hospitals within what period of time?

Dr. NELSON. I believe in about 8 years.

Senator HILL. In about 8 years. Do you contemplate closing down any more any time in the near future?

Dr. NELSON. We believe, Mr. Chairman, that the hospitals we now have are needed. The reports we have received show that they are already at capacity levels and we believe there is a real need to continue those hospitals that we are now operating.

PATIENTLOAD

Senator HILL. Are those hospitals meeting the demands made on you for hospitalization?

Dr. NELSON. The patientload appears to have been leveling off in the last couple of years, and if there are not some unforeseen circumstances, we believe that we are meeting the needs that are requested of us, insofar as handling of patients.

Senator HILL. Well, you emphasize "handling patients." What other services do you have in mind?

Dr. NELSON. Well, we do not feel, as I read in my statement, that we are giving the type of care to the patients that we feel we should give, Mr. Chairman.

Senator HILL. That is what you had in mind?

Dr. NELSON. Yes, sir.

BUDGET REQUESTS

Senator HILL. Now, let me see. You asked the Bureau of the Budget for about \$2.5 million more than you got; is that right? Did you ask the Bureau of the Budget for some \$46,920,200 and the budget estimate is \$44,399,000, which the House allowed?

Dr. NELSON. That is correct.

Senator HILL. Now, when you asked for that \$46,920,200, an additional \$2.5 million would give you the funds which you felt were needed to provide the type and kind and standard of services that ought to be in these hospitals?

Dr. NELSON. Well, we believe, Mr. Chairman, that we could make improvements much faster in the hospitals if we had what we requested. However, the improvement of hospitals is a basic type of program, and we feel that we will be able to make substantial improvements with the money that the House has now allowed us.

Senator HILL. Well, the House increased you by some \$5,388,000; is that right?

Dr. NELSON. Right.

Senator HILL. You feel with that \$5,388,000, you can make substantial improvements in the services that you are now rendering?

Dr. NELSON. That is correct.

Mr. HARLOW. Mr. Chairman, might I point out that only a portion of that goes to the hospital operation?

Senator HILL. The other goes to mandatory increases?

NURSES TRAINING PROGRAM

Mr. HARLOW. A part of it—\$1 million of it—is for this training program, this nurses' training program which we mentioned, and a half a million dollars is for dependents' medical care.

Senator HILL. Dependents' medical care?

Mr. HARLOW. Yes, \$500,000 for that.

Senator HILL. Well, how much would you have for improving your services?

Dr. NELSON. We would have \$815,000.

Senator HILL. What is your greatest need for improving your services?

NEED FOR MORE DOCTORS

Dr. NELSON. Our greatest need for improving our services would be: No. 1, personnel.

Senator HILL. Now, just one minute. Personnel. You mean you need more personnel?

Dr. NELSON. We need more doctors.

Senator HILL. You need more doctors?

Dr. NELSON. More nurses, more nurses' aids, medical record librarians, physical therapists, occupational therapists, the whole gamut that goes to establish a hospital. In some of our hospitals right now these services are totally absent because we do not have the money to support the personnel to put in there.

Senator PASTORE. If you don't give the people these services, where do the people get them?

Dr. NELSON. They just do not get them.

Senator HILL. They just do not get the services you feel they should have?

Dr. NELSON. I would like to be specific and explain it to you.

Senator HILL. Yes, be specific.

Dr. NELSON. If a hospital does not have an occupational therapist, there is no occupational therapy program, which is geared into rehabilitation.

Senator PASTORE. And that means that the patient will have to remain with you longer?

Dr. NELSON. He probably will have to remain with us longer or if he leaves us he may go out and get it for himself.

Senator PASTORE. Yes; that is what I mean.

Dr. NELSON. We just don't know what happens to that patient. We have had no followup studies.

REASON FOR CLOSING HOSPITALS

Senator PASTORE. You said that you closed down 10 hospitals in 8 years. Why?

Dr. NELSON. I think following World War II the number of our beneficiaries decreased. Further the type of medical care that it is possible to give now does not necessitate hospitalizing people for such long periods, and we are able to treat many more of our patients as outpatients. Our outpatient load and our outpatient clinics have increased materially.

To be a little more specific, before the advent of the new antibiotic drugs, such as penicillin and some of the others, it was necessary to hospitalize patients with venereal diseases for quite some period of time, treating them with the older methods. Now we can treat these patients as ambulatory patients in our outpatient clinics.

OUTPATIENT CLINIC PROGRAMS

In all of these places where we have closed our hospitals, we have very active outpatient clinic programs, and we are treating patients on an ambulatory basis.

We can get contract arrangements in case of emergency, and we can admit a patient to a civilian hospital for his period of emergency

and as soon as he is able to be transported, we transport him to one of our base hospitals, so to speak.

Senator PASTORE. When you close a hospital like that in Buffalo—and I don't mean to point that out particularly, but you did say Buffalo—where do you have your clinic space?

Dr. NELSON. We have office space in the Federal Building in Buffalo, a much smaller space, a much less expensive type of operation, Senator Pastore.

Senator HILL. You just have an outpatient operation there; don't you?

Dr. NELSON. That is right.

Senator HILL. Where you had a hospital before, you now just have an outpatient clinic, for ambulatory patients?

Dr. NELSON. That is right.

Senator HILL. Now a person, if he has to be taken to a hospital, would have to be taken where? Where is the nearest hospital?

Dr. NELSON. The nearest hospital to Buffalo would be our Detroit Hospital.

TOTAL HOSPITALS OPERATING

Senator HILL. How many hospitals did you say you operate now?

Dr. NELSON. We are now operating 16 hospitals; 2 of them are for psychiatric and narcotic-type cases. These are the hospitals at Lexington and Fort Worth. One hospital is for the treatment of tuberculosis, at Manhattan Beach, and one hospital is for the treatment of leprosy at Carville, La., and the remaining are general hospitals that take care of all types of illnesses.

TOTAL AVERAGE BEDS PER HOSPITAL

Senator HILL. What would be the average number of beds in one of your general hospitals? I realize they vary some in size, but what would the average be?

Dr. NELSON. I would expect they would average out in the neighborhood of between 300 and 400 beds. The smallest one has a bed capacity of 142 beds. That is at Memphis, Tenn.

Excluding the psychiatric hospitals, our largest hospital is at Staten Island and it has 790 beds.

Senator HILL. That is considerably larger than the others, the Staten Island Hospital?

Dr. NELSON. That is right, if you exclude the hospitals for psychiatric treatment at Fort Worth and Lexington.

ADDITIONAL FUNDS NEEDED

Senator HILL. Now, how much in additional funds do you estimate that you will require to provide the kind of medical care and hospitalization that you think your patients ought to have?

Dr. CRONIN. Senator Hill, we had that question in the House, and Dr. Nelson referred to the surveys made by a number of consultants at five of our hospitals. That was the number we had made, because we couldn't get more done, prior to the submission of the budget. We intend to have all of the rest of our hospitals surveyed by competent groups of outside experts, to see where we can be helped. It was

stated in the House, when asked the same question, that we are attempting to phase out this improvement, rather than doing it all in 1 year.

We have been on a very austere program, as far as financing is concerned, for our hospitals. Some of our hospitals, as these surveys have pointed out, and which are contained in the House reports and records of testimony, are down as far as their supplies and equipment are concerned, to only a 30-day level. You just can't run a hospital on that kind of a setup.

As for our personnel, our own people are doing an excellent job, but they need backing up and assistance.

Now we are sure that when we survey the rest of these hospitals, we are going to find we will need more money for them. Rather than try to estimate and guess how much we will need this year, we felt that this modest increase which we requested would help us get off the ground toward the accomplishment of our goal, which is to get first-class care for the patient.

Now we think—in answer to your question, which was also asked in the House—that next year we will probably request \$4.5 million to \$5 million more. This is as far as we can now tell on the basis of these five surveys and our experience acquired through operating these hospitals, of what actually exists. We know that in some of these hospitals they run out of such things as toilet paper and paper napkins and that sort of thing, because we don't have the funds to provide an adequate supply. If we had the money we could do it. The money we are asking for this year will help us get started. There is no doubt that we will ask for additional money next year.

Dr. NELSON. There is one factor in the phasing operation, which Dr. Cronin speaks to.

Our youngest hospital was built and opened in 1940. Our other hospitals are older and the majority of them have the heavy equipment and major expense equipment that was in them when they were built.

Now, in replacing X-ray equipment, electrocardiographic machines, piping in oxygen, as the old trend of oxygen therapy has changed, from the type of oxygen apparatus where you had the tanks on it, to where it is now piped in, bringing this type of equipment up to date rapidly would be very difficult—and maybe extravagant, if we were to proceed too fast.

We do feel, as we improve these hospitals and get the things that are so badly needed, we want to use our best judgment; so I do feel that with what we have we are going to make some substantial improvements.

Mr. HARLOW. Senator, may I say, in direct answer to your question, that if you appropriate what we requested of the Bureau of the Budget you will not oversupply us with funds.

Senator HILL. Off the record.

(Discussion off the record.)

COST PER PATIENT COMPARED WITH VA

Senator HILL. Now I have one other question: Have you any comparable figures as to your cost per patient and the cost in the veterans' hospitals? Of course, we know, in the veterans' hospitals, we give them the very best, and they are entitled to have the very best.

Dr. NELSON. We do not have the costs of the Veterans' Administration. We know the cost of our hospitals.

Senator HILL. What does yours run? You can supply this to us for the record, couldn't you?

Dr. NELSON. Yes, sir.

Senator HILL. You can find out very readily from the Chief of the Medical Bureau of the Veterans' Administration what their cost is, and find out your cost, and supply that very readily, for the record. Suppose you do that?

Dr. NELSON. There is one factor, Senator, that I would like to point out, or call to your attention, and that is that the Veterans' Administration hospitals do not have incorporated in their costs the operation of large out-patient clinics, which is incorporated in ours, and the figures which we submit for the record will incorporate a statement to point this out.

Senator HILL. Give us the best comparable figures that you can, so that when we make the comparison we will be making it as nearly as possible to a true comparison.

Dr. NELSON. Yes, sir.

(The information requested follows:)

FISCAL YEAR 1956 WORKLOADS AND COSTS PUBLIC HEALTH SERVICE AND VETERANS' ADMINISTRATION GENERAL HOSPITALS

Comparisons among hospitals in the areas of staffing and operating costs are frequently distorted by factors which cannot be precisely measured in overall evaluations. Such items as the physical arrangements of space, the composition of the caseload, and the length of hospital stay have a significant impact upon a hospital's workload and requirements for staff, yet they are not taken into consideration by gross ratios of daily average census per unit of staffing—the most commonly employed measure of personnel utilization for hospitals. Of all the Federal hospitals, those operated by the Veterans' Administration seem most comparable to those of the Public Health Service—particularly their general medical and surgical hospitals. Of the 112 general hospitals operated by the Veterans' Administration, the 34 short-term hospitals—those with an average length of stay of less than 1 month—appear to be most comparable in patient load to the general medical and surgical hospitals of the Public Health Service. The following table compares the short-term, general medical and surgical hospitals of the Veterans' Administration with those of the Public Health Service:

Item	Veterans' Administration	Public Health Service
1. Number of short-term G. M. and S. hospitals ¹	34	12
2. Annual average admissions per hospital.....	3,313	3,543
3. Daily average census per hospital.....	241	229
4. Hospital days per admission.....days.....	26.6	23.7
5. Inpatient per diem cost.....	\$22.31	\$18.83
6. Cost per inpatient treated ²	\$553.11	\$418.49
7. Annual average outpatient visits per hospital ³	* 4,836	41,099

¹ Hospitals with a patient stay of 1 month or less.

² Computed by dividing the total inpatient cost by annual patients treated.

³ Costs of outpatient care are not reflected in items 5 or 6.

* Estimated. Based on data supplied by the Veterans' Administration; excludes visits for outpatient dental care.

Source: Veterans' Administration statistical summary, July 1956; data provided by Veterans' Administration; and Public Health Service records.

HOSPITALIZATION PROCEDURE

Senator HILL. Senator Pastore.

Senator PASTORE. What do people do who are entitled to these services in these hospitals that you maintain if they happen to live in a

locality where you do not have a general hospital? What do they go to in place of it?

Dr. NELSON. To review that point, where we have closed our hospitals, we have outpatient clinics.

Senator PASTORE. In every 1 of those 8 localities?

Dr. NELSON. In every one of those localities. Now, if the individual is critically ill and needs medical care and hospitalization, we put him in a private hospital in that city and pay that bill until his acute phase is over, and then we transport him by train or plane to one of our hospitals.

Now, if he requires hospitalization, but it isn't an emergency, then we transfer him from that point to one of our hospitals and give him the care there.

CASELOAD OF VETERAN PATIENTS

Dr. CRONIN. One of the things that has not been brought out is that in closing these hospitals, there was quite a caseload of veterans' patients which we were carrying. We were reimbursed for the veteran patients when we took care of them.

When the Veterans' Administration took these patients out of our hospitals, it reduced our caseload. This in some instances was the real reason for closing a hospital. In others, it was the combination of the two things, reduction in veteranload and shorter length of stay as mentioned by Dr. Nelson. Many of the patients with gonorrhea, who previously were hospitalized for 10 days and the patients with syphilis who stayed a month, can now be treated with penicillin on an outpatient basis. These and other factors in medical care techniques accruing in a short period of time, were big factors in cutting down the patientload.

Of course, the size of the staff is related to the patientload. About 80 percent of the cost of running a hospital is for personnel, about 10 percent is for food, 5 percent is fixed expense in the nature of heat, light, and so on. The other 5 percent goes toward meeting all other types of hospital operational expense.

Senator HILL. Are there any other questions?

Dr. BURNEY. I would like to add that I have a real sincere interest in this, too, and I can endorse everything Dr. Nelson has said.

We feel that as long as Congress has given us the responsibility for taking care of certain beneficiaries, it is up to us, as long as we still have that responsibility, to provide the best care that modern science can give. We do not believe at the present time that we are able to give that kind of care. That is one reason why we wanted this outside group to see whether we were right or wrong in our estimates, and they confirmed it, as far as those five hospitals are concerned.

I am very much concerned in seeing that the Government and Public Health Service hospitals operate just as well as the hospitals in that same area that are providing care to outpatient cases.

Senator HILL. Thank you. I thank all of you gentlemen very much.

(Whereupon, at 1:05 p. m., Tuesday, April 16, 1957, the committee recessed until 10 a. m., Wednesday, April 17, 1957.)

LABOR-HEALTH, EDUCATION, AND WELFARE APPROPRIATIONS, 1958

WEDNESDAY, APRIL 17, 1957

UNITED STATES SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, D. C.

The subcommittee met at 10 a. m., pursuant to call, in room F-82, the Capitol, Hon. Lister Hill, (chairman of the subcommittee) presiding.

Present: Senators Hill, Stennis, Pastore, and Dworshak.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

PUBLIC HEALTH SERVICE

FOREIGN QUARANTINE SERVICE

STATEMENT OF DR. CALVIN B. SPENCER, CHIEF, DIVISION OF FOREIGN QUARANTINE; ACCOMPANIED BY ROY L. HARLOW, CHIEF FINANCE OFFICER; AND JAMES F. KELLY, DEPARTMENT BUDGET OFFICER

APPROPRIATION ESTIMATE

"Foreign quarantine service: For carrying out the purposes of sections 361 to 369 of the Act, relating to preventing the introduction of communicable diseases from foreign countries, the medical examination of aliens in accordance with section 325 of the Act, and the care and treatment of quarantine detainees pursuant to section 322 (e) of the Act in private or other public hospitals when facilities of the Public Health Service are not available, including insurance of official motor vehicles in foreign countries when required by law of such countries; purchase of not to exceed [twelve] *five* passenger motor vehicles for replacement only; [\$3,245,000] *\$4,026,000*."

Amounts available for obligation

	1957 appro- priation	1958 budget estimate	1958 House allowance
Appropriation or estimate.....	\$3, 315, 000	\$4, 026, 000	\$3, 876, 000

Obligations by activities

	1957 appropriation		1958 budget estimate		1958 House allowance	
	Positions	Amount	Positions	Amount	Positions	Amount
1. Examination of aliens and quarantine inspections at United States ports.....	465	\$2,782,500	505	\$3,302,800	505	\$3,152,800
2. Examination of visa applicants in foreign countries.....	73	400,000	73	513,000	73	513,000
3. Administration.....	35	200,000	35	210,200	35	210,200
Total obligations.....	573	3,382,500	613	4,026,000	613	3,876,000

EFFECT OF HOUSE ACTION

Activity No. 1. Examination of aliens and quarantine inspections at United States ports

The House allowed the requested increase of \$154,800 for mandatory items, \$47,000 and 8 positions to provide for increased traffic at airports, \$203,000 and 32 positions to institute a program for the control of yellow fever, and \$5,500 for equipment.

The remaining item for night boarding on an overtime basis was reduced from \$190,700 to \$40,700 with the statement in the committee report that "It is expected that language which is now before the House and Senate conferees will be included in the urgent deficiency bill 1957, and will result in a net savings of \$150,000 from the amount budgeted for overtime in 1958. The action by the committee in reducing the request by \$150,000 is not intended to in any way restrict the services proposed in the budget."

The House allowance was predicated on the assumption that the language contained in the urgent deficiency bill would provide reimbursement from shippers who request afterhours service and the House allowance plus reimbursements would be sufficient to cover the cost of such service. If our interpretation of the language is correct, the allowance plus estimated reimbursements should cover the costs involved. Should the Comptroller General rule contrary to our interpretation thus occasioning the costs of overtime to exceed our estimates by an appreciable amount, it will be necessary to seek a supplemental appropriation in 1958.

Activity No. 2. Examination of visa applications in foreign countries

The full amount requested of \$513,000 and 73 positions was allowed by the House. This is an increase of \$113,000 over 1957, all of which is mandatory and cluded \$81,000 to carry increased 1957 program on a full-year basis in 1958.

Activity No. 3. Administration

The full amount requested of \$210,200 and 35 positions was allowed by the House. This is an increase of \$10,200 over 1957. The total increase is needed for mandatory items.

Obligations by objects

	1957 appropriation	1958 budget estimate	1958 House allowance
Total number of permanent positions.....	573	613	613
Full-time equivalent of all other positions.....	5	5	5
Average number of all employees.....	510	555	555
Number of employees at end of year.....	540	580	580
01 Personal services.....	\$3,084,200	\$3,486,100	\$3,336,100
02 Travel.....	62,600	106,700	106,700
03 Transportation of things.....	30,300	36,400	36,400
04 Communication services.....	23,500	25,200	25,200
05 Rents and utility services.....	34,700	37,100	37,100
06 Printing and reproduction.....	7,500	8,700	8,700
07 Other contractual services.....	52,600	56,400	56,400
08 Supplies and materials.....	91,300	119,100	119,100
09 Equipment.....	18,400	29,200	29,200
11 Grants, subsidies, and contributions: Contribution to retirement fund.....	0	140,400	140,400
15 Taxes and assessments.....	5,700	9,000	9,000
Subtotal.....	3,410,800	4,054,300	3,904,300
Deduct charges for quarters and subsistence.....	28,300	28,300	28,300
Total obligations.....	3,382,500	4,026,000	3,876,000

New positions requested, 1958

Title	Grade	Number	Annual salary
1. Medical examination of aliens and quarantine inspection of persons, vessels, and aircraft entering United States ports:			
Inspector.....	GS-11.....	3	\$20,460
Do.....	GS-9.....	5	28,550
Public health program specialist.....	GS-7.....	2	9,050
Inspector.....	GS-5.....	2	7,340
Laboratory technician.....	GS-5.....	4	14,680
Research technician.....	GS-5.....	4	14,680
Inspector.....	GS-4.....	8	27,320
Laboratory technician.....	GS-4.....	2	6,830
Clerical assistant.....	GS-3.....	1	3,175
Research technician.....	GS-3.....	2	6,350
Grades established by act of July 1, 1944 (42 U. S. C. 207):			
Senior.....		1	8,300
Full.....		2	14,973
Senior assistant.....		2	12,636
Ungraded positions at annual rates less than \$5,440:			
Labor.....		2	4,540
Total positions and annual salaries.....		40	178,884
Less lapses.....			12,484
Net cost.....			166,400

Summary of changes

1957 actual appropriation.....	\$3,315,000
Supplemental pending for 1957. ¹	
Nonrecurring items: Purchase of automobiles.....	-13,200
Adjusted 1957 appropriation.....	3,301,800
1958 appropriation request.....	4,026,000
Net change requested.....	724,200

¹ A request for \$67,500 in the urgent deficiency appropriation act is in conference and in disagreement.

	Positions	Estimate	Positions	House allowance
For mandatory items:				
Extra day of pay.....		\$9, 200		\$9, 200
Retirement contribution.....		135, 300		135, 300
Additional incentive pay.....		17, 000		17, 000
Social security payments (Public Law 881).....		4, 400		4, 400
Annualization of European program.....		81, 100		81, 100
Wage board costs.....		31, 000		31, 000
Total.....		278, 000		278, 000
For program items:				
Extension of coverage at international airports.....	8	47, 000	8	47, 000
Control of yellow fever.....	32	203, 000	32	203, 000
Night boarding on an overtime basis.....	0	190, 700	0	40, 700
Equipment.....	0	5, 500	0	5, 500
Total change requested.....	40	724, 200	40	574, 200

PREPARED STATEMENT

Senator HILL. The subcommittee will kindly come to order.

Dr. Spencer, good morning, sir. We are glad to have you with us, sir. Do you want to address yourself to the item on "Foreign quarantine service"?

Dr. SPENCER. Yes, Mr. Chairman.

Senator HILL. Suppose you file your statement with the committee?

Dr. SPENCER. There is a prepared statement with the committee.

Senator HILL. All right. Without objection the prepared statement will be placed in the record at this point.

(The statement referred to follows:)

STATEMENT BY CHIEF, DIVISION OF FOREIGN QUARANTINE, PUBLIC HEALTH SERVICE,
ON 1958 ESTIMATE FOR "FOREIGN QUARANTINE SERVICE"

Mr. Chairman and members of the committee, I wish to outline the need for the request for 1958 and to make some comments as to the effect of the House action.

PURPOSES OF PROGRAM

The Public Health Service Act and the foreign quarantine regulations authorize the Surgeon General to carry out the two major functions for which the "Foreign quarantine" appropriation is requested. First, the quarantine or epidemic control which is the application of measures to prevent the introduction, transmission, or spread of communicable disease from foreign countries into the States or possessions of the United States. Second, the medical examination of aliens seeking admission to the United States. To accomplish the quarantine function, the Surgeon General may provide for such inspection, fumigation, disinfection, sanitation, pest extermination, destruction of animals found to be so infected or contaminated as to be sources of dangerous infection to human beings, and other measures, which in his judgment may be necessary. To accomplish the second function, the Surgeon General shall provide for making, at places within the United States or in other countries, such physical and mental examination of aliens as are required by the immigration laws, to prevent mentally and physically defective immigrants and alien visitors from entering the United States.

In the interest of efficiency, both phases of the work are performed by the same personnel and at the same ports and border points of entry into the United States and its possessions. Abroad the functions of Public Health Service personnel assigned to American consulates are primarily the medical examination of alien visa applicants.

To effectively bring the operations of these programs into close relationship to the work to be performed, staffs of employees, under medical supervision in every instance, have been established at 26 major ports in the United States and insular possessions. Those major quarantine stations actively supervise 282 minor stations, and other points of coverage. Where the volume of air traffic,

maritime shipping and border traffic does not warrant full-time employment, the work is performed on a fee or contract basis by local doctors. At minor ports or subports the work is performed by the staff of supervising major stations. Medical officers and technical assistants are assigned to 32 of the principal consulates in Europe, Canada, Mexico, and Hong Kong, for the medical examination of alien visa applicants.

WORLD PREVALENCE OF DISEASE

To correctly apply quarantine measures to traffic arriving at United States ports and airports, or crossing land borders, it is of utmost importance to have accurate knowledge of the prevalence of diseases abroad. This information is obtained from the World Health Organization by daily radio notification, published weekly reports, or by wire, if urgent, or from other epidemiological sources, and is the basis for action taken at the quarantine stations.

Smallpox

Even though smallpox was epidemic in many countries of South America, Asia, and Africa, the United States has remained free of this disease for the third consecutive year. This may be attributed in part to the United States requirement, uniformly applied, that all arriving persons, alien or citizen, present evidence that they have been vaccinated against smallpox within the last 3 years.

Cholera

Cholera is of common occurrence in Asia. In 1955 it maintained a low epidemic level in India and East Pakistan. During the latter part of 1956, however, a sharp increase occurred nearly comparable to the great epidemic of 1953.

Plague

Only three seaports, all in Burma, and one airport city in India, were notified as plague infected during the past year. Plague occurred in central Bolivia and in western Ecuador. Contact with sylvatic plague (plague in wild rodents), which exists in the western half of the United States, caused a human case and death in June 1956 in Ventura County, Calif. Plague is no longer a major problem in respect to human cases in international traffic, but there must be no lowering of sanitary requirements for ships and ports.

Yellow fever

There were human cases and deaths from yellow fever reported from Venezuela, Colombia, and Bolivia in South America, and in Panama 15 miles from the airport serving Panama City and Balboa. Yellow-fever virus was active in the jungles of Honduras and Guatemala and may be expected to move into southern Mexico from there. The common animal host in the jungle, the howler monkey, ranges as far north as Tampico, Mexico. Other species of jungle animals may also serve as host reservoir. The mosquito vectors of jungle yellow fever have been found as far north as southern Texas. The existence of yellow-fever virus in the forest is a constant threat to human beings, by its continuous movement into areas inhabited by susceptible nonimmune animals. It is a very real menace in our Southern and Southeastern States where receptive conditions for urban yellow fever exist, principally in the forms of the *Aedes aegypti* mosquito and nonimmune human population.

With the continuous northward movement of yellow fever, there is great potential danger of its introduction by travel or commerce—by surface vessels, plane, or even train or road vehicle. Studies must be made on:

- (1) Control of *Aedes aegypti* in the receptive areas.
- (2) The distribution and density of potential mosquito vectors.
- (3) Animals in nature, to determine the possibilities of introduction, or spread of yellow fever, and the spread from these to man.

Funds are requested in this estimate to initiate and integrate a study of this kind with the Bureau of State Services, Communicable Disease Center, to serve as the basis for the institution of an adequately protective program in the near future.

WORKLOADS

International traffic has continued to increase steadily year after year and there is no indication of a change in this trend, which is illustrated by the 1955 and 1956 experience reported below.

	1955	1956	Percent increase
Persons inspected for quarantine.....	42,861,862	46,993,370	9.6
Mexican border.....	39,840,300	43,822,492	10.0
Interior.....	1,352,194	1,383,572	2.3
Local.....	38,488,106	42,438,920	10.2
Arriving by ship.....	2,055,422	1,975,519	-3.9
Arriving by plane.....	966,140	1,195,359	23.7
Vessel inspections.....	27,551	30,126	9.3
Aircraft inspections.....	54,750	56,891	3.9
Visa applicants examined abroad.....	158,074	194,736	23.2

International air traffic

International air traffic, especially, has been growing. Between 1952 and 1956 the number of aircraft inspected by Foreign Quarantine personnel has increased by 24.6 percent. During the same time, as larger planes have come into use, the number of persons inspected for quarantine who have arrived via aircraft, has increased by 70 percent. An increase of eight quarantine inspectors is included in the budget in recognition of the increasing need for personal services in this activity.

As the result of increased demand for travel accommodations by surface vessel, 4 new passenger liners and 1 by diversion will be placed in transatlantic service and 2 new liners are being added in transpacific service. Increasing demands for tankers and dry cargo are also becoming very critical. These traffic increases place additional demands for service on the Quarantine Division.

Maritime traffic

One of the basic preventive measures against the introduction of quarantinable and other diseases into this country involves inspection and treatment at ports of entry of ships and persons arriving by ship. The workday presently consists of a regularly established 12-hour period for boarding of ships. Many vessels time their arrivals so as to coincide with these hours or, if they arrive after hours, must wait for inspection the next morning. The shipping companies have repeatedly requested the Foreign Quarantine Division to give inspectional service beyond the established workday, because of the financial loss to the shipping industry caused by the delay. This situation has been further aggravated by the pressures upon the shipping companies brought on by the Middle East situation. An extension of the hours of service beyond 12 by overtime inspection would decrease the turnaround time for the ships so that they could reload and resume their journeys with the least possible delay. As the Foreign Quarantine appropriation and personnel are geared to a 12-hour working day, neither funds nor personnel are available to provide inspectional service during a full 24-hour day.

Effect of House action

The House has reduced the previous estimate for this item by \$150,000 with the statement in the committee report that—

"It is expected that language which is now before the House and Senate conferees will be included in the urgent deficiency bill, 1957, and will result in a net savings of \$150,000 from the amount budgeted for overtime in 1958. The action by the committee in reducing the request by \$150,000 is not intended to in any way restrict the services proposed in the budget."

I find it necessary to point out at this time that if the amendment eventually included in the urgent deficiency bill does not have the desired effect, the Foreign Quarantine Service will be seriously handicapped in its efforts to fulfill its basic function of protecting the Nation against dangerous contagious diseases, and will be forced to seek a supplemental appropriation.

PURPOSES OF PROGRAM

Dr. SPENCER. I have a brief summary which I would like to present. Senator HILL. All right. Proceed in your own way.

Dr. SPENCER. Mr. Chairman and members of the committee, I wish to outline the need for the request for 1958 and to make some comments as to the effect of the House action.

The two major functions of the Foreign Quarantine Division are (1) quarantine control, to prevent the introduction of communicable disease from foreign countries into the United States or its possessions; and (2) medical examination of aliens, to prevent mentally and physically defective immigrants and alien visitors from entering the country. Staffs of employees, under medical supervision in every instance, have been established at 26 major ports in the United States and insular possessions, which actively supervise 282 minor stations and other points of coverage, utilizing local doctors on a contract basis when feasible.

Medical officers and technical assistants are assigned to 32 of the principal consulates in Europe, Canada, Mexico, and Hong Kong.

WORLD PREVALENCE OF DISEASE

Accurate information on the prevalence of diseases abroad, obtained from the World Health Organization and other epidemiological sources, is the basis for quarantine measures applied at the stations.

SMALLPOX

Even though smallpox was epidemic in many countries of South America, Asia, and Africa, the United States has remained free of this disease for the third consecutive year. This may be attributed in part to the United States requirement that all arriving persons present evidence of vaccination against smallpox within the last 3 years.

CHOLERA

Cholera, common in Asia, maintained a low epidemic level in India and East Pakistan in 1955, but during the latter part of 1956 a sharp increase occurred nearly comparable to the great epidemic of 1953.

PLAGUE

Only 3 seaports, all in Burma, and 1 airport city in India, were declared as plague-infected during the past year. Plague occurred in central Bolivia and in western Ecuador. Contact with the sylvatic plague—plague in wild rodents—which exists in the western half of the United States, caused a human case and death in June 1956 in Ventura County, Calif. Plague is no longer a major problem in respect to human cases in international traffic, but there must be no lowering of sanitary requirements for ships and ports.

YELLOW FEVER

Both human and jungle yellow fever continue to move northward in South and Central America. The common animal host in the jungle, the howler monkey, ranges as far north as Tampico, Mexico.

Other species of jungle animals may also serve as a host reservoir. The mosquito vectors of jungle yellow fever have been found as far north as southern Texas. The existence of yellow-fever virus in the forest is a constant threat to human beings, by its continuous movement into areas inhabited by susceptible nonimmune animals. It is a very real menace in our Southern and Southeastern States, where receptive conditions for urban yellow fever exist, principally in the form of the *Aedes aegypti* mosquito and nonimmune human population.

Funds are requested in this estimate to initiate and integrate studies with the Bureau of State Services, Communicable Disease Center, on (1) control of *Aedes aegypti*, in the receptive areas; (2) distribution and density of potential mosquito vectors; and (3) animals in nature to determine the possibilities of spread of yellow fever from them to man. This work should serve as the basis for a future protective program.

WORKLOADS

International traffic has continued to increase steadily, year after year, with no indications of a change in pattern for 1958.

INTERNATIONAL AIR TRAFFIC

International air traffic, especially, has been growing. Between 1952 and 1956 the number of aircraft inspected by foreign quarantine personnel has increased by 24.6 percent. During the same time, as larger planes have come into use, the number of persons inspected for quarantine who have arrived via aircraft, has increased by 70 percent.

Funds are requested for eight additional inspectors in 1958.

MARITIME TRAFFIC

One of the basic preventive measures against the introduction of quarantinable and other diseases into this country involves inspection and treatment at ports of entry of ships and persons arriving by ship. The workday presently consists of a regularly established 12-hour period for boarding of ships. Many vessels time their arrivals so as to coincide with these hours, or, if they arrive after hours, must wait for inspection the next morning. The shipping companies have repeatedly requested the Foreign Quarantine Division to give inspectional service beyond the established workday, because of the financial loss to the shipping industry caused by the delay. This situation has been further aggravated by the pressures upon the shipping companies brought on by the Middle East situation. An extension of the hours of service beyond 12 by overtime inspection would decrease the turnaround time for the ships so that they could reload and resume their journeys with the least possible delay.

As the foreign quarantine appropriation and personnel are geared to a 12-hour working day, neither funds nor personnel are available to provide inspectional service during the full 24-hour day.

EFFECT OF HOUSE ACTION

The House has reduced our estimate for this item by \$150,000, with the statement contained in the committee report that—

It is expected that language which is now before the House and Senate conferees will be included in the urgent deficiency Bill, 1957, and will result in a net savings of \$150,000 from the amount budgeted for overtime in 1958. The action by the committee in reducing the request by \$150,000 is not intended to in any way restrict the services proposed in the budget.

I find it necessary to point out at this time that if the amendment eventually included in the urgent deficiency bill does not have the desired effect, the Foreign Quarantine Service will be seriously handicapped in its efforts to fulfill its basic function of protecting the Nation against the dangerous contagious diseases and will be forced to seek a supplemental appropriation.

Senator HILL. Now, Doctor, with reference to this last matter, that this language has been agreed upon and will be included, do I understand when you speak about the "desired effect" you mean that even if the language goes in the bill there may not be this savings of \$150,000?

Dr. SPENCER. That we will have to test by experience, sir. We have had no opportunity to study the language, up to this moment, and to make any adjustments in thinking as to what its effect will be.

Senator HILL. Now, the language is available to you. In fact, it is in yesterday's Record which came out this morning, because the House put it in a joint resolution which the House passed on yesterday, carrying several different items. One of the items carried this very language.

I would suggest you examine that language carefully. This committee will not be acting immediately on this bill. There will be time for you to examine that language and then give us a communication or advice orally or in some other way as to what your opinion is now, as to what the effect of that language will be, in order that we will know.

Mr. KELLY. Mr. Chairman, I wonder if I might speak to that for a moment?

Senator HILL. Proceed.

OVERTIME PAY

Mr. KELLY. We did prepare an estimate on the basis of the language when it was in draft form, and I think we arrived at the conclusion that, if we interpret the language correctly, the House action will be appropriate. The problem is that similar language has been adopted with respect to the Immigration Service and the Customs Service, and that language has been subjected to a number of different submissions to the Comptroller General, who made rulings on it. It has also become involved in the Court of Claims a couple of times and really the question is whether or not people would be paid at overtime premium rates when, in fact, they were working their regularly scheduled tour of duty—the first 40 hours of their tour of duty.

Now, if we are correct in our interpretation, and we believe we are, that we pay overtime rates only when it is over and above a regular tour of duty, then the House action will be appropriate; but if, after the language is enacted, a submission were made to the Comptroller

General, or this matter got involved in a Court of Claims action either of which arrived at a different interpretation, then it could be quite expensive. That is, I think, the reservation that Dr. Spencer was speaking to.

If our interpretation was not right, then the funds might not be adequate.

POSSIBLE NEED FOR DEFICIENCY APPROPRIATION

Senator HILL. The purpose of your reservation here then was to advise us that if a different interpretation was put on this language from the interpretation that you put on it, then the cost might be more and you might have to come back for a deficiency appropriation?

Mr. KELLY. That is correct.

Senator HILL. So you have given us that notice in order that if you did have to come back we will be prepared for it and you will have very frankly told us here today just exactly what the situation is. Is that right, Doctor?

Dr. SPENCER. Yes, sir.

Senator HILL. We very much appreciate your frankness and we appreciate, as we say, putting all the facts here before us.

HOUSE INCREASE OVER CURRENT YEAR

Now, let me ask you this question, Doctor: The House did give you an increase of \$561,000; is that right, over the current year?

Dr. SPENCER. Yes; that is right.

Senator HILL. How much of that is due to new obligations?

BREAKDOWN OF INCREASED FUND REQUIREMENTS

Dr. SPENCER. Well, that is broken down into mandatory items, which include \$9,200 for an extra day of pay; a retirement contribution of \$135,300; additional incentive pay of \$17,000; social security payments under Public Law 881, \$4,400; annualization of the European program \$81,100; and that is to match the amount of approximately \$81,000 in the previous year's estimate to take over certain functions carried under the refugee relief program, which ceased December 31, at certain busy consulates which were desirable to maintain. This was recognized in the 1957 appropriation.

Senator HILL. This is due to the refugee relief program?

WAGE BOARD COSTS

Dr. SPENCER. Yes, sir. It is due to the cessation of that program, and this much was incorporated in the regular program. Then there are wage board costs of \$31,000.

Senator HILL. What are those costs?

Dr. SPENCER. Certain of our personnel have been placed on wage board rates in the different port areas where they serve. They were taken off the regular civil service classifications and rates of pay; so adjustments have been made in connection with those tables and have to be recognized.

Senator HILL. Those adjustments are obligatory?

Dr. SPENCER. They are obligatory.

Senator HILL. They are mandatory?

Dr. SPENCER. Yes, sir; they are mandatory.

Senator HILL. All right. What others are there?

EXTENSION OF COVERAGE OF INTERNATIONAL AIRPORTS

Dr. SPENCER. These are program items: There is need for the extension of coverage at certain international airports which have increased workloads as a result of increased air traffic.

Senator HILL. That is this increase that you speak of here, of the number of passengers, and since 1952 it has increased by 70 percent?

Dr. SPENCER. The number of planes and passengers.

Senator HILL. The number of planes inspected has increased by 24.6 percent. How much money does that involve?

Dr. SPENCER. \$47,000.

Senator HILL. Is that \$47,000 to take care of the 8 additional inspectors?

Dr. SPENCER. That takes care of the eight additional inspectors.

Senator HILL. All right. What others are there?

CONTROL OF YELLOW FEVER

Dr. SPENCER. The items for control of yellow fever are broken down into two parts: one for quarantine particularly, \$70,000, and the other for cooperation with Communicable Disease Center activities within the country, \$133,000.

Senator HILL. What would that involve?

Dr. SPENCER. That make a total of \$203,000. The \$70,000 involves setting up three entomological units in the Quarantine Division for detailed and extended coverage on aircraft and ships, and in airports and dock areas, to detect the possible intrusion of jungle or urban vector mosquitoes that could establish themselves within this country. I have an exhibit showing the incidence or prevalence of *Aedes aegypti*, in red crosshatching, with distribution throughout the Southern States of the United States and in other areas in the Caribbean or bordering on the Gulf of Mexico. The green crosshatching is related to the jungle mosquito vectors. There are 3 *Haemogogus type* mosquitoes and 1 *Sabethes* type.

Now the potentials are that these insects can be carried on aircraft and they can also be carried on other vehicles in international traffic, and as a result then, one must have additional personnel units to be constantly seeking these insects on aircraft, ships, or land vehicles, and destroying them.

Also we must control the possible introduction of these insects, that is, we must not allow them to get introduced or get a foothold in our ports or arrivals points. The purpose of cooperative measures with the Communicable Disease Center is that they will establish a pilot-control program at a selected place, or possibly two, if the money is sufficient, in order to ascertain if the presently used methods of control of the *Aedes aegypti* mosquito, or other mosquitoes that are important in disease transmission, are satisfactory or effective. Also to determine what other possible vectors there are, other mosquitoes, perhaps; or animals, other than monkeys, similar to those living in the jungle, that may be susceptible to yellow fever and are living near the points of arrival of international traffic in the United States.

LAND MOVEMENT OF VEHICLES

This exhibit will illustrate also the importance of another thing I mentioned, land movement of vehicles.

The Inter-American Highway or Pan American Highway is now extended down to the northern limit of Guatemala and there is considerable traffic down deep into Mexico, which practically taps the last area where there has been evidence of activity of jungle yellow fever, so it is quite conceivable that by continuous movement by land or movement of people in traffic we could have the disease brought to the border very easily.

Senator HILL. Now, does that account for all of your additional funds, Doctor?

Dr. SPENCER. That takes care of the yellow fever item.

FUNDS FOR OVERTIME

There is an overtime item. We asked for \$190,700 and that was reduced, as a result of the House amendment. There is a residual \$40,700.

Senator HILL. For what purpose?

EQUIPMENT FOR INSPECTORS

Dr. SPENCER. Night overtime inspectional service not reimbursable. Then there is a matter of equipment, \$5,500. This is the total of the increases.

Senator HILL. What would that equipment be, sir?

Dr. SPENCER. It is largely limited to boats, that is boats for inspectional service at ports where they are presently used for boarding ships, and also for specialized spray equipment and the like, that will be used in the treatment of ships or planes.

Senator HILL. Any questions?

Senator PASTORE. I am merely asking this question out of curiosity, sir. I would like to have it explained.

How does the insertion of the language that allows the payment of time and a half for overtime and double time for Sundays and holidays in the deficiency bill of 1957 operate as a savings of \$150,000 on your 1958 fiscal budget?

Dr. SPENCER. We have an urgent deficiency item of \$67,500 which was in the Congress for consideration, introduced at the request of the Near East Emergency Committee, and the Bureau of the Budget and which then, through House action, resulted in the insertion of this language amendment. The amendment has been, we are informed, further refined in the committee of conference and the House report referred to the compromise conference amendment.

We had an item in our regular submission for 1958 for \$190,700, which was then given relation to what had happened in the House with respect to the urgent deficiency request. As a result of the House action then, after they had heard our request for 1958, it was stated that there would be a saving of \$150,000, in view of this amendment, out of the \$190,700 which had been requested.

PAYMENTS BY SHIPPING COMPANIES

Senator HILL. Doesn't this go to the heart of the matter, that under this amendment your shipping companies make certain payments?

Dr. SPENCER. Yes; they do. Certain payments will be made.

Senator HILL. These shipping companies make these payments. I think that is the answer.

Senator PASTORE. That is for time and a half overtime.

Senator HILL. I think that is really the answer.

Dr. SPENCER. That is the answer.

Senator PASTORE. And I was questioning as to how, if you paid more, you could save money.

Senator HILL. Well, because under this language the shipping companies are going to pay.

Dr. SPENCER. Under this language—you are correct—the shipping companies and there are certain nonscheduled airlines that may be assessed charges for the inspection services when on overtime.

Senator PASTORE. Well, the question has been answered.

Senator HILL. I think, for the record, we ought to say that the shipping companies support this language, and stated they are willing to pay for it. In fact, they wanted the service so much they would be glad to pay for it. Isn't that right?

Dr. SPENCER. That is right.

Senator HILL. Are there any other questions?

Senator STENNIS. No questions.

Senator HILL. Senator Dworshak?

Senator DWORSHAK. I have no questions.

Senator HILL. We are very much obliged to your, Doctor. Thank you very much.

INDIAN HEALTH ACTIVITIES

STATEMENT OF DR. JAMES R. SHAW, CHIEF, DIVISION OF INDIAN HEALTH ACTIVITIES; ACCOMPANIED BY DR. JOHN W. CRONIN, CHIEF, BUREAU OF MEDICAL SERVICES; AND JAMES F. KELLY, DEPARTMENT BUDGET OFFICER

APPROPRIATION ESTIMATE

"Indian health activities: For expenses necessary to enable the Surgeon General to carry out the purpose of the Act of August 5, 1954 (42 U. S. C. 2001), including services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a) (including not to exceed \$10,000 for such services at rates not to exceed \$100 per diem for individuals, when authorized by the Surgeon General); purchase of not to exceed seventy-five passenger motor vehicles, of which fifty shall be for replacement only; hire of passenger motor vehicles and aircraft; purchase of reprints; payment for telephone service in private residences in the field, when authorized under regulations approved by the Secretary; and the purposes set forth in sections 321 and 509 of the Public Health Service Act; **[\$38,125,000] \$43,990,000.**"

Amounts available for obligation

	1957 appropriation	1958 budget estimate	1958 House allowance
Appropriation or estimate.....	\$38, 775, 000	\$43, 990, 000	\$40, 000, 000
Contract authorization (48 U. S. C. 50d-1; 42 U. S. C. 2001).....	678, 455	678, 455	678, 455
Applied to contract authorization (48 U. S. C. 50d-1; 42 U. S. C. 2001).....	-678, 455	-678, 455	-678, 455
Total obligations.....	38, 775, 000	43, 990, 000	40, 000, 000

Obligations by activities

	1957 appropriation		1958 budget estimate		1958 House allowance	
	Positions	Amount	Positions	Amount	Positions	Amount
1. Hospital health services.....	3, 884	\$22, 471, 100	4, 151	\$24, 944, 000	3, 884	\$23, 053, 000
2. Contract patient care.....	0	8, 313, 000	0	9, 313, 000	0	8, 313, 000
3. Field health services.....	827	5, 944, 600	953	7, 635, 000	827	6, 536, 000
4. Program direction and management services.....	310	2, 046, 300	310	2, 098, 000	310	2, 098, 000
Total obligations.....	5, 021	38, 775, 000	5, 414	43, 990, 000	5, 021	40, 000, 000

EFFECT OF HOUSE ACTION

Activity No. 1. Hospital health services

The House allowed an increase of \$581,900 against estimated requirements of \$1,029,000 for mandatory items such as contributions to the civil service retirement fund and incentive pay for certain commissioned officers. The balance of over \$400,000 necessary to provide for these mandatory costs will have to be provided at the expense of necessary building maintenance. An increase of \$1,443,900 and 267 positions was denied. This program reduction will prevent the following:

(a) Recruitment of 218 additional hospital personnel such as physicians, dentists, nurses, medical social workers, technicians, dietitians, and supporting hospital staff. Without the additional staff, the bedside nursing care which is still far below the minimal acceptable standards would remain unchanged; an urgently needed increase in physicians in a few of the specialties such as pediatrics, surgery, and tuberculosis will not be possible; and additional dietitians will not be available to develop more adequate nutrition programs to alleviate the extreme problem of malnutrition among Indian patients, particularly children.

(b) Recruitment of 49 additional medical record librarians and clerks to develop this vital program initiated in 1957. This program is essential to eventual accreditation of many of the Indian hospitals.

(c) One hundred and sixty Indian inpatients each day (58,400 patient days) from receiving medical care, 50,000 outpatient visits in Public Health Service Indian hospitals could not be provided. Without the requested increase in funds, the average daily patient load must be maintained at the 1957 authorized level of 2,840, which is below the March patient load of over 3,000.

(d) The training of an additional 50 practical nurses and the full utilization of the newly renovated and expanded Practical Nurse Training School in Albuquerque, N. Mex., would not be possible. The training of Indian students for practical-nurse duty serves three important purposes in the Indian health program: (1) provides the Indian a skilled vocation for her personal benefit, (2) assists the Indian in serving and aiding the Indian population, and (3) provides the Public Health Service Indian health program with one of its major sources of practical nurses.

(e) Maintaining the physical plants and equipment at a level necessary to provide minimum safety and acceptable care.

Activity No. 2. Contract patient care

The House denied the increase of \$1 million for program expansion. This program reduction will prevent the following:

(a) One hundred and thirty-four Indian inpatients each day from receiving medical care in non-Federal hospitals. The 56 Public Health Service Indian hospitals are not sufficient in number to adequately cover all Indian and Alaska native populated areas and the demand for hospital beds exceeds the total beds available in these Public Health Service operated hospitals. Thus, some additional care is provided by non-Federal hospitals through contract agreements.

(b) A greater number of Indians and Alaska natives from receiving medical care obtained through contracts with private physicians, medical clinics, and dentists. One of the contributing factors to substandard Indian health is the lack of health facilities and medical services available in remote areas. Without additional funds, no increase in medical and preventive services to remote areas and Indian schools distant from Public Health Service Indian health facilities will be possible.

Activity No. 3. Field health services

The House allowed an increase of \$591,400 over the 1957 appropriation for mandatory requirements of \$670,300; the balance of \$78,900 required for these mandatory items represents nonrecurring costs in 1957 allowed in 1958 funds. The House disapproved the request for program expansion in the amount of \$1,020,100 and 126 positions. This program reduction will prevent the following:

(a) The employment of 32 health personnel such as physicians, medical social workers, nutritionists and supporting staff. The Public Health Service staffs and operates 20 health centers, 77 health stations, and more than 150 field clinics; many of these facilities offer services on a part-time basis only.

(b) Recruitment of 19 additional sanitation positions (engineers and aids) and extensive funds designated for vector control, insecticide spraying and other sanitation services to a number of locations presently with inadequate or no service. The gross insanitary practices on United States reservations and native villages in Alaska are a major cause of the excessively high incidence of diarrhea and other preventable diseases.

(c) The financing of 41 public health nursing and subprofessional staff, and the supporting expenses required by this itinerant group. Plans for the expansion of tuberculosis case finding, orthopedic nursing followup, maternal and child health, and other services are directly dependent on adequate public health nursing coverage. Since the public health nurse is the first direct contact with the Indian family, she occupies a key position in preventive health as well as in pointing out the necessity for hospitalizing ill members of the family. There are many Indian settlements that are not being reached with service and others receiving emergency service only.

(d) An increase of 34 dental positions (dentists and supporting staff). The severity and wide prevalence of dental decay and excessive tooth loss continue to be a major health problem among the Indians and Alaska natives. Without an increase, additional positions and new clinical dental units and mobile dental units for corrective, preventive, and educational dental services mainly in remote areas will receive no additional dental service in 1958.

Activity No. 4. Program direction and management services

The full 1958 amount of \$2,098,000 for 310 positions requested was allowed by the House. This is an increase of \$51,700 over 1957; only mandatory increases were included in the request.

SUMMARY

The House action would provide \$40 million against a request for \$43,990,000. The reduction from the amount requested would eliminate all of the program increases for 1958, and would prevent the Public Health Service from proceeding with orderly and planned improvement of the inadequate health services for Indians and Alaska natives, the program which Public Law 568, 83d Congress, transferred to the Service.

As a result of this reduction, the Public Health Service would be required to restrict its services despite the backlog of illness and disability among the Indian population and the mounting health needs revealed through our more intensive case finding and preventive health programs. The severe health deficiencies and

great needs for more adequate health services for the Indians have been amply documented in the comprehensive survey of Indian health conditions made at the request of the House Appropriations Committee and submitted recently to that committee.

The House action would permit no program expansion for 1958, and would bring to a halt planned improvements which would provide better and more health services to the Indian people. Moreover, although the House allowance is \$1,260,000 over the 1958 base, this increase is not sufficient to cover authorized mandatory payments which must be financed by the appropriation. The sum provided by the House action falls by \$526,000 to support the program at the 1957 level. Accordingly, \$91,000 for replacement of automobiles, and \$435,000 for maintenance and repair of facilities included in the 1957 program would be eliminated in 1958.

The need to reduce the disparity between the health needs of the Indians and the health resources available is urgent. It is requested that the estimate be allowed in full. Because adequate transportation is critical to the effectiveness of the program it is also requested that the automobile authorization be restored.

Obligations by objects

Object classification	1957 appropriation	1958 budget estimate	1958 House allowance
Total number of permanent positions.....	5,021	5,414	5,021
Full-time equivalent of all other positions.....	62	76	59
Average number of all employees.....	4,672	5,100	4,749
Number of employees at end of year.....	4,800	5,300	4,800
01 Personal services.....	\$22,744,750	\$25,018,367	\$23,427,650
02 Travel.....	1,240,070	1,410,300	1,234,070
03 Transportation of things.....	442,000	495,000	442,000
04 Communication services.....	186,000	191,000	186,000
05 Rents and utility services.....	413,000	436,000	413,000
06 Printing and reproduction.....	46,000	47,500	45,000
07 Other contractual services.....	9,509,480	10,357,433	9,358,480
08 Supplies and materials.....	4,304,000	4,549,000	4,119,000
09 Equipment.....	690,100	1,202,400	487,100
11 Grants, subsidies, and contributions.....	12,000	12,000	12,000
Contribution to retirement fund.....	0	1,137,200	1,077,200
15 Taxes and assessments.....	56,300	67,200	67,200
Subtotal.....	39,643,700	44,923,400	40,868,700
Deduct charges for quarters and subsistence.....	868,700	933,400	868,700
Total obligations.....	38,775,000	43,990,000	40,000,000

New positions requested, 1958

1. HOSPITAL HEALTH SERVICES

Title	Grade	Number	Annual salary
Administrative staff assistant.....	GS-9.....	5	\$27,200
Medical staff assistant.....	GS-9.....	8	43,520
Dietitian.....	GS-7.....	12	54,300
Medical staff assistant.....	GS-7.....	15	67,875
Medical staff technician.....	GS-7.....	5	22,625
Nurse.....	GS-7.....	10	45,250
Clerical assistant.....	GS-6.....	6	24,480
Do.....	GS-5.....	10	35,700
Medical staff assistant.....	GS-5.....	13	47,710
Clerical assistant.....	GS-4.....	38	129,770
Medical staff technician.....	GS-4.....	12	40,980
Clerical assistant.....	GS-3.....	27	85,725
Dental staff technician.....	GS-3.....	4	12,700
Medical staff technician.....	GS-2.....	2	5,920
Nursing assistant.....	GS-2.....	40	118,400
Grades established by act of July 1, 1944 (42 U. S. C. 207):			
Senior assistant.....		18	124,524
Assistant.....		7	33,719
Ungraded positions at annual rates less than \$5,440: Dietetic assistant.....		35	120,190
Total positions and annual salaries.....		267	1,041,588
Less lapses.....			148,988
Net cost.....			892,600

New positions requested, 1958—Continued

3. FIELD HEALTH SERVICES

Title	Grade	Number	Annual salary
Medical officer.....	GS-13.....	1	\$10,065
Medical staff assistant.....	GS-12.....	6	45,420
Public health program specialist.....	GS-12.....	2	15,140
Nurse.....	GS-8.....	19	94,430
Medical staff technician.....	GS-7.....	5	22,625
Dental staff technician.....	GS-6.....	6	24,480
Statistician.....	GS-5.....	1	3,670
Clerical assistant.....	GS-4.....	5	17,075
Translator.....	GS-4.....	5	17,075
Clerical assistant.....	GS-3.....	16	50,800
Custodial worker.....	GS-3.....	3	9,525
Dental staff technician.....	GS-3.....	4	12,700
Engineering assistant.....	GS-3.....	11	34,925
Nursing assistant.....	GS-3.....	7	22,225
Dental staff technician.....	GS-2.....	12	35,520
Grades established by act of July 1, 1944 (42 U. S. C. 207):			
Full.....		1	6,813
Senior assistant.....		17	112,806
Assistant.....		2	12,034
Ungraded positions at annual rates less than \$5,440: Custodial worker.....		3	8,922
Total positions and annual salaries.....		126	556,250
Less lapses.....			94,050
Net cost.....			462,200

Summary of changes

1957 appropriation in annual act.....	\$38,125,000
1957 appropriation in supplemental act.....	650,000
Total new obligational authority for 1957.....	38,775,000
Nonrecurring items: Survey.....	35,000
Adjusted 1957 appropriation.....	38,740,000
1958 appropriation request.....	43,990,000
Net change requested.....	5,250,000

	Posi- tions	Estimate	Posi- tions	House allowance
For mandatory items:				
Regular pay above 52-week base.....		\$28,900		\$28,900
Increased cost, Medical and Dental Procurement Act.....		67,800		67,800
Contribution to retirement fund, Public Law 854.....		1,077,200		1,077,200
Social security payments, Public Law 881.....		10,900		10,900
Wage board resurveys.....		143,000		143,000
Full year cost of 1957 authorized program expansion.....		458,200		458,200
Total.....		1,786,000		1,786,000
For program items:				
New positions:				
Hospital health services.....	267	930,600	0	0
Field health services.....	126	478,800	0	0
Contribution to retirement fund for new positions.....		60,000		0
Pay above 52-week base for new positions.....		4,200		0
Supporting expenses for new staff.....		548,500		0
Vehicles.....		23,600		-91,000
Contract patient care.....		1,000,000		0
Practical nurse school expansion.....		100,000		0
Replacement of obsolete equipment.....		252,000		0
Subsistence and supplies for increased patient load.....		131,000		0
Maintenance and repair.....		0		-435,000
Decrease due to increase in quarters and subsistence deductions.....		-64,700		0
Total change requested.....	393	5,250,000	0	1,260,000

PREPARED STATEMENT

Senator HILL. Dr. Shaw, you have filed your prepared statement, have you not, sir?

Dr. SHAW. Yes, sir. I would like to paraphrase it slightly, if you would not object.

Senator HILL. Fine. Without objection, the prepared statement will be placed in the record at this point.

(The statement referred to follows.)

STATEMENT BY CHIEF, DIVISION OF INDIAN HEALTH, PUBLIC HEALTH SERVICE ON
1958 ESTIMATE FOR "INDIAN HEALTH ACTIVITIES"

Mr. Chairman and members of the committee, both the Congress and the President have pointed out critical needs for making major improvements in the health services provided by the Federal Government for our American Indian and Alaska native citizens. In 1954 the 83d Congress, in Public Law 568, designated the Public Health Service as the agency to administer a health program for Indians and Alaska natives which could more effectively cope with their huge backlog of unmet health needs. Assuming this responsibility on July 1, 1955, with increased financial support provided through appropriations, the Public Health Service launched improvements which are beginning to make an impact on the massive problem posed by serious health deficiencies among these populations. To make clear the needs for the coming year and the future, we will review the extent of this health problem more fully. We also will define in greater detail our objectives, progress, and the effect of the House action on the request for 1958.

During the 21 months that the Service has borne full responsibility for this program, we believe that the intent of the Congress and aims on the part of the administration to initiate significant improvements have been carried out. While progress in relation to the ultimate goal of raising health standards in these groups to levels which are comparable to those of the Nation as a whole is small, we have laid a foundation for the type of program necessary to succeed in this objective.

At the request of the Congress, we carefully surveyed the status of Indian health and assessed the needs for improving it. We have increased the health skills needed to serve these groups, and we are in process of making long-overdue improvements in facilities for their care. The Public Health Service is working closely with the Indians and Alaska natives, and also with the States and Territory of Alaska to encourage and assist the latter in increasing their own health services to these citizens.

BACKGROUND

The American Indians occupy a unique place in our society. Of the estimated 472,000 full-blood and mixed-blood Indians who live within the continental limits of the United States, 335,000 of them are located on about 200 reservations, or receive special services from the Federal Government by virtue of their status as Indians. An additional 35,000 Alaska natives are eligible to receive services through the Indian health program.

Although their citizenship confers upon them the same rights and responsibilities which belong to all Americans, the Indians nevertheless do not share in the benefits of our society and our economy to the same extent as most other citizens. Generally, their living standards are far below average. Most of them have had less than a grade-school education, and a surprising proportion of these native-born Americans do not speak English. The majority live in localities which are without the wide range of health and related community services that are generally available in most American communities.

Inevitably, one product of the impoverished living standard, the cultural and geographic isolation, and the paucity of health services, is a level of health among the Indians that stands in sharp and unfavorable contrast with that of the population as a whole. With an average age at time of death of only 39—compared with 60 for the general population—and with shockingly high death rates from preventable diseases, the Indians endure health conditions unparalleled in any other group of Americans except Alaska natives.

It is through no choice of theirs that the Indians are in such unfortunate circumstances with respect to their health and living conditions. Prior to the coming

of the white people to this continent, most American Indians lived a nomadic life in a bountiful land that afforded plenty to meet their needs. This roving life required only simple temporary dwellings, frequent moves to new campsites and new hunting grounds prevented the development of serious sanitary problems. Subsequent development of the country resulted in the confinement of the Indians on generally undesirable lands under Federal control. Thenceforth the Indians faced new problems of housing, sanitation, and diet which they were not equipped to meet. Their former culture, which had served them well for many centuries, gave way to a transitional culture rooted to lands that could not support them adequately either in the traditional way or in the ways of the white man.

Today, nearly 80 percent of the Indians live in 12 States. Indian populations were settled on restricted lands in the West and Middle West before some of the States where they are concentrated were admitted to the Union. During the formation of these States, the Federal Government recognized that the new States would not be able to provide all of the customary required public services to their large Indian populations. The Federal Government also recognized that the responsibility for providing public services to Indians under Federal control properly belonged to all of the people rather than only to the residents of those States where most Indians were living. Under these circumstances, the Federal Government assumed broad responsibilities for providing health and other services to the Indians.

It is the policy of the Federal Government to help the Indians to help themselves in meeting their problems in health and other fields. The Indians must be equipped to compete successfully in our society. They must be prepared for the ultimate long-range goal of full self-sufficiency—of full participation in community and economic life. Those States concerned must accept their responsibilities toward Indians and be assisted in meeting their disproportionate needs before Federal services can be terminated. It is clear that the attainment of the ultimate goal of full integration will take a long time—perhaps several generations. It is also clear that we cannot make satisfactory progress toward this objective until the unduly high death rate and excessive incidence of disease and disability among the Indians have been brought under control.

Far from being a vanishing race—which it appeared to be prior to the turn of the century—our Indian population is increasing rapidly. The present rate of increase exceeds 2 percent a year, compared with 1.7 percent a year for the general population. This population growth among the Indians is accentuating already acute health problems such as sanitation, water supply, and crowding on Indian reservations and in Indian communities. At the present rate of increase, the 335,000 Indians for whom the Indian health program makes services available may reach a total of 385,000 within 5 years.

This growing Indian population is taking an increasing part in the productive effort of our Nation's economy. States with large Indian populations are benefiting from the wealth that Indians are producing through agriculture and from the development of natural resources on Indian lands. In recognition of this fact, some States have adopted liberal and realistic policies in making State health and related services available to their Indian citizens on the same basis that these services are available to others. In administering the Indian health program, the Public Health Service is encouraging State and local jurisdictions to serve their Indian citizens to the extent practicable. Where necessary, the Public Health Service is encouraging the extension of State-operated health services to Indians by means of helping with the financing through contracts with State health agencies.

Equally important, the Public Health Service is operating this program in such a way as to encourage the Indians themselves to take as much initiative and assume as much responsibility as possible in meeting their health needs. This includes providing assistance to Indians in making use of non-Federal health resources which may be available.

Health conditions among the Alaska natives—a group including Aleuts and Eskimos as well as Indians—are even more unfavorable than those of the Indians in the States. The extreme isolation of most of these people, the severe climate in which they live, and the difficulties encountered in reaching them with even minimal health services are major causes for their generally low health standards.

While the isolation of the Alaska natives is a serious barrier standing in the way of medical and dental care, it has not been a barrier sufficient to protect them from diseases introduced by the white man. Nor has it been sufficient to enable them to maintain their traditionally adequate diet. Today, about 1

out of every 30 persons in the Alaska native population is under treatment for tuberculosis, and dental caries in this population are widespread and severe.

For most of the 35,000 Alaska natives, health services other than those provided under the Indian health program—including those provided under contract—simply do not exist. It is extremely doubtful that nongovernmental health services will be available to many of the Alaska natives in the foreseeable future.

HEALTH OF THE INDIANS TODAY

To appreciate fully the health needs of the Indians, it is essential to consider in specific and illustrative terms the magnitude of the health deficiency which exists among them. There are many impressive measures of the unsatisfactory state of health in this group. One of these is the exceptionally high death rates among Indian infants and children. In spite of recent improvements, nearly one-third of the Indian deaths occur before the fifth year of life. In contrast, only 8 percent of the deaths in the general population are in this age group. Of every 1,000 Indian babies born, 65 of them will not live to be 1 year old. In the general population, only 27 infants per thousand live births die within the first year.

Death rates among Indians from preventable diseases are equally impressive. Their death rate from influenza and pneumonia is nearly 3 times that of the general population. From enteric diseases their death rate is 10 times greater, and from tuberculosis it is 5 times greater than the corresponding death rates in the general population. Deaths from tuberculosis among Alaska natives averaged 208 per 100,000 population for the last year reported. Among Indians in this country the death rate for the corresponding period was 49.1, and in the general population it was 10.2.

These grave disparities in health conditions among Indians and Alaska natives on the one hand and the general population on the other can and should be eliminated by application of proven methods of control. The program for which we are asking support contemplates continuation of an orderly buildup of the necessary health resources to attain this realistic goal.

OBLIGATIONS AND OBJECTIVES OF THE PROGRAM

The Public Health Service is obligated to provide comprehensive medical care and dental services to medically indigent Indians and Alaska natives, and to provide public health services designed to prevent diseases on reservations and in native communities not otherwise served. In providing these services, objectives of the Public Health Service are:

To elevate the level of health among these beneficiaries to a point where it will compare favorably with that of the Nation as a whole;

To contribute to the growth of self-sufficiency among the Indians and Alaska natives, and to cultivate their capacity to assume responsibility for their own health;

To develop among these peoples an understanding of modern medical and health services to the end that they will seek such services on their own initiative from whatever health resources may be available in their communities, and

To bring about an understanding of the Indian health problem on the part of the State and local governments and encourage these governments to meet the health needs of their Indian citizens on the same basis as the health needs of others are met.

PROBLEMS IN PROVIDING SERVICES

Providing health services, and even comprehensive medical and dental care, to 370,000 persons who live in the same city, speak the same language, observe common customs, and enjoy a high living standard would not be a particularly difficult task either technically or administratively. Such a task, however, would bear little similarity to that faced by the Public Health Service in its attempts to meet all of the health needs of some 250 widely differing tribes scattered over 26 States, and the 3 types of natives who live mainly in 200 villages in Alaska.

Rural populations traditionally have had the least available health resources and are inherently the most difficult and costly to reach with health services. In addition to constituting rural populations, the Indians and Alaska Natives are further characterized by widely differing cultural and language patterns, by environments that are hostile to health and conducive to disease, by a lack of understanding of healthful living practices, and by a low standard of living which does not allow for adequate diet or decent housing. It is clear that efforts

to bring about substantial improvement in their conditions must include adequate measures to advance their health.

Areas occupied by many of the Indians and Alaska natives generally lack good roads, and travel by health personnel often is further hampered by mountains, deserts, and extreme weather conditions. Difficulties encountered in travel coupled with the dispersion of the populations require doctors, dentists, public health nurses, and other health workers to spend disproportionate amounts of time in transit.

One of our most serious problems in the recruitment and retention of health personnel to serve the Indians is the lack of adequate staff quarters. Where isolation and limited social contacts are themselves serious deterrents to service in this program, the housing available to staff members and their families ideally should compensate in some degree for other disadvantages. But usually the reverse is true; instead of being able to attract staff members with desirable housing, we more often must compel them to occupy dilapidated quarters or makeshift shelter such as trailers or temporary structures.

Despite this fact, staff morale has improved and continues high primarily because of progress being achieved in carrying out vital tasks and prospects of relief from the housing deficiencies. Many of the hospitals and other health structures are in need of extensive renovation, and some new facilities are required. A separate budget request covers needs for construction of quarters and clinics, and renovation of hospitals.

SERVICES PROVIDED IN HOSPITALS

Care is provided at 56 hospitals operated by the Public Health Service in the Indian health program, and at 160 non-Federal hospitals under contract. During the past year, improvements were made in our hospital plant, operations, and services. Partly as a result of these improvements, the average daily census in these hospitals was about 6 percent higher than that experienced in 1955. The level of occupancy in the hospitals does not accurately reflect the extent of service expansion. There has been a sharp rise in admissions in 1956 which is being continued at an accelerated rate in 1957, and further expansion is anticipated in 1958. A total of more than 46,000 admissions in 1956 represents an increase of 8 percent over 1955 admissions. The bed occupancy rate during November 1956 represents an increase of 7 percent over November 1955.

All Indian and Alaska native hospitals offer outpatient services and carry on extensive preventive activities. Services to ambulatory patients in hospital outpatient clinics increased significantly during 1956. The total of 564,000 outpatient treatments for 1956 is 12 percent greater than the number provided in 1955. Expansion to 605,000 in 1957 and to 655,000 in 1958 is anticipated.

Economical and effective use of hospital professional staff members—mainly doctors and nurses—is dependent upon the availability of adequate administrative, housekeeping, and maintenance personnel. Hospital efficiency also requires adequate professional staffs for pharmacy, medical records, and food service. At the present time many of our hospitals are seriously lacking in these respects. If we are to keep up with increasing demands without grossly uneconomical use of our small medical staffs, we must increase these other categories of personnel. Our request for funds provides for further improvement in meeting these important needs.

Increased outpatient services and case finding programs now taking effect are uncovering a large backlog of Indians and Alaska natives with illnesses and disabilities not heretofore treated. We are now experiencing an increase in requirements for beds to provide for conditions being uncovered as a result of the expanded field and school health activities.

Last year, great progress was made in providing professional pharmaceutical services in the interests of economy, safety, and efficiency. The pharmacies in our small outlying hospitals, without professional pharmacists of their own, now are under the supervision of professional pharmacists. Small increases to continue the development of this system are planned to provide safe and adequate pharmacy coverage to all locations where drugs must be stored and dispensed.

Centralized supervision of medical records in the smaller hospitals has been placed in effect with a resulting increase in efficiency and quality of services rendered by these hospitals. Experience has shown that adequate medical records of patients, including records of services received at field installations, are of tremendous value in providing treatment and improving the adequacy of treatment. Without such records, costly medical procedures often must be repeated. We are now in process of integrating more fully our medical records procedures in hospitals and field health installations.

Increases proposed in this activity would achieve the necessary results and would make possible a more effective and more economical use of medical talent.

SERVICES PROVIDED IN THE FIELD

The diffusion of the Indian and Alaska native populations makes it impracticable to limit availability of health services to hospitals and other central locations. To be effective in this program, health services must be decentralized at a great number of locations. They must be provided extensively on an itinerant basis, and brought to the people at focal points on reservations, in native villages, at individual dwellings, and in conveniently located offices of private practitioners who are available and willing to furnish needed services under contract.

Field health services are provided at 19 health centers, 14 Indian boarding school infirmaries, 64 field health stations, hundreds of Indian day schools, and at more than 150 other transient locations. These field health activities are closely integrated with the operations of the hospitals and their outpatient departments. While diagnoses, limited curative treatments, and referrals for hospital care are provided, the main emphasis in field health activities is on the prevention of disease.

Since most of the diseases and illnesses leading to death among Indians and Alaska natives could be prevented through adequate public health services fully adapted to their needs, it is clear that disease prevention is the key to the greatest improvements attainable in Indian health. Accordingly, emphasis is being given to this phase of our activities at all levels of operation.

Health education

Since the control of disease and the improvement of health depends in large measure on the degree of understanding of health and sickness on the part of the people, increased attention to health education is vital. Without a better understanding of these subjects, our treatment facilities and health centers cannot be used by the Indians and Alaska natives to the best advantage, and our efforts to improve their health cannot be fully effective.

Putting into the minds of the people knowledge which they need in order to keep themselves healthy requires personalized communication of ideas supported by actual demonstrations. It requires intensive educational effort to bridge cultural differences, language barriers, and variations in community life and tribal economies. Finally, it requires increased work with tribal leaders and community groups.

All professional healthworkers serving Indians and Alaska natives participate to the maximum extent possible in health education. A small staff of professional health educators coordinates these activities. This staff is augmented by community workers (health), most of whom are of Indian descent and all of whom have academic qualifications in the field of education. These staff members work with great effectiveness in the Indian communities, and we need 16 more to bring our coverage to a reasonable level. On the 25,000-square-mile Navaho-Hopi Reservations, we need community health education aides to assist in this work. These would be Indians who would bring about betterment of health among their own people by providing health information directly to Indian communities.

Since the entire Indian population cannot be served by our small health education staff, its efforts are centered in areas of greatest need. In 1958 the work of this staff still would be concentrated on reaching only about 40 percent of the domestic Indian population.

Sanitation

Gross insanitary environmental conditions and poor sanitation practices on Indian reservations and in native Alaskan villages are major causes of excessively high incidences of diarrheal and other preventable diseases in these populations. Use of polluted water and contaminated food, insect infestations, and overcrowded housing are widely prevalent among Indians and Alaska natives.

Among many of these people, water is an extremely scarce commodity. Many of them lack safe supplies for drinking, cooking, and bathing. During the past year, fewer than 6 percent of more than 1,800 private water sources inspected by sanitarians of the Indian health program were found to be safe. Unsafe food handling practices, undue exposure to flies and other insects, improper waste disposal, and overcrowded housing contribute directly to disease transmission and excessive accidents.

Professional sanitation staff members furnish direction and technical guidance for Indian health program sanitation activities. They provide engineering consultative services and technical assistance to tribal groups and Federal agencies on determination of adequacy, development, and operation of community sanitation facilities as well as on the sanitation aspects of school, hospital, and related health facility operations. The population now covered by these activities embraces about 60 percent of the Indians and Alaska natives for whom the Public Health Service has responsibilities.

A vital part of this program's sanitation activities is the recruitment and training of Indians and Alaska natives to serve as sanitarian aids among their own people. These aids, under the supervision of engineers and sanitarians, teach and assist families in improving their environmental conditions and sanitation practices. Eighty sanitarian aids are furnishing services in 134 reservation areas and Alaskan villages. The small increase requested for 1958 would provide for the coverage of 9 additional reservation areas and 15 Alaskan villages, with 11 sanitarian aids to do this work. It also would permit increased services to 11 other reservations.

Sanitation services are enthusiastically received by the Indians, and are contributing in a positive way to the development of greater initiative in health matters on their part. During the past year, one tribe employed its own sanitarian aid and sent him to the Public Health Service course for training. Eleven Indian communities have inaugurated sanitary refuse and disposal systems at their own expense. Our sanitation activities have stimulated the development or improvement of more than 50 community water supply systems, including some multiple use systems, at tribal expense. Several tribal projects are underway for improved sewage disposal, and in two areas production line methods are being used for construction of improved pit privies.

Public health nursing

The public health nurse provides emergency care to the sick and teaches preventive health practices in homes, clinics, and boarding schools. She occupies a key position in preventive health, since it is she who has the most frequent opportunities to develop personal relationships with Indian families, win their confidence, and influence them in making changes in the interests of health.

As part of her regular duties, the public health nurse holds health clinics and teaching conferences, and visits homes, schools, missions, and villages. She cares for and instructs the mother whose baby is ill with diarrhea, she sees that the crippled child gets needed specialist services, and she looks after the grandfather with tuberculosis. In many cases it falls to her to make the family understand why a sick member must be hospitalized, and to persuade the family to get the patient to a hospital. All of our plans for tuberculosis case finding, orthopedic nursing followup, maternal and child health, and rehabilitation are heavily dependent upon public health nursing coverage in the areas concerned.

In an effort to prevent infant and maternal deaths, we have increased public health nursing services in this activity by roughly three-fourths since July 1955. We also are placing greater emphasis than previously on public health nursing activities in the field of tuberculosis case finding and followup. But with our present public health nursing staff in the field, there still are many Indian groups not covered at all and others receiving only emergency service.

To improve this situation we are asking an increase to provide for 19 additional public health nurses, 7 practical nurses to assist them, and additional interpreter-drivers and clerical staff to enable the nurses to concentrate on giving professional services. We also are seeking to provide additional transportation for our nurses in the field. Any limitation on their mobility seriously reduces their effectiveness.

With this small expansion in staff and equipment, we would be able to increase needed professional nursing help for expectant mothers, care of newborn babies, and care of tuberculous patients and their contacts. We also would be able to maintain a public health nurse in every Indian boarding school with more than 500 children. At present, only 6 of the schools have public health nurses, the staff increase would enable us to add the 8 needed to complete this coverage.

Maternal and child health

On the availability of maternal and child health services of good quality depends, to a great extent, the health status of the next generation. Adequate health care of mothers and infants through this program will do much to diminish the high sickness and handicap rates among Indian children of preschool and school ages.

Diseases of pregnancy and complications of childbirth led to a death rate of 6.2 per 100,000 in the Indian population during 1 year, compared with a rate of only 1.5 per 100,000 in the general population. It is significant that a considerable number of Indian births are not attended by any physician, nurse, or trained midwife. Reference was made earlier to the excessive death rate among Indian children.

Health services for mother and child include care of the mother during pregnancy and childbirth, health supervision of the infant and preschool child, treatment of the sick, and instruction of parents in health care of the family. Much depends upon the health instruction of the mother and her understanding of the needs and reasons for health procedures. The properly instructed parent is able to assume personal and community responsibilities and make the best use of any local health services which might be available. Provision of the full range of services on an adequate basis is an important goal of the Indian health program.

During the past year our small professional staff of specialists in maternal and child health was expanded, and for the first time a pediatrician was assigned in the field to provide consultation and guidance for these activities.

Dental health services

Dental services in the Indian health program are provided both in hospitals and in field locations by Public Health Service personnel, and by private dentists under contract. Despite considerable progress in this activity during the last 18 months, the severity and wide prevalence of dental decay and excessive tooth loss continue as major health problems among Indians and Alaska natives.

During 1956 we were able to provide reasonably adequate care for only about one-fourth of our beneficiaries. Our dental services are limited sharply by an extremely low ratio of dentists in this program to the people they must serve. This ratio has been reduced from 1 to 6,166 in the 1956 fiscal year to 1 to 4,868 at present. Because of this low ratio of dentists to patients our dental services have been concentrated on the children. At present, only emergency service can be provided for adult beneficiaries. We are seeking to improve the ratio further in 1958 to 1 to 3,775.

We also are proposing to establish additional clinical facilities, to replace worn-out equipment, and to provide auxiliary dental personnel where needed.

Nutrition services

In the so-called underdeveloped countries of the world, levels of health have been elevated and death rates reduced dramatically by improving the diets of the populations. Similar results could be achieved among Indians and Alaska natives if proper nutritional measures could be applied. The diet in these segments of our population is seriously deficient in many respects, particularly in fruits, vegetables, and high quality protein foods. While the diet of these peoples is in part a result of their poverty, their lack of understanding of nutrition, and the fact that they do not have ready access to foods of high nutritional value are important factors in their poor health.

There is no quick and easy way to change existing food habits which are responsible for many of the medical-care problems and the poor physical and mental health which beset many of these people. However, long overdue efforts in this direction are getting underway. Adequate nutrition services in this program could bring about great improvements in the diet of Indians and Alaska natives in spite of their very meager resources.

We are proposing small but important increases in this activity to enable us to establish nutritional services in the field, and to improve dietetic services in our hospitals.

Social services

Medical social work is a well-established service which long has been accepted as being essential in the operation of health programs and hospitals. Professionally trained social workers are required to solve the extensive and complicated family and personal problems which usually accompany sickness and treatment. Among the Indians and Alaska natives, such problems are understandably even more difficult than those encountered among other groups because of such factors as their cultural differences, their lack of understanding—in many cases—of the need for treatment, the distances they must travel in some instances for hospitalization, and their economic depression.

Social services as an integral part of the Indian health program are relatively new. With a small professional staff of 18 medical social workers, most of whom are at the larger hospitals, we have found that their work saves valuable time for

medical personnel and makes medical treatment much more effective. Our doctors, nurses, dentists, and sanitary engineers in the field have urged the addition of more medical social workers because their own activities are being hampered by the fact that many patients with social and economic problems are not accepting needed services or following medical advice. In recognition of these needs and in an effort to bring all possible community resources to bear on the problems of Indian health, we are proposing a small increase in this element of our professional staff.

PROGRAM FOR 1958

The request before you for Indian health activities in the 1958 fiscal year provides a total of \$43,990,000 for 4 major categories: Hospital health services, contract hospital and medical care services, field health services, and program direction and management services.

Hospital health services, \$24,944,000.—Representing an increase of \$2,472,900, this provides for further improving critically low ratios of staffs to patients, increasing the numbers of patients who can be admitted in response to rising demands for hospital care, increasing outpatient treatments and preventive activities, and training 50 additional Indians and Alaska natives for employment as practical nurses in these hospitals. The requested increase of \$2,472,900 also includes \$135,000 for higher wage board pay rates and \$821,000 for the Government's contribution to the civil service and social security retirement fund. This latter sum is a mandatory cost that is new to this appropriation.

Contract hospital and medical care services, \$9,313,000.—This provides a \$1 million increase, which permits expansion of contract services purchased from non-Federal hospitals, private practitioners, and other health facilities. The increases will make possible an improved consultation service in various medical specialties and expansion of services for control of tuberculosis, orthopedic crippling conditions, mental disorders, and emotional disturbances. It is our policy to provide medical care and other health services on a contract basis where such arrangements can result in better service to beneficiaries and economy and efficiency in operation of the program.

Field health services, \$7,635,000.—An increase of \$1,690,400 for this activity is requested. The diseases which take the heaviest tolls in sickness, disability, and death among the Indians and Alaska natives are largely those which can and should be controlled by well-established public health procedures. It is to extend the use of these procedures, and place emphasis upon prevention so that needs for treatment ultimately can be reduced, that we are asking for an increase. Directly affected are our activities in field diagnoses and treatments, communicable disease control, maternal and child health services, school health services, public health nursing, dental services, sanitation, social services, health education, and nutrition services. Included in the requested increase is a sum of approximately \$670,000 representing the full year's cost of new positions authorized in 1957 and the Government's contribution to the civil service retirement fund and related mandatory costs.

Program direction and management services, \$2,098,000.—No increase in these services is provided, this request includes \$51,700 needed to cover the Government's contribution to the civil service retirement fund.

EFFECT OF HOUSE ACTION

The House action would provide \$40 million against a request for \$43,990,000. The reduction from the amount requested would eliminate all of the program increases for 1958, and would prevent the Public Health Service from proceeding with orderly and planned improvement of the inadequate health services for Indians and Alaska natives, the program which Public Law 568, 83d Congress, transferred to the Service.

As a result of this reduction, the Public Health Service would be required to restrict its services despite the backlog of illness and disability among the Indian population and the mounting health needs revealed through our more intensive case finding and preventive health programs. The severe health deficiencies and great needs for more adequate health services for the Indians have been amply documented in the comprehensive survey of Indian health conditions made at the request of the House Appropriations Committee and submitted recently to that Committee.

In summary, the House action would permit no program expansion for 1958, and would bring to a halt planned improvements which would provide better and more health services to the Indian people. Moreover, although the House

allowance is \$1,225,000 over the amount appropriated for 1957, this increase is not sufficient to cover authorized mandatory payments which must be financed by the appropriation. Consequently, the sum provided by the House action is more than \$500,000 below the amount needed in 1958 to support Indian health activities at the 1957 level.

The need to reduce the disparity between the health needs of the Indians and the health resources available is urgent. It is requested that the estimate be allowed in full. Because adequate transportation is critical to the effectiveness of the program it is also requested that the automobile authorization be restored.

RAISING LEVEL OF INDIAN HEALTH

Senator HILL. We will be very happy to have you proceed in your own way.

Dr. SHAW. Mr. Chairman and members of the committee:

During the 18 months the Public Health Service has borne full responsibility for the Indian health program, we believe that the intent of Congress and the aims of the administration to initiate significant improvements in these health services have been carried out. Our ultimate goal is to raise the level of Indian health so that it compares favorably with that of the population as a whole. While our progress in relation to this goal is small, we are making definite and gratifying headway.

Health standards among the Indians are gravely deficient. Sickness and death from communicable diseases are excessive, particularly among infants and youths. The Indian population, with its low standards of living is extremely difficult to reach with health services.

Demands for hospital services are increasing and our hospital services are being improved to meet these needs more fully.

TYPE OF HOSPITAL SERVICES AVAILABLE

All of our 56 hospitals provide both curative and preventative services. In addition, services are provided in 160 non-Federal hospitals under contract.

Health services provided in the field include both medical care and disease prevention, with increasing stress on the latter. Included are services in health education, maternal and child health, sanitation, nutrition, medical social work, public health nursing, and dentistry. Some of these services are provided on a contract basis. In providing these services, the objectives of the Public Health Service are:

(1) To elevate the level of health among these beneficiaries to a point where it will compare favorably with that of the Nation as a whole;

(2) To contribute to the growth of self-sufficiency among the Indians and Alaska natives and cultivate their capacity to assume responsibility for their own health;

(3) To develop among these peoples an understanding of modern medical and health services to the end that they will seek such services on their own initiative from whatever health resources may be available in their communities; and

(4) To bring about an understanding of the Indian health problem on the part of State and local governments and encourage these governments to meet the health needs of their Indian citizens on the same basis as the health needs of others are met.

HOSPITAL HEALTH SERVICE

We have submitted a total request of \$43,990,000 for Indian health activities, an increase of \$5,215,000. This is for four major areas of activity. For "Hospital health service," we are requesting \$24,944,000, an increase of \$2,472,000. This would permit the addition of 218 hospital personnel—doctors, dentists, physical therapists, occupational therapists, and nurses. It also would permit us to add 49 medical record librarians and clerks. There would be an increase of 160 hospital patients, on the average, each day. The Practical Nurse Training School at Albuquerque, N. Mex., would be expanded to provide training for 50 additional practical nurses. Improved maintenance of the hospital plant would also be possible.

CONTRACT HOSPITAL AND MEDICAL CARE

For "Contract patient care," we request \$9,313,000 an increase of \$1 million. This would provide care for 134 additional patients a day in contract hospitals. It would also provide for additional services through private doctors, dentists, and other personnel in remote areas where we have no direct Public Health Service operations.

FIELD HEALTH SERVICES

For "Field health services" the request is \$7,635,000, which is an increase of \$1,690,400. This represents 126 additional health workers, all of whom would work in the field. Thirty-two of them would be concerned with preventive health. This personnel includes doctors, dentists, nutritionists, and health educators. There would be 19 additional sanitarians and sanitarian aids, 41 public-health nurses and 34 dentists and dental assistants.

MANDATORY INCREASES

For "Program direction and management services," \$2,098,000 is requested. This is an increase of \$51,700; however, only mandatory increases are covered by the request. Overhead and management services would remain at the same level as this year.

Of course, all of the added personnel would be located in the field, providing health services to our beneficiaries, Indians and Alaska natives.

Of the total request, a sum of approximately \$1,800,000 does not actually represent any program increase. This covers primarily the Government's contributions to the civil service retirement fund, the full year's cost of new positions authorized in 1957, higher wage board employee costs, and other mandatory increases. In previous years, contributions to the retirement fund were covered in separate appropriations.

EFFECT OF HOUSE ACTION

The House action would provide \$40 million against a request for \$43,990,000. This reduction from the amount requested would eliminate all of the program increases for 1958, and would prevent the Public Health Service from proceeding with an orderly and planned

improvement of the presently inadequate health services for Indians and Alaska natives. An expanded and improved Indian health program has already been approved under legislation by the two previous sessions of Congress.

As a result of this reduction, the Public Health Service would be required to curtail its services despite the known backlog of illness and disability among the Indian population and the mounting health needs revealed through our more intensive case finding and preventive health programs. Health needs of the Indians are amply documented in the comprehensive survey of Indian health conditions made at the request of the Congress.

In summary, the House action would permit no program expansion for 1958 and would bring to a halt planned improvements which provide better and more health services to the Indian people. Moreover, although the House allowance is \$1,225,000 over the amount appropriated in 1957, this increase is not sufficient to cover authorized mandatory payments which must be financed by the appropriation. Consequently, the sum provided by the House action is about \$500,000 below the amount needed in 1958 to support Indian health activities at the 1957 level.

The need to reduce the disparity between the health needs of the Indians and the health resources available is urgent. It is requested that the estimate be allowed in full. Because adequate transportation is critical to the effectiveness of the program, it is also requested that the automobile authorization be restored.

Senator HILL. Then what you said, Doctor, is that instead of improving the health services for the Indians, if the House figure stands, you have to reduce those services?

Dr. SHAW. Somewhat—yes, sir.

Senator HILL. There is about half a million dollars less for those services than there was for this year; is that right?

Dr. SHAW. It would be half a million below the level of the activities we are able to carry on in 1957, without any program increase for the needs that exist.

Senator HILL. Now, you have given us a good statement, but can you give us some specific examples and illustrations of wherein your health service is failing to reach a comparable level to what we would term acceptable standards?

Dr. SHAW. If you would permit, sir, I would like to spend just a few minutes and show you some of our work that we have been doing in the last 2 years.

Senator HILL. All right.

PERCENTAGE OF INDIAN DEATHS

Dr. SHAW. This chart shows the disparity between the general population and the Indian population, distribution of deaths by age groups.

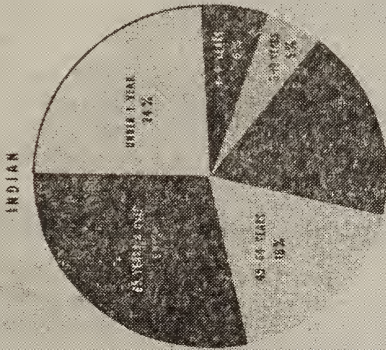
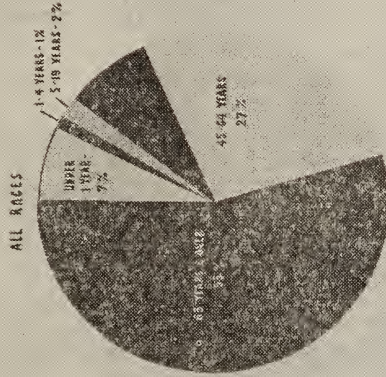
You will notice that in the Indian population, 24 percent of deaths occur in the first year of life, compared to 7 percent in the general population.

(The following chart was submitted:)

Division of
Indian Health

DISTRIBUTION OF DEATHS BY AGE GROUP

INDIAN AND ALL RACES - CONTINENTAL U.S. - 1954



A lot of the satisfaction of my particular job in the last 3 or 4 years has been this: You see, deaths in the first year of life have shrunk by about 2 percent under the impact of our program with a corresponding increase in length of life to 65 years or older. Likewise, over half of the general population deaths occur after 65 years of age.

Senator STENNIS. How many years have you had this medical service in Public Health?

Dr. SHAW. It was transferred to the Public Health Service on July 1, 1955. This is our second year of operation.

Senator STENNIS. So this chart, then, is based on 1 year, or 18 months, a very short time?

Dr. SHAW. This is the situation in 1954.

Senator STENNIS. Oh—1954.

Dr. SHAW. I have been in the program on loan from the Public Health Service for 4 years. The Public Health Service loaned officers to the Bureau of Indian Affairs for many years to administer the health programs. We were there as staff advisors and did not have the direct responsibility for operations.

Senator HILL. That was when the administration of Indian health was under the Interior Department?

Dr. SHAW. That is right.

Senator HILL. You were just there then as advisors, from the Public Health Service?

Dr. SHAW. That is correct.

Senator HILL. But you did not administer the program as you now do. Is that right?

Dr. SHAW. We did not have direct responsibility for the production of results as we have now.

Senator HILL. Now on that chart you have some other areas there that are indicative of something. What are they indicative of?

Dr. SHAW. Well, in the Indian population, over half of all deaths occurred before the age of 44, and a third of them before the age of 20 years of life.

INCIDENCE OF SELECTED COMMUNICABLE DISEASES

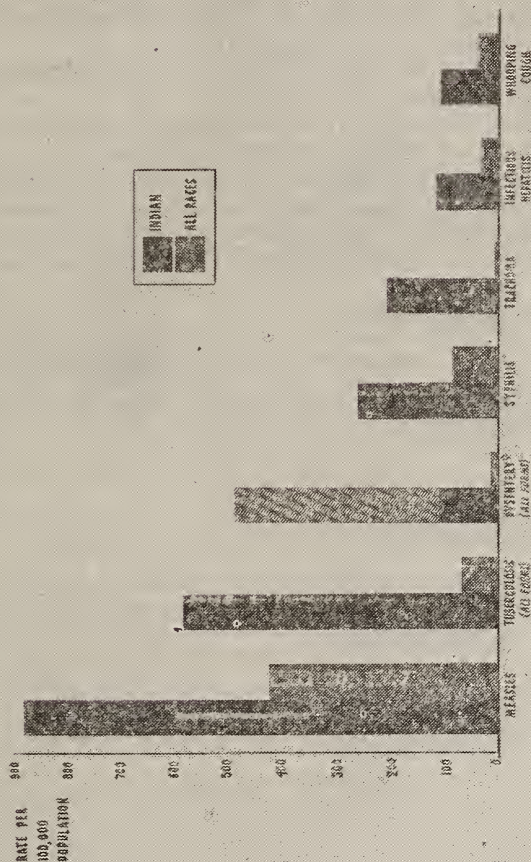
In some areas we have the average age at time of death well below 20 years. I think you can see the reason for that, as I leaf through these charts. This is the incidence of selected communicable diseases.

(The following chart was submitted:)

INCIDENCE OF SELECTED COMMUNICABLE DISEASES

INDIAN 1953-1955, ALL RACES 1954

CONTINENTAL UNITED STATES



*Comparative data for Indians and all races available only for bacterial and zoonotic diseases. Rates for hepatitis, diphtheria, and whooping cough are based on data for 1954.

The level of health with which we are struggling is about the level that we had in the general population over a generation ago. Primarily, the contagious and infectious diseases which have yielded to public health programs long since in the general population.

Senator HILL. Now, for the sake of the record, and to get the picture clearly, name some of these diseases.

Dr. SHAW. Tuberculosis, dysentery, trachoma, infectious hepatitis, whooping cough, and other respiratory infections of that type. Some of them have a ratio at as high as 11 to 1.

Senator HILL. Now, you say some of them ratio at as high as 10 to 1? What does that mean?

Dr. SHAW. The ratio of diseases and deaths in the Indian population as compared with the general population.

Senator HILL. In other words, where only 1 in the general population of the United States would die from 1 of these diseases today, 11 Indians would die; is that right?

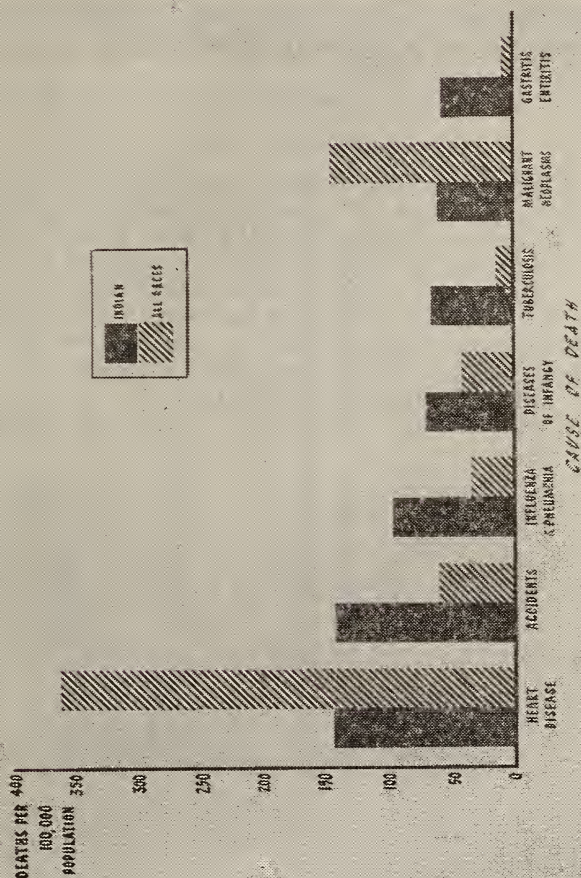
Dr. SHAW. Yes, sir; I will clarify that as we move through these charts.

Senator HILL. All right.

FEW INDIAN DEATHS FROM HEART DISEASE

Dr. SHAW. This is "Death rates by cause" in the United States. (The following chart was submitted:)

DEATH RATES BY CAUSE - CONTINENTAL U.S. INDIAN 1952-1954, ALL RACES 1953



Dr. SHAW. The leading cause since we have been working has become a degenerative disease, heart disease. You notice not many Indians are dying of heart disease, as compared with the general population, because ours, the Indian, that is, is a young population, having succumbed to infections, accidents, influenza, pneumonia, and diseases of infancy, and tuberculosis; again, malignancy in this population group is not uncommon, but not a real threat.

Senator HILL. You ascribe that to the fact that so many of the Indians die younger and do not reach that age where malignancy is so common among the general population?

Dr. SHAW. That is right.

Senator STENNIS. The same thing is true of heart disease?

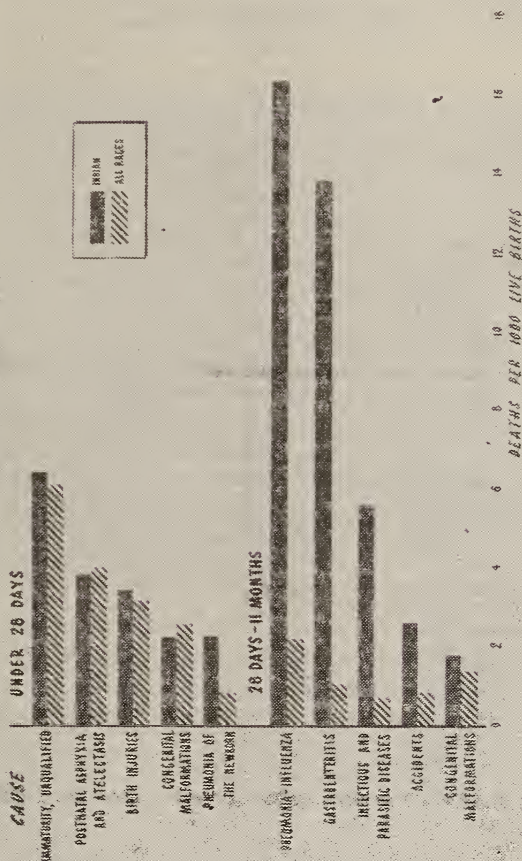
AVERAGE AGE OF INDIANS AT DEATH

Dr. SHAW. Yes. The average age of the Indians at time of death is 39 years, as compared to over 60 years in the general population.

Now this shows the infant death rate. I might say that about 80 percent of all Indians whose births are reported are born in our hospitals. While we have them in the hospitals you can see we do very well with them, but when they go back to their homes, to the poor sanitation conditions, poor housing, poor food and so on, isolated, and away from medical services, you can see what happens.

(The following chart was submitted:)

INFANT DEATHS FROM SELECTED CAUSES BY AGE GROUP INDIAN - Average 1949-1953, ALL RACES - 1951 CONTINENTAL U.S.



Division of
Indian Health

PERCENTAGE OF INDIAN BABIES BORN IN HOSPITALS

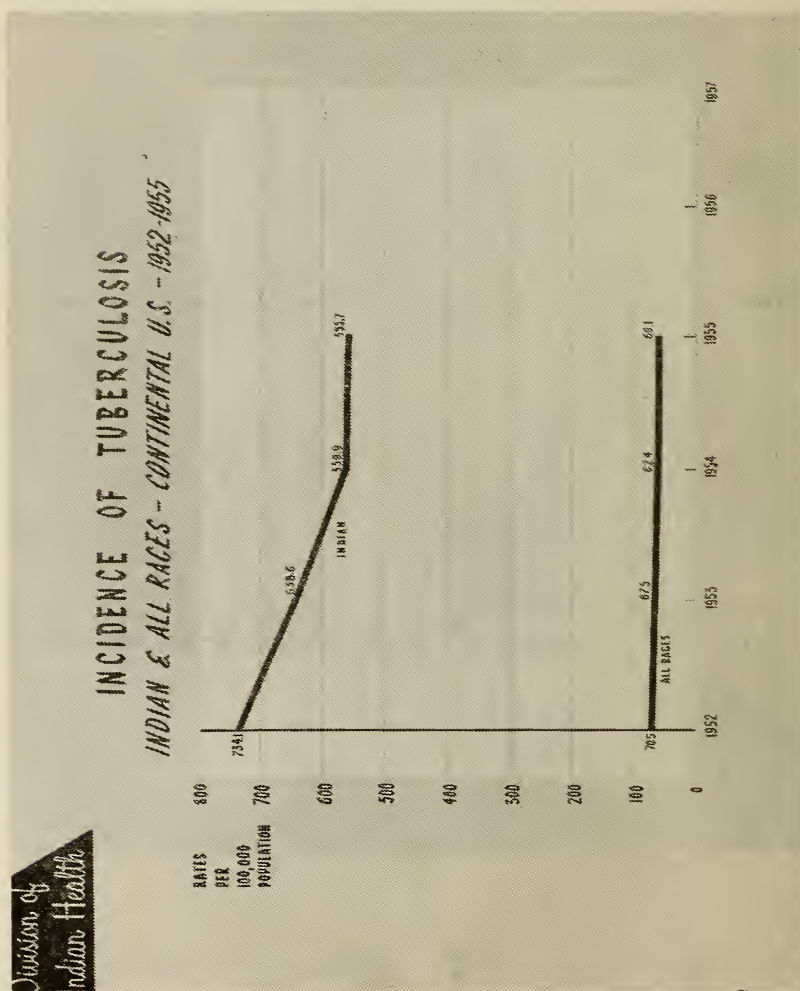
Senator DWORSHAK. What is the percentage of babies that are born in hospitals?

Dr. CRONIN. About 97 percent.

Dr. SHAW. That has expanded terrifically since the Hill-Burton program. I think prior to that it was about 75 percent.

This shows the incidence of tuberculosis in the Indians, compared to the general population. This is the rate at which they are getting the diseases.

(The following chart was submitted:)



Dr. SHAW. You can see the marked disparity of 750, roughly, to 70—10 times as much.

Senator PASTORE. It is going up or down?

Dr. SHAW. Coming down. It actually, by figures, has gone up because of our field health services and case finding. We are going out and finding them, getting them on record, and the reflected statistics show that.

COOPERATIVE ATTITUDE OF INDIANS

Senator HILL. Let me ask you this question while I have it in mind, and maybe it should come after you finish telling this story—but how cooperative do you find the Indian is about his health? As you know, in so many of these things a lot depends on how cooperative the patient may be and the family may be.

Dr. SHAW. We find that the Indians are very cooperative. We have a philosophy that we have carried out. I think it is sound, and I think it has proven itself. You must remember, these people were scattered over the entire United States in some 300 different bands, and were of many different cultures and languages. They were a problem to the Army; they were conquered and moved and manhandled as prisoners of war and placed on isolated reservations and kept away from the main stream of contact with our culture and education and economic development. Over that long history we have been doing things to them, and for them. We feel that in handling human resources you must develop within the individual himself the desire for better things, and understanding and initiative to take care of their own welfare. In working with them on their problems, rather than doing things to them or for them, we bridge the barrier between the cultures and language. Given a logical explanation of the cause and effect relationship which they can understand, they have proven exceedingly anxious to cooperate and help themselves, and I think most of the results we have had have been due to that.

LOCATION OF INDIANS

Senator STENNIS. Gentlemen, may I ask where are these Indians you are talking about? I notice your report indicates "Alaskan natives." There are Indians in Alaska? What percent are from, say, east of the Mississippi?

Dr. SHAW. I have here a map of the Indian reservations. The 13 original colonies accept the responsibility for their own Indians, and have long since educated them, included them in all of their programs, and that problem has pretty much disappeared.

Senator STENNIS. Well they have, too, haven't they?

Dr. SHAW. Yes.

Dr. CRONIN. The Indian population, Senator, is increasing.

Senator STENNIS. Let's get back to these 13 original colonies. You really have no Indians now in the 13 original colonies; no appreciable number?

Dr. SHAW. No appreciable number, and those that are there are the responsibility of the State, and are planned for and provided for by the State.

Senator STENNIS. How many? Would you venture to give a number?

Dr. SHAW. It is very small.

Senator STENNIS. A hundred or a thousand?

CHEROKEES IN NORTH CAROLINA

Dr. SHAW. Several thousand. I would guess 10,000. There are the Cherokees in North Carolina, the group that hid out in the mountains from General Taylor. They now number slightly over 3,000.

The Choctaws in Mississippi are nearly the same.

Senator STENNIS. Your health problem doesn't extend to the Cherokee?

Dr. SHAW. Yes, sir.

Senator STENNIS. I thought you said it was the responsibility of the State.

Dr. SHAW. That was picked up by the Federal Government in the early thirties and a program developed for them. They are doing very well.

SEMINOLES IN FLORIDA

The Seminoles in Florida number about 650. Our present Indian population is mostly in the Western States, the 24 States, and the Territory of Alaska, where the reservations were established for them largely on a very poor economic basis, and where they have been kept pretty much isolated since.

Senator PASTORE. How about Rhode Island?

Dr. SHAW. We don't have a Rhode Islander here, but I don't believe there are any.

Senator HILL. I think it would be very interesting, and you can get this from the Bureau of the Census, if you would obtain a table to be put in the record indicating where all of these Indians are located.

(The information requested follows:)

Estimated Indian health service population, by State, continental United States, 1955

State	Total Indian population ¹	Indian health service population	Other Indian population ²
United States.....	472,000	333,810	138,190
24 States with Federal Indian reservations.....	423,800	333,810	89,990
Arizona.....	75,470	74,980	490
California.....	27,100	18,450	8,650
Colorado.....	2,450	1,100	1,350
Florida.....	1,490	650	840
Idaho.....	4,540	3,970	570
Iowa.....	1,820	515	1,305
Kansas.....	4,080	1,230	2,850
Michigan.....	12,400	2,540	9,860
Minnesota.....	16,130	13,080	3,050
Mississippi.....	3,510	2,220	1,290
Montana.....	20,840	18,180	2,660
Nebraska.....	6,250	2,470	3,780
Nevada.....	6,520	4,420	2,100
New Mexico.....	49,430	48,860	570
North Carolina.....	36,990	3,160	33,830
North Dakota.....	13,155	11,355	1,800
Oklahoma.....	61,300	60,865	435
Oregon.....	7,520	5,510	2,010
South Carolina.....	1,070	360	710
South Dakota.....	28,430	23,450	4,980
Utah.....	5,210	4,180	1,030
Washington.....	18,310	16,580	1,730
Wisconsin.....	15,485	12,535	2,950
Wyoming.....	4,300	3,150	1,150
Remaining 24 States and District of Columbia.....	48,200	-----	48,200

¹ Indian population adjusted for underenumeration of persons with mixed blood.

² Estimated by Program Analysis and Special Studies Branch.

Sources: Bureau of the Census. 1950 United States Census of Population: United States Summary, General Characteristics, Report P-B1. Table 59 was used as a base and to this was added a figure representing the difference between number of births and deaths for each State for each year, 1950-54.

SIZE OF NAVAHO RESERVATION

Dr. CRONIN. Senator Pastore, in order to give you some idea of the terrific job involved in case finding among the Indians, this Navaho Reservation, which is in a 4-State area, is about 275 miles from east to west and 175 miles from north to south. This is an area as big as the State of West Virginia. There are two hard-surfaced roads on it. The Indians live a nomadic life, and their total environment is very primitive. Their habits are very primitive.

HEALTH AND SANITATION PROBLEM

One of the big problems among all the Indians really gets down to health education and sanitation. We cannot go out and preach to the Indian that he should wash his hands before he eats and then not see that he has any soap and water with which to wash his hands.

We cannot tell him to do things like we do in terms of human excreta and so on, and not give him something like privies or sanitary facilities that more nearly approach ours.

After all, the final goal is to get the Indian in a position where he would want to live beside me and I would want to live beside him. In other words, we should make him a first-class citizen like everybody else.

That has been a terrific job and it requires an appreciation of human resources.

Senator DWORSHAK. Are you going to be able to attain that objective, as long as you keep Indians on reservations?

Dr. CRONIN. I think the whole thing boils down to a phased-out situation.

I think it is the responsibility of every citizen, since we are the Government of this country, to try to get the Indian off the reservation and on an economic base that will support him. This can only be accomplished when that Indian himself wants to get off, because his sense of values may not be such that he wants to live in communities such as we live in. You just do not do these things overnight. It can't be done on a revolutionary basis. It has to be done on an evolutionary basis.

Under the best phasing possible, it is going to take some time. In other words, I would like to be able to say that everybody in this room would still be here when all of these Indians get to living on the same sound stable base as you and I.

DATE OF ESTABLISHMENT OF INDIAN BUREAU

Senator DWORSHAK. The Indian Bureau was established when?

Dr. SHAW. In 1849.

Senator DWORSHAK. Over a century ago.

Dr. CRONIN. That is right. I feel the emphasis in the Indian program seems to have been primarily on natural resources, which is the basic function of the Department of the Interior. They do very fine work. Our emphasis in the Public Health Service is from the human resources aspect. The basic approach to the problems involved is somewhat different.

Now the phasing requires the assistance from the total people of the country and the Federal Government, by way of support of all kinds.

The next step might be a demonstration program, where so much money could be made available for projects, when the States and the Indians are willing to take the responsibility for plans and operations to the extent that they can take on the responsibility.

Then eventually, when the culture and language barriers have been bridged, the disparity in the level of disease and disability has disappeared and the Indians and States are really able to assume the responsibility, we will get to the point where they will need no other benefits from the Federal Congress than we all do. That is going to take time, of course.

INDIAN BIRTHRATE COMPARED TO WHITE

Senator PASTORE. What is the Indian birthrate by comparison generally with the white?

Dr. SHAW. About 34 compared to 25.

Senator PASTORE. Their birthrate is about one and one-half times ours?

Dr. CRONIN. The total Indian population is about 470,000, not counting the 35,000 Alaskan natives, who really are not all Indians.

ALASKA NATIVES

I spent 7 months in Alaska and there are about 35,000 people eligible for care. In Alaska, the natives within the scope of the program, are a combination of the Chelans, Shoshone, Haida, and Aleut North American Indians, plus the Alaskan Eskimo. After the purchase of Alaska from Russia the Alaskan native fit into this total responsibility of the Federal Government and was included in the Indian Health program.

Senator DWORSHAK. As long as you keep the Indians on the reservations it is not difficult, especially in the case of the Navahos, to provide health for them in their environment. But they have to leave reservations in order to get employment and they become integrated in the population, is that correct?

ECONOMY RELATED TO HEALTH

Dr. CRONIN. I think that is correct, Senator, but I also think first of all, the economy of any people is directly tied up with its health and vice versa. I think when the situation is considered there has to be created in the mind of the Indian an actual need for good health. If you can create that feeling in his mind, and that is our basic job, in other words, we should get his sense of values up in regard to health and then you can follow along with all these other things, such as occupational and vocational training, and all of that. He should be educated so that he can go out and take his place in the community.

HOSPITALS FOR NAVAHOS

Senator DWORSHAK. In the case of the Navahos, are you not building the hospitals in the area with the implication they are going to remain in that section indefinitely?

Dr. CRONIN. No, sir. I think the hospitals are not being built on that basis. They are being built on the basis of where the people are. It is very difficult. I don't think that it would be accepted if we came in for funds for a fleet of helicopters to transport the sick Indians to Albuquerque or Phoenix or some place like that. I don't think it would work. After all, to get a man in an airplane he has to agree to get into it.

Senator DWORSHAK. I am not arguing. I am just asking on what basis you are planning that program, because it is a little difficult for me to reconcile this building. First, may I say that I am in full sympathy, wholehearted sympathy with what your objectives are, but I am questioning whether, in concentrating all of these advantages in health and education in the areas where the Navahos now reside, whether it will not be more difficult, increasingly more difficult to get them out of that area so they can get employment like other Americans? Would not the tendency be to remain in that area in order to take advantage of all of these fine health and educational opportunities that we have provided for them?

Dr. CRONIN. If that happens, we have failed in our job and I don't think we will fail in the job, because I think our goals are true goals and I think our hospitals are primarily health centers for these communities. They are places where not only are gall bladders removed and sick people are treated but also out of which flows good health education, and good information so the Indians can benefit.

SHIPROCK HOSPITAL

Dr. SHAW. As to specific information on the Navahos, there is the Shiprock Hospital, which is at Shiprock, N. Mex.; it is true it is the center of the desert, but there is also found there terrific oil, gas, and mineral deposits and the San Juan irrigation project is underway. A very large productive community activity is developing.

HOSPITAL AT GALLUP

The other hospital is going in Gallup, which is on a railroad and which will be a center of manufacturing and will have transportation and communications of all types and be a center of employment for the Navahos.

Senator DWORSHAK. Then you envision some agricultural and educational development in the area so that it will not be necessary for the Indians to leave there?

Dr. SHAW. Yes, sir. We have resisted pressures to locate hospitals out in the middle of that terrific reservation. We are meeting the need by cheaper health centers, public health care and the clinic type of operation.

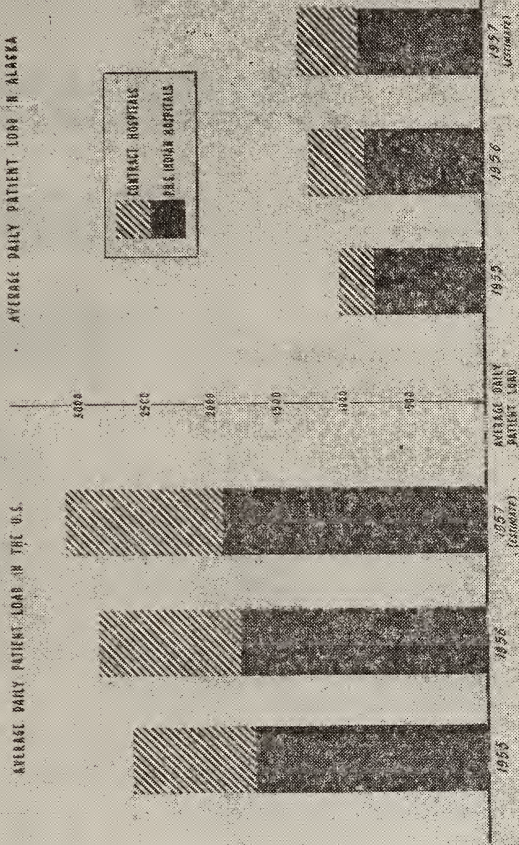
INCREASE IN ADMISSIONS TO HEALTH FACILITIES

Now this shows the increase in admissions to our health facilities, which has been considerable. This will give a better index of the type and extent of service than do the average daily patient figures. Because of the increase in medical services and doctors and so on, we have been able to decrease the length of time it takes to cure them. So the average patient stay is not going up, but the number of patients receiving treatment and cure has gone up very materially. This is the hospital patient load showing the increases that have occurred.

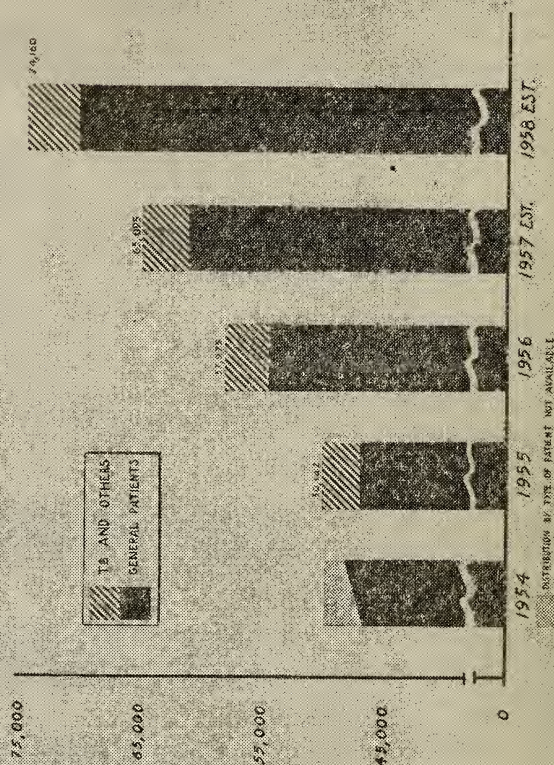
(The following charts were submitted:)

Division of
Indian Health

AVERAGE DAILY PATIENT LOAD
IN P.H.S. INDIAN HOSPITALS AND CONTRACT HOSPITALS
UNITED STATES & ALASKA

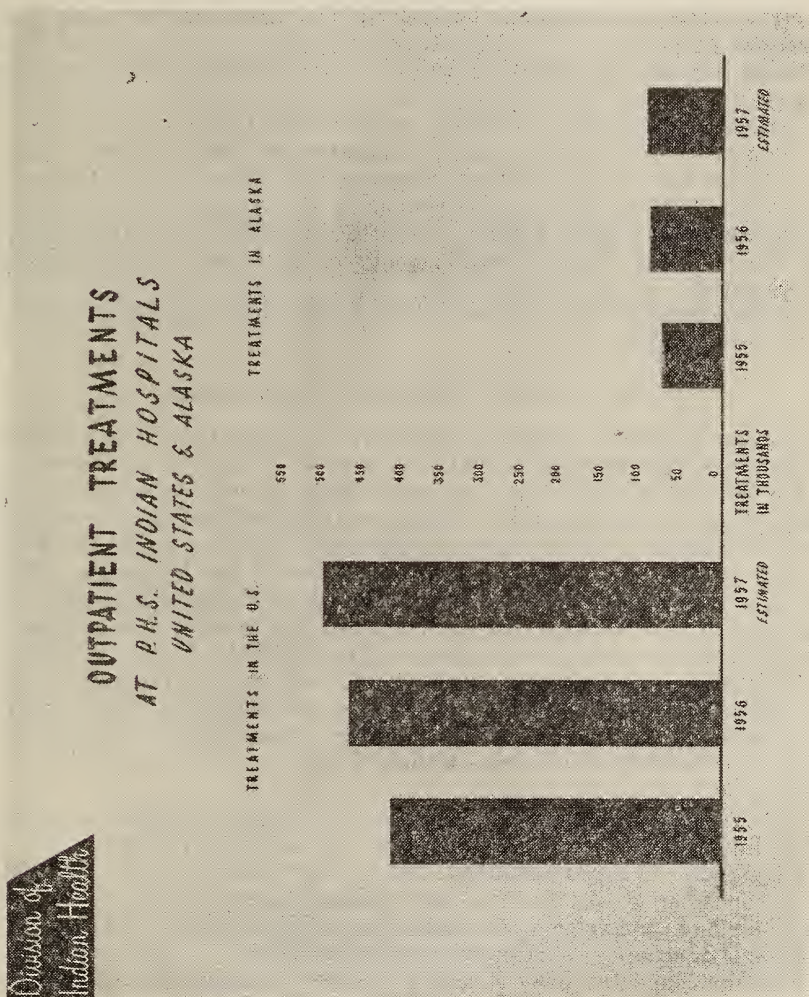


ADMISSIONS OF INDIAN PATIENTS TO P.H.S. INDIAN HOSPITALS AND CONTRACT HOSPITALS FISCAL YEARS 1954-1958



Dr. SHAW. This chart shows the outpatient treatments. We feel it is our job to keep them well, keep them working, keep them vertical rather than horizontal, so to speak, so our efforts are directed along those lines, using every opportunity to impart information to them which they can use in an overall situation which will assist them in protecting themselves from the infectious diseases.

(The following chart was submitted:)



EFFECT OF PROGRAM ON TUBERCULOSIS DEATH RATE

Dr. SHAW. Here you can see the effect of the impact of the program on the tuberculosis death rates. It is very marked. It is improving. We are now in a position to hospitalize every Indian we can find with tuberculosis who will accept it. We have, I think, a sufficient number of beds and all we have to do is keep at it and this will improve with time.

Senator DWORSILAK. Does that include the Alaskan natives?

Dr. SHAW. The Alaskan native improvement is even more pronounced.

Senator STENNIS. What period of time does that chart cover that you just showed us?

Dr. SHAW. It starts in 1948 and runs through 1954.

Senator STENNIS. Was that the beginning of your tenure, I mean the Public Health Service? You only had it directly for 18 months.

Dr. SHAW. No; that was the beginning of the expanded program in the Bureau of Indian Affairs under the impetus of my predecessor, Dr. Foard, where the first major resource expansion was brought into the program.

Senator STENNIS. So you would date your chart from that time?

Dr. SHAW. Yes.

CARE OF INDIANS WHO REFUSE HOSPITALIZATION

Senator PASTORE. What do you do, if anything, in cases where they will not accept hospitalization?

Dr. SHAW. We first try to convince Indians with tuberculosis that they should be hospitalized. Many of these people have never been over 50 miles away from home and have not had contact with the white society and are not educated and cannot speak the language. They are also from a different culture and interpret things differently. In the case of the Navaho, we use the medicine man just as we would use a preacher in our own society. They have been very helpful in convincing patients to accept medical treatments. Failing in this we attempt to get the Indian to come to the outpatient departments and health centers and keep them under chemotherapy for their own treatment at home and protect their families as best we can in the same way.

Senator HILL. It makes it much more difficult though, to protect their family, does it not, when they are at home with them?

Dr. SHAW. It is more difficult, but with periodic examinations, skin tests for tuberculosis, and the use of chemotherapy again, at the first sign, we have materially cut down the incidence and I think as time goes on the impact will be showing up much better.

Senator STENNIS. May I ask a further question concerning the women. Very few of these women speak English, is that correct?

Dr. SHAW. It varies.

Senator STENNIS. Even out on the large reservations?

Dr. SHAW. That is correct. However, the larger the reservation the greater their isolation and the more likely they are not to speak English.

INDIAN DOCTORS

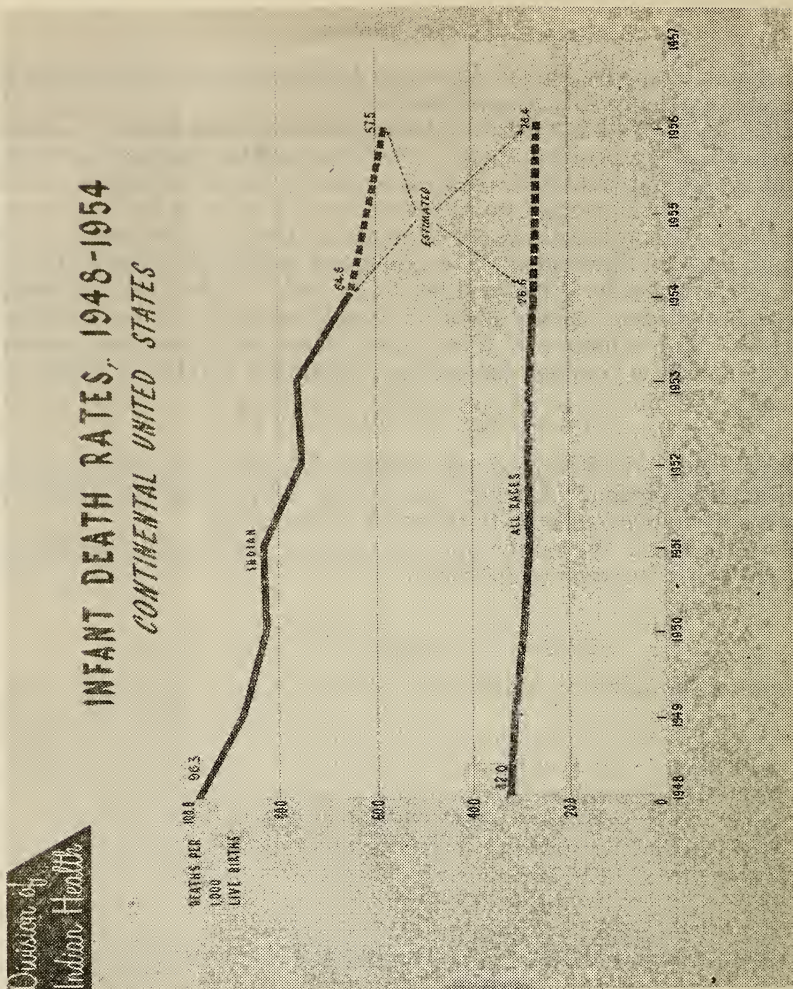
Senator STENNIS. Do you have any Indian doctors, Indians who are doctors that serve with your department?

Dr. SHAW. We have, I think, 1 or 2—1 dentist and 1 doctor. There is somewhat of a problem there. Our first Navaho is in medical school. That is the first time we have had, in this program, a member of that group. There is another point, however, that once the Indian receives his education he is inclined not to go back. He has had a look at better things and he likes them. He is a good influence, though, for the rest of them, but he is inclined not to go back. If he does go back, he may be somewhat isolated from his people because he is too far ahead of them. It is a matter of slow transition and education over a period of time with the younger generation. I think it will take a little time.

IMPROVEMENT IN INDIAN DEATH RATE

Now this is the infant death rates which show the impact of our sanitation program. Already you can see how the infant death rate is showing improvement with the work in the family.

Senator HILL. We might put this chart in the record at this point. (The chart referred to follows:)



PROGRAM OBJECTIVES

Senator HILL. Now, Doctor, as I understand, as a result of the survey which has been made, you have certain goals and certain objectives which you are trying to move toward, is that right?

Dr. SHAW. That is correct, sir. The survey which is here, and which has been released, documents the diseases which I have been referring to quite extensively. It documents the need for services and sets the level of the program that ultimately should be reached to meet the needs before the disease rates come into balance with the general population. Decreased expenditures will follow naturally after that. The program level has been placed at \$60 million to \$65 million per year, which could, and should, be built up over a period of 5 to 10 years, depending particularly on getting facilities in these isolated areas, and on the availability of resources generally. The rate of change

will depend on the amount of resources made available. That is why, as a physician struggling for his patient, so to speak, I view with concern any lack of expansion next year if that should be the ultimate decision of the Congress. I think however we could make many improvements next year as we have for the last 2 years.

Senator HILL. You mean if you are allowed the budget estimate?

Dr. SHAW. Yes, sir.

Senator HILL. Or if you are not allowed the budget estimate?

Dr. SHAW. We continue at the present level of operations.

MISSISSIPPI HOSPITAL COSTS

Senator STENNIS. I have a question: I don't know that you have the figures, but I remember that in Philadelphia, Miss., you had what we call an Indian hospital. There are 3,500 Indians in Mississippi, according to your tabulation here. Do you have any comparative cost with what it was requiring to operate that hospital for 1 year as compared with what you are doing there now? I think it might be quite revealing.

Dr. SHAW. I do not have it available here. We will be happy to submit it for the record.

(The information requested follows:)

Data on operation of the Indian hospital, Philadelphia, Miss., fiscal years, 1953-56

	Operation under Bureau of Indian Affairs			Operation under Public Health Service, 1956
	1953	1954	1955	
Total patient-days.....	6,534	5,037	5,001	6,169
Total outpatient treatments.....	5,362	3,081	3,394	8,123
Total annual cost.....	\$89,000	\$89,000	\$86,000	\$108,000
Average cost per patient per day.....	\$13.68	\$17.66	\$17.24	\$17.52

Senator STENNIS. I think it would have some bearing on the whole case, not that particular installation. You are doing that on a contract basis there, I think.

Dr. SHAW. It was increased approximately from \$14 per patient per day to \$17.50 per patient per day. At the time of the transfer we were without full time physicians and operated the hospital with part-time contract physicians.

Senator STENNIS. But you serve more Indians now or less?

Dr. SHAW. Well that is the average cost per patient per day. The number of patients has increased too, but this is the unit cost.

Senator STENNIS. Well you mean it is costing you more to take care of one patient per day under your present system than it did in operating the hospital?

Dr. SHAW. The costs have gone up due to inflation. We do have a minimally adequate staff now that we did not have before, both from the standpoint of physician coverage, nurses and dentists. Likewise the outpatient department has materially expanded and our services have been reaching more patients in that way, but the length of stay has also decreased, so that the cost for caring for one patient, I think, has remained fairly constant. I would have to check that to be sure, but generally that is a true statement.

Senator STENNIS. Let's get the figures on that, because it will be a commentary on the systems, because I was sure there would be a great reduction as a whole in these and I am sure, in good faith, there would be a great reduction in cost under the new system as compared to operating at the hospital itself.

Dr. SHAW. Well, you can only speak in terms of service.

Senator STENNIS. Yes. I would just like to get those figures.

Dr. SHAW. We would be happy to give them to you.

Senator HILL. Dr. Cronin, have you something to add?

REASON FOR INCREASED COSTS

Dr. CRONIN. I would like to make this comment to back up Dr. Shaw's statement. What you get is a variety of services. The national average cost of community hospitals is at least \$7 to \$10 more than this cost that has been quoted as around \$17 a day. The national average today is around \$26 in all of the community hospitals and Dr. Shaw did explain that part of the increase in cost is due to the increase required in payment for services because the cost of living is going up.

Senator STENNIS. I was not critical and I want the entire picture, but at the same time it helps us to gage these estimates about what will be done.

Dr. SHAW. I might add this one other word. Just a building alone does not constitute a hospital. It takes physicians and other health personnel to deliver services.

Senator STENNIS. That is really elemental, Doctor, but I don't see why you object to giving figures. Let's get the picture.

Dr. SHAW. We do not object. When we got the hospital there were no physicians in it. We now have two full-time physicians.

Senator STENNIS. I am not going to suggest that you go back to the hospital. But these are the only Indians I know anything about and I do know their living conditions and I know their attitude and I talked to them on the highway and elsewhere.

Senator HILL. And you will get those figures for us for the record?

Dr. SHAW. Yes, sir.

Senator HILL. Senator Dworshak.

Senator DWORSHAK. Dr. Shaw, in your statement you said the funds requested in this budget are to provide medical care and public health service for approximately 370,000 Indians including 35,000 Alaskan natives. Elsewhere in your statement you said that there are 472,000 fullblood and mixed-blood Indians within the continental limits of the United States. What is the situation as to the 102,000 not included in this category receiving medical attention, the difference between 370,000 and 472,000?

INDIANS WHO HAVE LEFT RESERVATION

Dr. SHAW. Those are primarily Indians that have left the reservation and are still identified as Indians in other localities where this program does not provide services, such as in Los Angeles where you have well over 10,000 Indians now relocated and working in the manufacturing plants there. It is the same in Chicago and other metropolitan areas.

Senator DWORSHAK. Do they lose their privileges as far as medical attention is concerned?

BLUE CROSS COVERAGE

Dr. SHAW. They become integrated into the local community and they are on an economic base so they can support themselves and they do. At present the Bureau of Indian Affairs, under their relocation program, is financing medical and hospital coverage, I think, for the first year of their leaving.

Senator DWORSHAK. They have to remain on the reservations in order to qualify for this service?

SITUATION AT LAPWAI, IDAHO

Dr. SHAW. We approach it from the standpoint of service areas. You have a community of Indians, a community being an area such as around Lapwai, Idaho, where you have a marked disparity between the Indian health situation and the general population health situation. We try to approach that problem as one of being a community problem in primarily an Indian community, so that for Indians in need of health services, who are not able to pay their bills and who are rejected by the local community for services, we do anything we can to assist them in the solution of their problem and to improve their health and keep them on the job.

Senator DWORSHAK. Well is your answer that those people, those Indians, when they leave the reservation, are entitled to this health service or are they not?

Dr. CRONIN. Well they are entitled to it, Senator Dworshak, from a philosophical point of view, but they don't get it because there are no facilities in San Diego that we have to give the Indian this care. He can come back to his reservation and still get his care.

Senator DWORSHAK. How many would actually come back to the reservation? They probably would get along wherever they are residing and do the best they can. Now does that raise this technical question as to whether or not you are justified in increasing constantly your health facilities or reservations when, on the other hand, your primary objective is to encourage the Indian to leave the reservation? Are those two aims compatible?

Dr. SHAW. Yes. We think they are and we think we are planning the program accordingly in that we do not intend to build hospitals and clinics wherever there may be Indians. We intend to work with the local communities and with the organized Indian bodies and individual Indian families to assist them, first, in understanding the need for modern medical care, and to encourage their willingness to go and ask for it.

ENCOURAGING INDIANS TO LEAVE RESERVATION

Senator DWORSHAK. I do not disagree with anything you are saying, Doctor, but you have said that you envision a constant growth and expansion in this health program. Now what is the limit? On the other hand, you do concede that you are encouraging the Indians to leave the reservations, are you not?

Dr. SHAW. Yes.

Senator DWORSHAK. Well, can you explain those two divergent aims, by constantly providing more and more health facilities on the reser-

variations while at the same time you are encouraging Indians to leave the reservations and as more of them leave, obviously there will be less and less need for health facilities on the reservation.

Dr. SHAW. From the standpoint of planning the facility itself, we take that into very careful consideration as to its ultimate use in the long run. The second thing is, you have an Indian population with marked quantities of infectious disease, which is an added burden on the Indian himself, which he must carry and which interferes with his welfare, his work habits and his integration. The third thing is, if he leaves the reservation and moves into a community with these infectious diseases he is interpreted as being a threat to that community, and interferes with his acceptance and integration. There is a backlog here which must be corrected from a health point of view before the movement and integration can take place in a satisfactory manner. In addition the Indian population is increasing 2 to 3 percent per year which is about the same as the out migration of the Indians from the reservations.

Senator DWORSHAK. When you get that backlog pretty well taken care of and dissipated there will be less need for hospitals on reservations as the Indians leave the reservations for integration in our population?

Dr. SHAW. That is correct.

Senator DWORSHAK. You are keeping that in mind constantly.

POLICY ON CAPITAL INVESTMENTS

Dr. SHAW. We are keeping that in mind certainly where capital investments are involved and with regard to the capital investments we do make, we are attempting in every way to make them in locations where they will be of ultimate use for the community.

COMPARISON OF APPROPRIATIONS IN PRIOR YEARS

Senator DWORSHAK. I have one question and will you supply this for the record: Frequently, emotionalism dominates Americans as they think—especially in the case of Navahos—they think they are not getting the attention they are entitled to, to improve the living standards among Indians. You say you go back to 1948. I served on the House Appropriations Committee almost 15 years ago and used to listen to the budget presented by the Interior Department on behalf of the Indians and sometimes I wonder if we are making the progress that we should. Now, to be specific, will you provide for the record how much money was appropriated for the Indian health service and let's go back to 1948 when your charts originated. Can you provide that for the record?

Mr. KELLY. Yes. There is a problem, Senator, which I should point out to you. When the funds were appropriated to the Department of the Interior, the Bureau of Indian Affairs, it was a total appropriation for the Indians services and we have found it somewhat difficult to break down precisely the amount which was for this purpose as distinguished from the amounts which were for other purposes; but we will make the best estimate we can.

Senator DWORSHAK. Do you now have a breakdown, you can supply for the record?

Make it on an annual basis so we can see whether it is true that there has been a constantly increasing budget to take care of the Indian health services, whether they be under the supervision of the Interior Department or as now under the Department of Health, Education and Welfare. I think that would be information that might well indicate whether we have provided the funds in the past. You will do that?

Dr. SHAW. Yes, sir.

Senator DWORSHAK. Thank you.

(The material referred to follows:)

Federal appropriation for health services among United States Indians and Alaska natives

Year	Man-years ¹	Appropriated funds	Year	Man-years ¹	Appropriated funds
1948.....	2,563	\$8,782,405	1953.....	3,008	\$21,444,765
1949.....	2,774	10,529,708	1954.....	3,098	21,433,971
1950.....	2,797	12,031,917	1955.....	3,364	24,274,747
1951.....	2,872	14,977,418	1956.....	4,175	34,990,000
1952.....	2,999	16,314,949	1957.....	4,672	38,775,000

¹ Man-years not available 1948 through 1953; figures for those years represent employment as of June 30.

NOTE.—Increases in appropriations since 1948 reflect—

1. Increase of 50,000 in the number of potential beneficiaries of the program.
2. Increase of 2,021 in average daily patient load in PHS Indian and contract hospital facilities (an additional 740,000 days of care per year).
3. Increase of 300,000 outpatient treatments annually in hospitals and health centers.
4. Increases in beneficiaries of the program and in services required necessitated a doubling of staff to provide only basic minimal services.
5. Improvements in quality of care and some expansion of service.
6. Rising costs of supplies, equipment, and contractual services and mandatory increases in personnel costs, such as pay increases and employee benefits.
7. Material expansion of program in Alaska, resulting in an expansion of over \$10 million since 1948.
8. Substantial amounts spent for control and treatment of tuberculosis in recent years account for 35 to 40 percent of total program costs.

Estimated ¹ Indian and Alaska native health program beneficiary population

Year:	Population	Year:	Population
1948.....	315,900	1952.....	343,300
1949.....	322,200	1953.....	351,400
1950.....	328,700	1954.....	359,400
1951.....	335,900	1955.....	370,000

¹ Population estimates are based on data from the Bureau of the Census for 24 States with Federal Indian reservations, with adjustment for underenumeration in certain areas. Between the census years, figures are adjusted annually for reported births and deaths, received from the National Office of Vital Statistics.

Senator HILL. That would be helpful information. Now, Doctor, you are going to address yourself to the next subject, "Construction of Indian health facilities."

CONSTRUCTION OF INDIAN HEALTH FACILITIES

STATEMENTS OF DR. JAMES R. SHAW, CHIEF, DIVISION OF INDIAN HEALTH; AND JAMES F. KELLY, DEPARTMENT BUDGET OFFICER

APPROPRIATION ESTIMATE

"Construction of Indian health facilities: For construction, major repair, improvement, and equipment of health and related auxiliary facilities, including quarters for personnel; preparation of plans, specifications, and drawings; acquisition of sites; purchase and erection of portable buildings; and purchase of trailers; [\$8,762,000] \$5,800,000, to remain available until expended: *Provided*, That such expenditures may be made through the Department of the Interior."

Amounts available for obligation

	1957 appropriation	1958 budget estimate	1958 House allowance
Appropriation or estimate.....	\$8,762,000	\$5,800,000	\$3,096,000
Additions: Unobligated balance brought forward.....	3,641,561	7,851,400	7,851,400
Deductions: Unobligated balance carried forward.....	7,851,400	7,851,400	7,851,400
Total obligations.....	4,552,161	5,800,000	3,096,000

Obligations by activities

Activity	1957 appropriation		1958 budget estimate		1958 House allowance	
	Positions	Amount	Positions	Amount	Positions	Amount
1. Hospitals and clinics.....		\$1,512,030		\$650,000		0
2. Personnel quarters.....		1,414,731		2,054,000		0
3. Alterations.....		1,625,400		2,596,000		\$2,596,000
4. Other plant facilities.....		0		500,000		500,000
Total obligations.....	1 11	4,552,161	1 23	5,800,000	1 11	3,096,000

¹ The positions are scheduled under a contract allocation to the Department of the Interior and are not assigned directly to the activities; duties are performed in connection with the individual projects within all activities.

EFFECT OF HOUSE ACTION

Activity No. 1. Hospitals and clinics

A request of \$650,000 for 16 new and replacement of 8 inadequate substandard field health facilities was not allowed by the House. Sixteen new clinics had been planned in remote areas where no Indian health facility exists. The eight clinics to be replaced are inadequate to provide proper medical care.

Activity No. 2. Quarters

Inadequate and slum-like housing in remote locations where no rental housing is available has seriously hampered the recruitment and retention of professional medical staff. The House reduction of \$2,054,000 would prevent the construction of 118 urgently needed permanent housing units. Against large known needs for permanent housing units, only 325 temporary houses and trailers and 69 permanent units have been authorized through 1957.

Activity No. 3. Alterations

The House allowed the request of \$2,596,000 to completely modernize 5 PHS Indian Health hospitals in line with minimum Hill-Burton standards and make major improvements in 2 others.

Activity No. 4. Other plant facilities

The House allowed the request of \$500,000 for water supply, sewage and power facilities which must be corrected if Public Health Service Indian health hospitals and clinics are to continue in use. Projects requested for 1958 are in 11 hospitals and 1 clinic.

Obligations by objects

	1957 appro- piation	1958 budget estimate	1958 House allowance
PUBLIC HEALTH SERVICE			
Average number of all employees.....	2	0	0
01 Personal services.....	\$15,000	0	0
07 Other contractual services.....	10,000	\$100,000	\$53,400
10 Lands and structures.....	2,173,816	1,200,000	640,500
Total, Public Health Service.....	2,198,816	1,300,000	693,900
ALLOCATION TO DEPARTMENT OF THE INTERIOR			
Total number of permanent positions.....	11	23	11
Average number of all employees.....	11	23	11
Number of employees at end of year.....	11	23	11
01 Personal services.....	\$65,000	\$135,000	\$65,250
02 Travel.....	13,000	28,000	15,000
03 Transportation of things.....	500	700	400
04 Communication services.....	3,600	4,400	2,300
05 Rents and utility services.....	3,000	3,700	2,000
06 Printing and reproduction.....	5,400	6,600	3,500
07 Other contractual services.....	49,845	58,100	31,000
08 Supplies and materials.....	9,000	11,000	5,800
09 Equipment.....	18,000	22,000	11,800
10 Lands and structures.....	2,186,000	4,221,725	2,261,000
11 Grants, subsidies, and contributions.....	0	8,775	4,050
Total, Department of the Interior.....	2,353,345	4,500,000	2,402,100
Total obligations.....	4,552,161	5,800,000	3,096,000

Summary of changes

1957 actual appropriation.....	\$8,762,000
Unobligated balance brought forward.....	3,641,561
Unobligated balance carried forward.....	-7,851,400
Actual obligations 1957.....	4,552,161
Nonrecurring items (obligations):	
Hospitals and clinics.....	1,512,030
Personnel quarters.....	1,414,731
Alterations.....	1,625,400
Total.....	4,552,161
Adjusted 1957 appropriation.....	0
1958 appropriation request.....	5,800,000

	Positions	President's estimate	Positions	House allowance
For mandatory items.....		0		0
For program items:				
Hospitals and clinics.....	0	\$650,000	0	0
Personnel quarters.....	0	2,054,000	0	0
Alterations.....	0	2,596,000	0	\$2,596,000
Other plant facilities.....	0	500,000	0	500,000
Total change requested.....	¹ 23	5,800,000	¹ 11	3,096,000

¹ The positions are scheduled under a contract allocation to the Department of the Interior and are not assigned directly to the activities; duties are performed in connection with the individual projects within all activities.

Construction of Indian health facilities appropriation, 1958

1. HOSPITALS AND CLINICS

	Estimate 1958	House allow- ance
No facilities presently available:		
Cheyenne River, S. Dak. (west segment).....	\$25,000	0
Norris, S. Dak. (near Rosebud).....	25,000	0
Replacements of existing inadequate health units:		
Jicarilla, N. Mex.....	50,000	0
Laguna, N. Mex.....	80,000	0
Zuni, N. Mex.....	25,000	0
Jemez, N. Mex.....	25,000	0
Lake Valley, N. Mex.....	20,000	0
San Felipe Pueblo, N. Mex.....	20,000	0
Santa Ana, N. Mex.....	20,000	0
Tesuque Pueblo, N. Mex.....	20,000	0
Aneth, Utah.....	20,000	0
Navajo Mountain, Utah.....	20,000	0
Mexican Hat, Utah.....	20,000	0
Kaibito, Ariz.....	25,000	0
Lukachukai, Ariz.....	25,000	0
Dinnehots, Ariz.....	20,000	0
Red Rock, Ariz.....	20,000	0
Replacement of existing clinic with a new facility: Gila Crossing, Ariz.....	30,000	0
Construction of new clinical building to replace present inadequate structure: Peach Springs, Ariz.....	25,000	0
No facilities presently available:		
Rocky Boy, Mont., to provide more adequate facilities.....	25,000	0
Arapaho, Wyo., to replace trailer housed facility.....	25,000	0
Heart Butte, Mont.....	25,000	0
Construction of a new combination clinic and quarters for the public health nurse to replace the present inadequate quarters and clinic:		
Gambell, Alaska.....	30,000	0
Savoonga, Alaska.....	30,000	0
Total for construction of clinics for 1958.....	650,000	0

2. PERSONNEL QUARTERS

Urgently required housing units listed by Indian health area:		
Aberdeen (30 units).....	\$320,000	0
Albuquerque (33 units).....	493,000	0
Phoenix (28 units).....	409,000	0
Portland (6 units).....	89,500	0
Alaska (21 units).....	520,000	0
Total personnel quarters for all areas (118 units).....	1,831,500	0
Architect and site inspection costs.....	222,500	0
Total personnel quarters for 1958.....	2,054,000	0

3. ALTERATIONS

	Available 1957	Estimate 1958	House allow- ance
Modernization of Hospitals in line with minimum Hill-Burton standards:			
Pine Ridge Hospital, Pine Ridge, S. Dak., (47 beds).....	\$13,000	\$418,000	\$418,000
Rosebud Hospital, Rosebud, S. Dak., (36 beds).....	23,500	515,500	515,500
Hopi Reservation Hospital, Kears Canyon, Ariz., (38 beds).....	21,000	588,000	588,000
Fort Apache Hospital, White River, Ariz., (38 beds).....	21,000	542,000	542,000
Blackfeet Hospital, Browning, Mont., (35 beds).....	13,500	432,500	432,500
Total modernization program.....	92,000	2,496,000	2,496,000
Other projects:			
Fort Belknap Hospital, Harlem, Mont.....		75,000	75,000
To refurbish top floor for use of inpatients and convert first floor to outpatient clinics, laboratory, X-ray and dental facilities.			
Bethel Hospital, Bethel, Alaska.....		25,000	25,000
To provide for autopsy and mortuary storage facilities. The Bethel Hospital does not have such facilities at present.			
Total other projects.....		100,000	100,000
Total alteration for 1958.....		2,596,000	2,596,000

Construction of Indian health facilities appropriation, 1958—Continued

4. OTHER PLANT FACILITIES

	1958 estimate	House allow- ance
Eastern Navajo Hospital, Crownpoint, N. Mex.----- Construct additional water storage facilities and extend water and sewer lines to serve health facilities.	\$50,000	\$50,000
Chinle Health Center, Chinle, Ariz.----- Construct additional water storage facilities and extend water and sewer lines to serve the health facility and adjoining housing.	50,000	50,000
Zuni Hospital, Zuni, N. Mex.----- Construct new sewerage treatment facilities and extend water and sewer lines to serve health facilities.	40,000	40,000
Talihina Medical Center, Talihina, Okla.----- Construct butane storage and distribution system, water reservoir and incinerator.	10,000	10,000
Western Shoshone Hospital, Owyhee, Nev.----- Construct morgue.	9,000	9,000
Walker River Hospital, Schurz, Nev.----- New sewerage system.	20,000	20,000
Hoopa Valley Hospital, Hoopa, Calif.----- Construct new water supply and sewerage systems.	60,000	60,000
Crow Agency Hospital, Crow Agency, Mont.----- Construct and equip new heating plant.	53,000	53,000
Anchorage Hospital, Anchorage, Alaska.----- Replace water system and construct emergency electrical system.	73,000	73,000
Bethel Hospital, Bethel, Alaska.----- Provide standby water facilities.	40,000	40,000
Kanakanak Hospital, Kanakanak, Alaska.----- Construct concrete reservoir for water system.	9,000	9,000
Tanana Hospital, Tanana, Alaska.----- Construct new water system.	86,000	86,000
Total, other plant facilities for 1958-----	500,000	500,000
Total estimate for 1958-----	5,800,000	3,096,000

PREPARED STATEMENT

Senator HILL. Dr. Shaw, do you have a prepared statement on the construction of Indian health facilities?

Dr. SHAW. Yes; I have filed the statement.

Senator HILL. The statement will be placed in the record at this point.

(The statement referred to follows:)

STATEMENT BY CHIEF, DIVISION OF INDIAN HEALTH, PUBLIC HEALTH SERVICE
ON CONSTRUCTION OF INDIAN HEALTH FACILITIES

Mr. Chairman and members of the committee, the request before you for \$5,800,000 for the construction of Indian health facilities includes \$650,000 for building 24 field clinics, \$2,054,000 for 118 urgently needed personnel quarters, \$2,596,000 for modernization of 5 hospitals, and \$500,000 for the correction of serious deficiencies in other plant facilities. I will briefly detail the need for the full 1958 request of \$5,800,000 and indicate the effect of the House reduction.

At the request of the Committee on Appropriations, the Public Health Service surveyed the physical plant of the Indian health program and reported to the committee in November 1955 the most pressing needs with respect to renovation and new construction. This report, together with the funds required for construction projects authorized in 1956 and 1957, indicated a total of \$36,057,200 required for the four types of construction and alteration projects covered in the request before you—hospitals and clinics, personnel quarters, alterations, and other plant facilities. The funds requested in this budget provide for continuing an orderly program to provide Indian health facilities which are reasonably safe and suited to their vital functions.

CLINIC CONSTRUCTION

Because of the urgency of the needs of Indians and Alaska natives for health facilities in the field, and in view of the increasing demands for the services which such facilities render, we are requesting funds to provide for construction of 16 new facilities where none have existed previously, and for replacement of 8 existing clinic structures which cannot meet requirements and cannot be altered economically. The 24 clinics that are planned in 1958 will provide not only for medical treatment, but also will be centers for public health services and education that are urgently needed for the prevention of disease. They will be built at isolated locations in the Southwest, Montana, and Alaska.

PERSONNEL QUARTERS

The entire Indian health program has been adversely affected by serious difficulties in recruiting health personnel, by undue loss of experienced professional personnel in whom the program has invested both time and money, and by an excessive turnover of employees which works hardships on staffs and patients alike. The basic cause of this unsatisfactory condition is the unavailability of sufficient satisfactory housing in the localities where our staff needs are most acute. Understandably, prospective staff members are not attracted by the prospects of establishing their families for indefinite periods in trailers, housing which does not afford minimal standards of comfort or accessibility to normal community living, or in rental housing located great distances over poor roads from places of employment.

The survey of most pressing needs indicated a total requirement of more than \$12 million for personnel quarters. Against this need, appropriations amounting to \$2,650,000 have been made available. Additional clinical facilities to be opened in 1957 will increase the number of health workers and their dependents to be housed. These new requirements, together with the considerable backlog of urgently needed housing, dictate a necessity for providing new quarters as rapidly as possible. The funds requested this year provide for 118 permanent housing units.

ALTERATIONS

Some of the 56 hospitals operated in this program were found to be structurally sound but in serious need of major alterations in the interests of safety, improved medical care, efficiency, and economy. Strenuous efforts are being made

to improve our hospitals to a point where they can meet the standards for accreditation. (Not more than 10 of the 56 Indian health hospitals are accredited.) Among other things, this will require major modernization in the physical plant of many of the hospitals.

Our request for \$2,596,000 provides for completely modernizing 5 hospitals and making major improvements in 2 others. All of the facilities modernized under this programing will meet minimum Hill-Burton standards, and will give the Indians hospital facilities and services which are acceptable by modern standards.

OTHER PLANT FACILITIES

In many of our hospitals and other health facilities, water-supply systems, sewerage and refuse-disposal facilities, and powerplants are inadequate. Deficiencies in such plant facilities are serious, and must be corrected if the hospitals and clinics affected are to continue in use. The \$500,000 requested for this purpose will provide a substantial beginning against a total estimated need amounting to more than \$2 million throughout the program. The projects for which we are planning with this year's funds are in 12 hospitals and 1 clinic.

EFFECT OF THE HOUSE ACTION

The House reduction of \$2,704,000 would prevent the construction of any new clinics or housing units in 1958. Sixteen new clinics had been planned for location in more remote areas where no Indian health facility exists. Replacement was planned of eight others which are not adequate facilities for modern medical-care requirements. Since the field health program offers the best opportunity in case finding and health education necessary to achieve our dual goals of improving the level of health of the American Indian and Alaska native, thereby eventually reducing the need for governmental aid, deferral of this health program would be false economy.

As indicated above, inadequate and substandard housing has seriously hampered the recruitment of professional medical staff such as physicians, dentists, and nurses in remote locations where no rental housing is available. The House reduction of \$2,704,000 would prevent the construction of 118 urgently needed permanent housing units. Against large known needs for permanent housing units, only 325 temporary houses and trailers and 69 permanent units have been authorized through 1957.

In addition to the reduction in funds, the House adopted an amendment to clarify the discretion of the Secretary of Health, Education, and Welfare to secure construction of Indian health facilities through the Department of the Interior.

STATUS OF HOSPITAL AT SHIPROCK

Senator HILL. Doctor, let me ask you this: What is the status of the hospital in Shiprock?

Dr. SHAW. The present hospital at Shiprock is an exceedingly old, unsafe structure. Funds were provided for the construction of a new hospital and we have been authorized to proceed with planning up to the point of construction.

Senator HILL. Have you received only the funds for the planning? You have no funds for consideration?

Dr. SHAW. Funds are available for construction. Mr. Kelly would you make a statement about that?

Mr. KELLY. The funds are available for construction and they are proceeding with the plans, but this is one of the facilities that is affected by this overall Government policy on construction which the Secretary spoke to you about when he was here. For the time being we are not authorized to proceed with the construction of the building, but we are proceeding with the planning. When plans are completed we will reexamine the effect of the policy on this facility.

CONSTRUCTION FUNDS AVAILABLE IN 1956

Senator HILL. When were these construction funds first made available to you?

Dr. SHAW. 1956.

Senator HILL. When you say "1956," you mean "fiscal 1956"?

Mr. KELLY. Fiscal 1956.

Senator HILL. That has been some little time ago. Why all the delay?

REASON FOR DELAY

Dr. SHAW. We were required at the time to develop the program and that was coincident with the transfer of the program to the Public Health Service and this is one area, as I indicated to Senator Dworshak, where we wished to study the situation very carefully before committing a placement of funds of this magnitude of \$1,450,000. We also needed to know something about the disease entities that that hospital was supposed to treat so that it took us several months to develop the program for the hospital. Following that we had the involvement of the preliminary drawings and the clearances with the Bureau of the Budget and the work of the architects and so on.

Senator HILL. How much was appropriated?

Dr. SHAW. \$1,450,000.

Senator HILL. For construction purposes.

The condition of the old hospital was pretty bad?

Dr. SHAW. Terrible.

TOTAL BEDS PROPOSED

Senator HILL. How many beds do you have in the new hospital?

Dr. SHAW. We are proposing 75 beds.

Senator HILL. That you say is in the new hospital?

Dr. SHAW. Yes; in the new hospital.

Senator HILL. What do you have today in the old hospital?

Dr. SHAW. About 45.

Senator HILL. You say the conditions are terrible.

Dr. SHAW. That hospital was built about 1912. It is of frame construction. It is unsafe from the standpoint of fire protection, cross infection, and many other things. We are just getting by. We are transferring patients great distances to other places such as the county hospital in Albuquerque where they can be cared for properly.

URGENT NEED FOR HOSPITAL

Senator HILL. Then you would say there is an urgent need for this new hospital, wouldn't you?

Dr. SHAW. Yes, sir.

Senator HILL. Well, has any effort been made to have an exception made in the cast of this hospital?

Mr. KELLY. Well, we are really awaiting the raising of that question until the planning is completed and we are actually in a position to go under construction.

Senator HILL. When will the planning be completed?

Dr. SHAW. It ought to be soon, with the architects hard at work on the detailed drawings.

Senator HILL. Will you furnish for the record a report on the Indian health construction program from 1956, by project.

Your report should show the total funds available to date since this program was transferred to the Public Health Service, the obligations shown on your most recent reports, the estimated obligations to the end of this fiscal year, and the balances which you anticipate will be carried over into next fiscal year.

Dr. SHAW. We will be glad to furnish such a report, Senator.

(The report referred to follows:)

Construction of Indian health facilities, Public Health Service

Activity	Current approved plan		Total available	Apportionment	Obligations through Mar. 31, 1957	Estimated 4th quarter obligations	Estimated unobligated balance, 1956 and 1957 carried into 1958
	1956 funds	1957 funds					
Hospitals and clinics							
Quarters	\$2,690,000	\$6,762,000	\$9,452,000	\$1,114,155	\$121,921	\$214,223	\$9,115,556
Alterations	2,065,000	1,000,000	3,065,000	3,065,000	1,970,961	147,249	946,790
	780,000	1,000,000	1,780,000	1,626,300	296,845	545,293	937,862
Total	5,535,000	8,762,000	14,297,000	5,805,455	2,389,727	906,765	11,000,508
HOSPITALS AND CLINICS							
HOSPITALS							
Kotzebue, Alaska	\$50,000	\$2,702,000	\$2,752,000	\$55,000	\$10,312	\$65,000	\$2,676,688
Gallup, N. Mex.	200,000	3,200,000	3,400,000	117,000	45,388	6,225	3,348,386
Sells, Ariz.	250,000	860,000	1,110,000	35,000	19,904	263	1,089,803
Shiprock, N. Mex.	1,430,000		1,430,000	145,600	34,317	82,483	1,333,200
Total, hospitals	1,950,000	6,762,000	8,712,000	382,600	109,921	154,002	8,448,077
CLINICS							
Navaho (new):	\$148,135		\$148,135				\$148,135
Kayenta, Ariz.	19,872		19,872				19,872
Pinon, Ariz.	71,724		71,724				71,724
Tohatchi, N. Mex.	22,580		22,580				22,580
Indian Wells, Ariz.	21,155		21,155				21,155
Pueblo Pimada, N. Mex.	20,283		20,283				20,283
Round Rock, Ariz.	20,894		20,894				20,894
Cornfields, Ariz.	39,737		39,737				39,737
Architectural and engineering contingencies	16,236		16,236				16,236
Total, new Navaho	380,616		380,616		4,000	35,737	340,879

Navaho (remodel):	107,081		107,081		107,081
Chinle Ariz.	13,469		13,469		13,469
Architectural and engineering	4,450		4,450		4,450
Contingencies					
Total remodel Navaho	125,000		125,000		125,000
Total Navaho clinics	505,616		505,616		505,616
South Dakota:					
Pine Ridge Reservation:					
Allen, S. Dak.	20,000		20,000		20,000
Kyle, S. Dak.	20,000		20,000		20,000
Manderson, S. Dak.	20,000		20,000		20,000
Wamblee, S. Dak.	20,000		20,000		20,000
Cheyenne River Reservation, Red Seafield, S. Dak.	20,000		20,000		20,000
Standing Rock Reservation, Bull Head, S. Dak.	20,000		20,000		20,000
Architectural and engineering services	9,400		9,400		9,400
Contingency	3,600		3,600		3,600
Total, South Dakota clinics	133,000		133,000		133,000
Papago Indians:					
Santa Rosa, Ariz.	80,324		80,324		80,324
Architectural and engineering services	9,615		9,615		9,615
Contingency	3,000		3,000		3,000
Total, Papago clinics	92,939		92,939		92,939
Unprogramed	8,445		8,445		8,445
Total, funds for clinics ¹	740,000		740,000		740,000
Total, hospitals and clinics	2,690,000	6,762,000	9,452,000	1,114,155	10,566,155

PERSONNEL QUARTERS

United States:					
Camp Pickett—removal and erection of 250 units: Aberdeen 62; Albuquerque 119;					
Oklahoma City 12; Phoenix 34; Portland 23					
Aberdeen area: Pickettown, S. Dak., 25 houses	1,264,478		1,264,478		1,264,478
Albuquerque area:	20,000		20,000		20,000
White Rock, N. Mex., 21 houses	80,488		80,488		80,488
Many Farms, Ariz., 12 trailers from Pickettown	11,798		11,798		11,798
Phoenix area: Hoopa Valley, Calif., 2 trailers from Whidbey Island, Wash.	1,451		1,451		1,451
Portland area:					
11 trailers from Whidbey Island, Wash.	11,620		11,620		11,620
Coleville Agency, Wash., 3 houses from Coulee Dam, Wash.	7,725		7,725		7,725
Fort Peck, Mont., 2 houses from Frazer, Mont.	14,190		14,190		14,190
Unprogramed	3,250		3,250		3,250
Total 1956 temporary housing (United States)	1,415,000		1,415,000		1,415,000

See footnotes at end of table.

Construction of Indian health facilities, Public Health Service—Continued

PERSONNEL QUARTERS—Continued

Activity	Current approved plan		Total available	Apportionment	Obligations through Mar. 31, 1957	Estimated 4th quarter obligations	Estimated unobligated balance, 1956 and 1957 carried into 1958
	1956 funds	1957 funds					
Alaska:							
Point Barrow, 1 duplex	\$80,000		\$80,000		\$80,000		
Kotzebue, 1 duplex	70,000		70,000		70,000		
Tanana:							
2 duplexes	160,000		160,000		160,000		
12-unit quarters building	156,500		156,500		69,376	\$87,124	
Bethel, 2 duplexes	161,000		161,000		161,000		
Reserved for storage building for Kotzebue Hospital	22,500		22,500				\$22,500
Total, 1956 housing (Alaska)	650,000		650,000		540,376	87,124	22,500
Total, 1956 housing	2,065,000		2,065,000		1,951,961	87,124	25,915
1957 FUNDS							
Aberdeen area:							
Belcourt, N. Dak., 1 house		\$17,500	17,500				
Standing Rock, N. Dak., 1 house		17,500	17,500				
Pine Ridge, S. Dak., 1 house		17,500	17,500				
Rosebud, S. Dak., 1 house		17,500	17,500				
Albuquerque area:							
Chinle, Ariz., 3 duplexes		88,000	88,000				
Kayenta, Ariz., 2 duplexes		56,000	56,000				
Crownpoint, N. Mex., 2 duplexes and 1 house		73,500	73,500				
Shiprock, N. Mex., 4 duplexes and 1 house		133,500	133,500				
Jicarilla, N. Mex., 1 duplex		28,000	28,000				
Laguna, N. Mex., 1 duplex		28,000	28,000				
Zuni, N. Mex., 1 duplex		28,000	28,000				
Oklaoma City: Pawnee, Okla., 1 duplex		30,000	30,000				
Phoenix:							
Owyhee, Nev., 2 duplexes		56,000	56,000				
White River, N. Mex., 4 duplexes		112,000	112,000				
Keams Canyon, Ariz., 2 duplexes		56,000	56,000				
Colorado River, Parker, Ariz., 1 house		17,500	17,500				
Peach Springs, Ariz., 1 duplex		28,000	28,000				
San Carlos, Ariz., 2 duplexes		56,000	56,000				
Santa Rosa, Ariz., 1 duplex		28,000	28,000				

Construction of Indian health facilities, Public Health Service—Continued

ALTERATIONS—Continued

Activity	Current approved plan		Total available	Apportionment	Obligations through Mar. 31, 1957	Estimated 4th quarter obligations	Estimated unobligated balance, 1956 and 1957 carried into 1958
	1956 funds	1957 funds					
Fort Apache Hospital, White River, Ariz.: Modernization							
Browning Hospital, Montana:							
Modernization							
Install new boilers and other heating equipment; high pressure boilers and other equipment for sterilizers; and generators of domestic hot water system			\$21,000			\$7,000	\$14,000
Hopi Hospital, Keams Canyon, Ariz.: Modernization			13,500			4,000	9,500
Poplar Hospital, Montana: Renovate and rearrange for outpatient department; remodel and equip kitchen; remodel operating room incorporating fire safety improvements			37,000				37,000
Tucson, Ariz.:			21,000			4,000	17,000
Install new pump			40,000			40,000	
Remodel basement			10,000			10,000	
Fort Yuma, Winterhaven, Calif.: Install cooling ducts			8,700			8,700	
Sacaton Hospital, Arizona: Functional rearrangement to provide safe patient care			6,000			6,000	
Vacant Hospital, Lame Deer, Mont: PHS share of converting building to clinic			75,000			2,340	72,660
Point Barrow Hospital, Alaska: Construct new boiler plant and install natural gas pipeline			32,200			32,200	
Tanana Hospital, Alaska: Improve kitchen, dining room, and cold-storage facility; provide new outpatient and para-medical services			125,000				
Kanakanak, Alaska: Renovation of area under apartments; installation of concrete floor for laundry and storage space; and installation of new heating system			90,000		\$28,222	204,553	3,225
Pine Ridge Hospital, South Dakota:			21,000				
Modernization							
Drill well and certain safety improvements			13,000				
Cass Lake Hospital, Minnesota: Boiler replacement			52,200			3,000	10,000
Bylas, Ariz.: Clinic addition			15,000			15,000	52,200
Parker, Ariz.: Enclose porch, etc.			9,000			9,000	
Belcourt, S. Dak.: Install fire escape			4,800			4,800	
White Earth, Minn.: New water pump			1,400			1,400	
Reserved for Portland in lieu of Hays Clinic			5,000			5,000	
Reserved for Phoenix area			2,800				2,800
			37,500				37,500
Total alterations funds ⁶	\$780,000	1,000,000	1,780,000	\$1,626,300	296,845	545,293	937,862
Grand total	5,535,000	8,762,000	14,297,000	5,805,455	2,389,727	906,765	11,000,508

¹ The Bureau of the Budget approved the plans for the clinics March 4, 1957. The architect is proceeding with plans and specifications; construction to begin this summer.

² Prototype plans for above projects have been completed and approved. Funds have been apportioned and construction is scheduled to begin this summer.

³ Projects add to \$15,500 more than amount shown.

⁴ Construction to begin in early fall.

⁵ The alteration program approved by the Bureau of the Budget, Jan. 15, 1957. Projects are either underway or will be in the near future.

TARGET DATE FOR BEGINNING CONSTRUCTION

Senator HILL. Have you any idea when you might be ready to go ahead with construction?

Dr. SHAW. We think this summer we should be in a position to proceed.

Senator HILL. Doctor, when you say "this summer," can you make it more specific?

Dr. SHAW. In July.

Senator HILL. All right, in July. Is it your plan to ask that you be permitted at that time to go forward on account of this urgent need, the terrible condition of the existing hospital?

Mr. KELLY. Yes, Senator, I think the question will be presented at that time.

Senator HILL. You think it will be presented at that time that you go forward with the construction of this new hospital?

Mr. KELLY. Yes, sir.

Senator HILL. Any questions, Senator Pastore?

Senator PASTORE. No questions.

Senator HILL. Senator Stennis?

Senator STENNIS. No questions.

Senator HILL. All right, we will have to recess now. Thank you very much, Doctor. We are very much obliged to you.

The committee will now stand in recess subject to call.

(The committee recessed at 11:30 a. m., Wednesday, April 17, 1957, subject to call.)

LABOR-HEALTH, EDUCATION, AND WELFARE APPROPRIATIONS, 1958

THURSDAY, MAY 2, 1957

UNITED STATES SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, D. C.

The subcommittee met at 10 a. m., pursuant to call, in room F-82, the Capitol, Hon. Lister Hill (presiding).

Present: Senators Hill, Magnuson, Pastore, Thyne, and Dworshak.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE PUBLIC HEALTH SERVICE

GENERAL RESEARCH AND SERVICES, NATIONAL INSTITUTES OF HEALTH

STATEMENT OF DR. JAMES A. SHANNON, DIRECTOR, NATIONAL INSTITUTES OF HEALTH, ACCOMPANIED BY DR. C. J. VAN SLYKE, ASSOCIATE DIRECTOR, NATIONAL INSTITUTES OF HEALTH; DR. JOSEPH E. SMADEL, ASSOCIATE DIRECTOR, NATIONAL INSTITUTES OF HEALTH; ALBERT F. SIEPERT, EXECUTIVE OFFICER, NIH; DR. W. PALMER DEARING, DEPUTY SURGEON GENERAL; ROY L. HARLOW, CHIEF FINANCE OFFICER; AND JAMES F. KELLY, DEPARTMENT BUDGET OFFICER

APPROPRIATION ESTIMATE

"National Institutes of Health, **[operating expenses]** *general research and services*: For the activities of the National Institutes of Health, not otherwise provided for, including research fellowships and grants for research projects pursuant to section 301 of the Act; regulation and preparation of biologic products, and conduct of research related thereto; purchase of not to exceed **[eleven]** *eight* passenger motor vehicles for replacement only; not to exceed \$2,500 for entertainment of visiting scientists when specifically approved by the Surgeon General; erection of temporary structures; and grants of therapeutic and chemical substances for demonstrations and research; **[\$11,922,000]** *\$14,026,000*: *Provided*, That the Surgeon General is authorized to advance to this appropriation from other appropriations to the Public Health Service such amounts as are determined to be necessary for the foregoing purposes and for activities performed on a centralized basis: *Provided further*, That the Surgeon General is authorized to operate facilities at the National Institutes of Health for the sale of meals to employees and others at rates determined by him to be sufficient to recover the cost of such operation and the proceeds thereof shall be credited to this appropriation.

[Operating expenses, National Institutes of Health: For an additional amount for "Operating expenses, National Institutes of Health", \$200,000, for administration of the Health Research Facilities Act of 1956: *Provided*, That this paragraph shall be effective only upon enactment of S. 849, Eighty-fourth Congress.]"

APPROPRIATION LANGUAGE CHANGES

The first change is proposed to provide a more descriptive title to the functions in this appropriation.

The second change will provide authority for the purchase of 6 automobiles and 2 station wagons to replace the vehicles listed below :

Tag No.	Year	Location	Mileage, June 30, 1956	Purpose
Automobiles:				
407	1948	Bethesda, Md	48, 471	Research personnel and research patients: Collecting data and material and transportation to and from points where public transportation is not adequately available.
411	1950	do	58, 611	
414	1950	do	65, 566	
419	1950	do	67, 688	
641	1951	do	65, 278	
644	1947	do	76, 156	
Station wagons:				
427	1951	do	71, 607	Do.
643	1948	Hamilton, Mont	78, 373	Do.

Amounts available for obligation

	1957 appropriation	1958 budget estimate	1958 House allowance
Appropriation or estimate	\$12, 122, 000	\$14, 026, 000	\$14, 026, 000
Reimbursements	15, 716, 800	18, 010, 700	17, 610, 700
Deductions: Comparative transfers to other accounts	-544, 000		
Total obligations	27, 294, 800	32, 036, 700	31, 636, 700

Obligations by activities

Description	1957 appropriation		1958 budget estimate		1958 House allowance	
	Positions	Amount	Positions	Amount	Positions	Amount
DIRECT OBLIGATIONS						
1. Grants:						
(a) Grants for research projects		\$7, 979, 000		\$9, 468, 000		\$9, 468, 000
(b) Research fellowships		998, 000		1, 498, 000		1, 498, 000
(c) Training grants		500, 000		500, 000		500, 000
2. Direct operations:						
(b) Biologics standards	205	1, 691, 700	205	2, 105, 000	205	1, 105, 000
(c) Review and approval of grants	64	409, 300	64	455, 000	64	455, 000
Total direct obligations	269	11, 578, 000	269	14, 026, 000	269	14, 026, 000
REIMBURSABLE OBLIGATIONS						
2. Direct operations:						
(a) Research	2, 771	13, 568, 600	2, 944	15, 690, 700	2, 881	15, 280, 700
(c) Review and approval of grants	165	1, 058, 000	165	1, 124, 000	165	1, 124, 000
(d) Administration	196	1, 090, 200	201	1, 196, 000	201	1, 196, 000
Total reimbursable obligations	3, 132	15, 716, 800	3, 310	18, 010, 700	3, 247	17, 610, 700
Total obligations	3, 401	27, 294, 800	3, 579	32, 036, 700	3, 516	31, 636, 700

Obligations by objects

	1957 appro- piation	1958 budget estimate	1955 House allowance
Total number permanent positions.....	3, 401	3, 579	3, 516
Full-time equivalent of all other positions.....	58	64	64
Average number of all employees.....	3, 127	3, 347	3, 287
Number of employees at end of year.....	3, 383	3, 559	3, 498
Direct obligations:			
01 Personal services.....	\$1, 317, 300	\$1, 402, 000	\$1, 402, 000
02 Travel.....	69, 700	69, 700	69, 700
03 Transportation of things.....	12, 000	12, 000	12, 000
04 Communication services.....	19, 200	19, 200	19, 200
05 Rents and utilities.....	400	400	400
06 Printing and reproduction.....	14, 900	14, 900	14, 900
07 Other contractual services.....	192, 100	494, 100	494, 100
08 Supplies and materials.....	396, 300	396, 300	396, 300
09 Equipment.....	76, 000	88, 900	88, 900
11 Grants, subsidies and contributions.....	9, 477, 000	11, 466, 000	11, 466, 000
Contribution to retirement fund.....		59, 400	59, 400
13 Refunds, awards, and indemnities.....	700	700	700
15 Taxes and assessments.....	3, 300	3, 300	3, 300
Subtotal.....	11, 578, 900	14, 026, 900	14, 026, 900
Deduct charges for quarters and subsistence.....	900	900	900
Total direct obligations.....	11, 578, 000	14, 026, 000	14, 026, 000
Reimbursable obligations:			
01 Personal services.....	12, 314, 500	13, 382, 500	13, 180, 500
02 Travel.....	209, 500	214, 400	214, 400
03 Transportation of things.....	21, 100	26, 500	26, 500
04 Communication services.....	106, 600	111, 800	111, 800
05 Rents and utilities.....	648, 500	750, 700	750, 700
06 Printing and reproduction.....	67, 700	68, 100	68, 100
07 Other contractual services.....	111, 400	152, 700	151, 900
08 Supplies and materials.....	1, 939, 600	2, 177, 700	1, 991, 600
09 Equipment.....	299, 100	354, 300	354, 300
11 Grants, subsidies and contributions:			
Contribution to retirement fund.....		768, 100	757, 200
13 Refunds, awards, and indemnities.....	6, 700	6, 700	6, 700
15 Taxes and assessments.....	18, 800	23, 900	23, 700
Subtotal.....	15, 743, 500	18, 037, 400	17, 637, 400
Deduct charges for quarters and subsistence.....	26, 700	26, 700	26, 700
Total reimbursable obligations.....	15, 716, 800	18, 010, 700	17, 610, 700
Total obligations.....	27, 294, 800	32, 036, 700	31, 636, 700

New positions requested, 1958

Title	Grade	Position	Annual salary
2a. Research:			
Statistician	GS-14	1	\$10,320
Scientist	GS-12	1	7,570
Administrative officer	GS-11	2	12,780
Engineer	GS-11	1	6,390
Property management specialist	GS-11	2	12,780
Administrative officer	GS-9	1	5,440
Librarian	GS-9	1	5,440
Medical and scientific illustrator	GS-9	1	5,440
Nurse	GS-9	1	5,440
Program publication specialist	GS-9	1	5,440
Research technician	GS-9	1	5,440
Administrative staff assistant	GS-7	1	4,525
Laboratory technician	GS-7	1	4,525
Maintenance craftsman	GS-7	1	4,525
Medical and scientific illustrator	GS-7	1	4,525
Nurse	GS-7	6	27,150
Property management assistant	GS-7	2	9,050
Research technician	GS-7	3	13,575
Nurse	GS-6	15	61,200
Administrative staff assistant	GS-5	1	3,670
Clerical assistant	GS-5	2	7,340
Custodial worker	GS-5	1	3,670
Medical and scientific illustrator	GS-5	1	3,670
Medical staff technician	GS-5	5	18,350
Nurse	GS-5	23	84,410
Property management assistant	GS-5	1	3,670
Research technician	GS-5	3	11,010
Clerical assistant	GS-4	7	23,905
Custodial worker	GS-4	1	3,415
Clerical assistant	GS-3	12	38,100
Hospital attendant	GS-3	3	9,525
Medical and scientific illustrator	GS-3	1	3,175
Office machine operator	GS-3	3	9,525
Clerical assistant	GS-2	2	5,920
Custodial worker	GS-2	5	14,800
Hospital attendant	GS-2	3	8,880
Research technician	GS-2	2	5,920
Animal caretaker	GS-1	5	13,450
Clerical assistant	GS-1	1	2,690
Custodial worker	GS-1	1	2,690
Ungraded positions at hourly rates:			
Rates equivalent to less than \$5,440:			
Custodial worker		3	9,194
Dietetic assistant		6	17,722
Laborer		14	40,376
Maintenance craftsman		21	86,486
Grades established by act of July 1, 1944 (42 U. S. C. 207):			
Full grade		1	6,813
Senior assistant grade		2	12,431
Total positions and annual salaries		173	662,362
Less lapses			214,270
Net cost			448,092
2d. Administration:			
Personnel officer	GS-11	2	12,780
Do	GS-9	3	16,320
Personnel assistant	GS-5	1	3,670
Total positions and annual salaries		6	32,770
Less lapses			4,484
Net cost			28,286

NOTE.—One of the new positions requested in administration is offset by the dropping of 1 position with a net increase of 5 new positions.

Summary of changes

1957 actual appropriation	\$12,122,000
Transfers: Comparative transfer to other accounts	—544,000
Adjusted 1957 appropriation	11,578,000
1958 appropriation request	14,026,000
Net change requested	2,448,000

	Positions	Estimate	Positions	House allowance
For mandatory items:				
Annualization.....		\$104,000		\$104,000
Retirement.....		59,400		59,400
Social security.....		2,900		2,900
Pay in excess of 52-week base.....		8,300		8,300
Total.....		174,600		174,600
For program items:				
Increased overhead costs.....	0	694,000	0	0
Expansion of research grant program.....	0	795,000	0	1,489,000
Expansion of senior fellowship program.....	0	500,000	0	500,000
Expansion of services furnished centrally.....	0	284,400	0	284,400
Total change requested.....	1 0	2,448,000	2 0	2,448,000

¹ An increase of 178 positions would be financed by advances and reimbursements to this account.

² An increase of 115 positions would be financed by advances and reimbursements to this account (172 increase less 57 cafeteria positions).

PREPARED STATEMENT

Senator HILL. The committee will kindly come to order.

Dr. Shannon, we are glad to have you, Dr. Dearing, Dr. Van Slyke, and the others with us this morning.

We will be happy to have you proceed in your own way and make any statement you see fit in connection with the National Institutes of Health.

Dr. SHANNON. Yes, sir. Thank you very much, Senator Hill.

I have a fairly detailed statement.

Senator HILL. You may put that in the record in full.

Dr. SHANNON. I would like to. Then I could summarize a few of the highlights.

Senator HILL. All right. Fine.

(The statement referred to follows:)

STATEMENT BY DIRECTOR, NATIONAL INSTITUTES OF HEALTH

Mr. Chairman and members of the committee, it is a pleasure to appear before you again in connection with budget proposals for the National Institutes of Health.

These proposals support the intentions of the President in continuing the Nation's attack upon disease through expanding medical research. The House of Representatives, in the passage of this appropriation bill, took action to change some of the premises upon which these proposals as submitted by the President were based. I will comment directly upon those later in the statement.

I should like first to make several general points as background for that part of my report dealing with the substance of the medical research and manpower programs initiated or strengthened by Congress in the last session and placed in the administrative custody of the National Institutes of Health.

As all of us know, support of medical research from both private and public sources has increased steadily since World War II. The United States this year is investing in the neighborhood of \$300 million for medical research, with strong and growing support from both public and private sources. The appropriation level for the National Institutes of Health represents an important segment of the total national research effort against disease, and the policies and practices which we follow in executing the budget appropriated by Congress, have a great deal to do with setting the general tone of free and productive inquiry in this country.

By its actions in the last decade, the Congress has given us a great deal of freedom to advance medical research according to our knowledge and perception of its needs. With this freedom goes the responsibility to use the expanding opportunity with the utmost effectiveness.

The decade just past stands out as a period in which the existing pool of competent scientists—augmented by physicians drawn to research and by physical scientists who became attracted to the rapidly developing fields of biological science—was for the first time approaching an adequate level. If this pattern is maintained during the decade ahead, research manpower and research facilities and research funds will emerge as factors of comparable significance in medical research program planning.

Such planning has both immediate and long-range goals. The immediate task is to make full and effective use of today's resources for medical research, so that no promising lead remains unexplored and no useful finding unapplied in medical and public health practice. But at the same time we must be concerned with what is ahead. It takes time to build a field of science, to expand the pool of trained manpower, to construct buildings.

These timing processes can be quite complex and certainly have a material effect on the current programs of the National Institutes of Health. For example, the Congress has made grant funds available to the Public Health Service for the construction of research facilities, an action which may temporarily and in part shift the most urgent pressure point to the manpower area. If, however, this action had been delayed, it is predictable that shortage of laboratory space would have progressed from the serious to the critical stage.

Another current program activity that looks to the future is the training of scientific manpower. This program has increased substantially in the last 2 years, including a 100 percent increase from 1956 to 1957. A wide range of mechanisms are utilized to meet the needs of the specialized fields. Progress related to our training activities will be interwoven in the testimony of each National Institutes of Health witness who will appear before you.

The last general observation I wish to make before getting down to specifics has to do with the importance of gaining an accurate appraisal of the general scientific situation. At any given time, there are areas of science that are ripe for a rapid forward advance. These rapid advances generally depend upon a finding that opens up a whole new area of study. Thus applied findings result in improvements; but basic findings result in revolutions. We are now in the midst of establishing the basis for revolutions in medical science, and in other areas we are seeking improvements. From this viewpoint, the joint task of the Congress, the scientific community, and NIH as the Public Health Service's specific administrative agent in this field for the executive branch, is to design Federal support so that there is a sound balance between the research that yields improvements and the research that yields revolutions. At the same time we have an obligation to cause research to face realistically and productively toward those groups of diseases that are of the greatest significance to society. The relevance of this consideration will emerge during the discussions by the several Institutes, whose programs contain large components of basic science and applied science, with a high degree of orientation toward the diseases and disorders which are their statutory responsibility.

I feel sure you will find, as we have, that this has been an active and productive year for us, both in our own research and for the many thousands of scientists who have conducted research under our grants or been trained for research careers under NIH awards.

I should like to share with you some of the successes and some of the problems during the year.

LEVEL OF EXPENDITURES, 1957 GRANT PROGRAMS

In making decisions on the increased level of support for the current year, the Congress made it abundantly clear that we were to support only sound research and research training projects. The 1957 appropriation for NIH was thus viewed by Congress as being of an order of magnitude which would permit optimal growth for each program without necessarily placing an arbitrary financial ceiling on any one of them. The basis for this principle is that the national interest is best served if medical research moves forward on all fronts to the limit of its capacity to produce effectively—and that the Federal Government has an essential role in this undertaking.

The key to the policy set by Congress is effective research. We transmitted the general guide set by Congress to our scientific advisory groups. They have considered the availability of funds not as an invitation to recommend that research of low quality be approved, but rather as an opportunity to insure that no research of high caliber would go unsupported. During this fiscal year, the percentage of research applications considered unworthy of support has not

decreased over earlier years, even though additional funds have become available. We have watched this figure carefully. The fact that the same proportion of applications have been rejected in this year as in earlier years, when a smaller volume of funds was available, seems to us to be the key figure proving that the standards of quality have been maintained.

The credit for assuring the quality of the research supported should go to members of our study sections, advisory councils, and other consultative groups. These men and women of American science are performing a Herculean task in the review and recommendation of literally thousands of applications for research and training support. They serve with little compensation and virtually no recognition, performing a vital service for the entire scientific community. There are roughly 300 of these individuals who assist in the administration of our grant and award programs. Their efforts, and the points of view they bring with them to their advisory tasks, serve to maintain these programs as truly national in scope and in the image of free and productive research endeavor.

There will be some unexpended funds from our appropriations this fiscal year. It is difficult to be certain precisely how large these balances may be. Early last fall, we projected that all but about \$10 million would be expended, almost all the savings being in the research grant area. We have been advised by the Secretary that the full amount of our total appropriation remains available to us as needed. The governing factor here is the number, the quality, and the dollar amounts of recommended grant applications within each category. His concern, as it is ours, and as I am sure it is yours, is that the high standards for review be maintained.

STABILITY OF RESEARCH SUPPORTED BY GRANTS

The additional funds made available during this fiscal year have made it possible for us to move toward another major objective. Scientists need stable support if they are to work effectively. The new grants approved after the last round of advisory council meetings committed support for an average of 3.2 years. In 1951, the comparable figure was 1.8 years. This increased stability of support is a major long-range goal of the NIH research grant program.

It must be borne in mind that 10 years of experience have taught us that about 80 percent of the grants supported in any one year will request renewal in the following year. We feel it advisable to avoid committing funds in one year at a level which will make it impossible for us to sustain continuity and at the same time give new investigators a fair chance in the following year.

THE DIVISION OF RESEARCH GRANTS

As you know, these hearings call for the Directors of each of the seven Institutes to come before you and discuss their programs. These men are well known to most of you. The youngest of them in point of service has come before this committee on at least three previous occasions. They have, both individually and collectively, turned in a truly outstanding job of research administration during a period of rapid change and growth. I know you will find their presentations interesting and informative. I will not discuss the specific accomplishments and problems and budget proposals of these seven Institutes. However, there are some general activities which relate to the organization as a whole rather than to the individual Institutes. I should like to discuss them briefly.

We have, for example, a central point for the coordination and mechanics of the grant and fellowship programs of the Institute. We also have important research and training programs in areas which do not fall within the categorical responsibility of any of the Institutes. These functions are performed by the Division of Research Grants.

The receipt, processing, review, and payment of research grants, fellowships, and related extramural activities is a vitally important function. The essence of the process is individual consideration of each application by competent professional people. The Division is staffed and structured to provide this service so that the grantee, his institution, our review and evaluation groups, and the Institutes are linked in productive and efficient partnership.

The support through the Division of Research Grants of basic studies and certain training activities includes the new fellowship program in the preclinical sciences. The selection of outstanding individuals for support

under this program promises to make a major contribution to the research component of the medical schools. The Division of Research Grants also administers the experimental teaching program. Selected medical schools will on an experimental basis determine how to train selected students more effectively in the basic physical and biological sciences and in the modern research designs which are becoming vital ingredients of present-day medical research. The Division administers the Health Research Facilities Act, under which \$30 million is awarded in matching grants for each of three years to assist in the construction and equipping of research facilities in medical schools, universities, and other research centers. It carries out our predoctorate and postdoctorate fellowship program, which since its inception has given more than 5,000 individuals training in research techniques and in specialized biological research fields. It provides grant funds for fundamental studies in such areas as toxicology, pharmacology, anatomy, physiology, and pathology. Finally, the Division administers for other components of the Public Health Service research programs in such areas as hospital facilities, nursing, and air pollution.

Thus the Division of Research Grants is the meeting place for vitally important basic studies, for extensive training activities, and for a number of experimental programs that are exploring ways to select, train, and retain scientific research manpower in the medical school and university environments.

A fuller discussion of the activities of the Division of Research Grants is contained in attachment A to this statement.

THE DIVISION OF BIOLOGICS STANDARDS

Our statutory responsibility to regulate and control biological products used in interstate and foreign commerce is centered in the Division of Biologics Standards. Developments in this field have been extremely rapid, and the laboratory has been required to strengthen and expand both its regulatory and its research aspects in order to carry out its mission. A new laboratory building has been authorized for this Division and funds for its construction have been appropriated. The task of the Division's staff is to assure that there are adequate manufacturing controls to safeguard the safety, purity, and potency of more than 250 biological products now used in medical and public health practice. With the advent of new virus vaccines and other modern biological products, the ties between the Division's control functions and its research activities become more and more apparent. Major contributions in the development, testing, mode of action, and limitations of new biological products are a byproduct of the research.

Further information concerning the Division of Biologics Standards will be found in attachment B to this statement.

SERVICES IN SUPPORT OF RESEARCH AT BETHESDA

The three organizational units at the National Institutes of Health provide services and facilities for the research activities at Bethesda. Two of these units—the Division of Research Services and the Division of Business Operations—provide the bulk of the nonclinical resources and services for the complex research programs of the Institutes.

The third organizational unit which provides central services of a highly specialized kind is the Clinical Center—which, as you know, is both a structure and a program permitting each Institute to engage in clinical investigations. Like the Division of Research Services and the Division of Business Operations, the Clinical Center is financed cooperatively by the seven Institutes.

The clinical research programs have gained direction and momentum with almost unprecedented speed. We have excellent clinical investigative staffs. Their professional supporting aids and services are of a high order of competence. We accept patients only upon referral from a physician, and practicing physicians have been most cooperative in sending patients to us. The clinical programs have continued to be highly productive, as reflected by a number of significant findings which will be detailed for you by the Institute Directors. There has been satisfactory progress toward fulfillment of the objectives for which the Clinical Center was planned and built.

Several problems, however, still confront us. Because of the key role of Congress in establishing the Clinical Center and because of the special interest of this committee in its effective operation, I want to explain them.

The most difficult and complex of these problems is the question of bed occupancy and the shortage of nurses in the Clinical Center. As you know, estimates of bed activation and bed occupancy play an important role in our budget formulation processes. I should like to emphasize here that the principal determinant of bed occupancy in the Clinical Center is the complexity and extent of the clinical investigation projects arising in the research programs of the several Institutes. Thus, some clinical projects may involve research activities and patients requiring major amounts of nursing and associated clinical services. All nursing positions supportable under budget levels may be required and more to provide the nursing services needed, yet considerably less than the full number of beds available may be utilized. Other projects may demand much less activity per patient, but a larger number of research patients may be involved. Bed occupancies under such conditions would therefore be high.

Under these circumstances, bed occupancy rates do not have the same meaning and relationship as they do when applied to the typical general hospital. For general hospitals, the percent of the bed occupancy may, quite properly, be considered to denote the degree to which staff, facilities, and services are being effectively utilized. The extension of this approach to the Clinical Center is, we believe, inaccurate and misleading. In fact, quite the reverse is true—the number of beds occupied represents the maximum level of occupancy which full utilization of available nursing staffs and related clinical services can support in carrying out the research activities involved.

The availability of nursing, therefore, is a prime factor in determining the nature and extent of the clinical research projects undertaken. The continued shortage of nurses has been troublesome, because of the limitations it has represented in the development of the clinical research program. The fact that this has restricted occupancy and retarded projected bed activation schedules has been disturbing, not in terms of efficiency or the substance of the research being done, but only because of our desire to mount a maximum clinical research effort.

I have discussed this problem in detail in order that factors leading to changes in the forecasted occupancy rates for the Clinical Center be understood. Our goal is, of course, the maximum use of the clinical research potential represented by the Clinical Center. This, however, is more a function of the character of the clinical research program and its requirement for professional personnel than it is an arbitrary number of beds occupied by patients.

Another problem I should mention has to do with the kinds of patients under study in the Clinical Center and the processes by which they are selected. The Clinical Center is large and nationally prominent. It is understandable if there is a general assumption that in the Clinical Center there should be a study on virtually all of the diseases and disorders with which man is afflicted. This, of course, is not and cannot be the case. To be sure, some aspects of most of the major disorders are being investigated. But many other aspects of the same diseases cannot be under study simultaneously. For example, it would be theoretically possible for leukemia and cancer of the thyroid and cancer of the prostate to be under study, while breast cancer and lung cancer and skin cancer might not. The governing factors are evident: a sound study cannot exist unless there are promising research leads, a competent staff without other research obligations, and the resources needed to mount and sustain a study of the magnitude and duration that has the best chance of yielding productive findings. We, therefore, must often reject referrals for admission when there is no suitable research program for or current interest in the condition involved.

CONSTRUCTION AT BETHESDA

There are six construction projects at Bethesda in which this committee has evidenced special interest. None of these is the subject for an appropriation request at this time, but I think you may wish a report on their current status. Progress on these projects has not, quite frankly, been as rapid as we at first hoped and anticipated; however, it has been steady, and each project promises to add an important element to our research environment.

Nearest completion is the Residential Treatment Center—a sort of “halfway house” for disturbed children now under research study by the National Institute of Mental Health. This cottage is designed to meet the needs of children who are ready to leave the restrictions of institutional care but not yet ready to return completely to the community. The structure is completed and is now

being equipped to receive a group of children who have been under study in the Clinical Center for some time. Occupancy is scheduled for April.

A second construction project at Bethesda is the new laboratory to house the regulatory and the research functions of the Division of Biologics Standards. It will be similar in size and basic structure to the other laboratory buildings at the National Institutes of Health. The design contract with an outside contractor has been let, and a total of \$3.5 million was appropriated in fiscal year 1956 for its construction. According to present construction schedules, the laboratory should be started in July 1957 and ready for occupancy in March 1959.

Another building project at Bethesda really consists of two identical structures designed for the breeding and maintenance of experimental animals. We must use them temporarily to meet a part of our acute and immediate need for more office space, primarily to administer the expanding research grant and training programs. Work is in progress on this project, and we hope for completion sometime next fall. \$1,371,000 have been appropriated for this purpose.

A fourth construction project is the erection of additional surgical facilities as a wing of the Clinical Center; \$1.6 million was appropriated for this project in fiscal year 1956. The design contract has been let to York & Sawyer of New York, one of the outstanding hospital architects in the country. The surgical wing is planned to accommodate cardiac surgery, neurosurgery, and certain auxiliary functions related to surgery. Present estimate for progress on this facility calls for construction to begin in January 1958 and for the structure to be completed about January 1959.

The last 2 of the 6 construction projects at Bethesda to which I referred earlier are the new laboratory buildings for the National Institute of Dental Research and the permanent office building. Planning for these projects is going forward under appropriations of \$200,000 for the dental research building and \$300,000 for the permanent office building. As you know, we are not including in our request before this committee funds for construction of these buildings at this time. This is based on the decision of the administration to defer for this year all new construction projects except those of the most critical national importance. As a consequence, the dental research building and the permanent office building have not been included in the budget submitted by the President for fiscal year 1958.

GRANTS FOR THE CONSTRUCTION OF HEALTH RESEARCH FACILITIES

The 84th Congress enacted into law the Health Research Facilities Construction Act (Public Law 835). This act provided that \$30 million be expended on a matching basis during each of 3 years to support the construction and equipping of laboratories and related research facilities among non-Federal institutions. The National Institutes of Health was called upon to administer this new program. I am pleased to be able to report actions which confirm the essentiality of the program and the acuteness of the problem it will help alleviate.

In quick succession following the action of Congress on this program, we designed our administrative structure, established a strong and representative Advisory Council, prepared and promulgated regulations, and informed medical schools, universities, and other research centers of the availability of funds and the conditions under which funds could be made available.

By January 15, 1957, applications or letters of intent to apply had been received from 228 institutions totaling over \$116,600,000. More than \$25 million of the \$30 million available for this year had been utilized in the support of 80 projects.

Such a response is a corroboration, if such were needed, that this program will assist materially in resolving a serious handicap of many non-Federal research centers. The outcome of the 3-year program under Public Law 835 seems clear: the needs are great; matching funds are available or can be made available; and the mechanisms are sound.

As required by the law establishing this program, a full report on progress through December 31, 1956, has been submitted by the Surgeon General for transmission to the Congress.

Since the appropriation request to finance this program is carried as a separate item in the budget, I have prepared a separate opening statement which is attached to this statement. I shall, of course, be glad to discuss the program in some detail if the committee wishes.

AREAS OF GENERAL PROGRAM INTEREST

At this point I should like to mention briefly several significant program developments which have been part of our progress during the past year.

The details of that progress will emerge both during the testimony of the Institutes and in a series of supplementary documents prepared for these hearings and called Research Highlights of 1956. I mention these background materials, Mr. Chairman, because—with your permission—we should like to offer them for the record individually as the witnesses are called. I have here, for example, a statement containing some highlights from the Division of Research Grants, the Division of Biologics Standards, the Clinical Center, and other units not contained within the categorical Institutes, and I respectfully request that it be accepted for the record.

One of the outstanding developments during the past year has been the emphasis on training manpower for careers in medical science. The funds available to us for training activities of all kinds were double the amount available in fiscal year 1956 (from \$17.3 million to \$33.7 million). Thus we were able to strengthen existing programs; to give special attention to acute shortage areas (such as neurology, ophthalmology, rheumatology, and psychiatry); and to design several new training programs slanted primarily toward strengthening research in the basic sciences as a component of the medical school environment. A total of over 5,000 individuals will have received either full or part-time support this year under our training grant and fellowship programs. At the same time, we have taken steps to increase the use of our own laboratories in Bethesda as a resource for training scientists from outside, and we are making a conscious effort to broaden the training of our own staff by providing opportunities for them to study in other laboratories. We also hope to secure for our scientists sustained association with the best brains from the rebuilt European laboratories by bringing to this country for a year or two, some of the most brilliant of the postwar generation of scientists. These many and varied training activities reflect our belief that the trained and creative mind is the key to progress against disease.

Another major development has been the conclusion that industry participation is a necessary ingredient in certain of our developmental research. This conclusion was first reached in connection with the cancer chemotherapy program, which is centered on the development and testing of many thousands of chemical agents in an effort to identify those with promising activity against human cancer. Medical schools and universities are not constituted to do this kind of job to any great extent; but industry is, and so we have worked long and hard to make our program aims and needs known to industry, and have elicited their understanding and willingness to cooperate. On the basis of this, we are now developing suitable industrial contract mechanisms and seeking to resolve questions of patents, confidentiality, profit margins, and so on.

Then, too, we see the Cancer Chemotherapy National Service Center concept spreading to other fields. When a field has developed to a point which requires extensive developmental research or large-scale clinical evaluation, it becomes increasingly necessary to move toward patterns of support which depart from those which are used for the support of fundamental studies. And we may expect some of these other channels to be used as we move ahead with our programs in such fields as the evaluation of the tranquilizing, the hypertensive, and the oral antidiabetic drugs. A Psychopharmacology Service Center has been established to spearhead the evaluation of the tranquilizing drugs, and more recently an NIH Center for Research on Aging has been set up to give leadership, guidance, and support to our activities in this field. While each of these is different in some respects from the Cancer Chemotherapy Center, in all cases they perform staff functions and serve to coordinate and stimulate research instead of performing a direct operating function. The establishment of such programs within programs serves very necessary and useful purposes, and indeed may be the only way to initiate new programs with certain specialized characteristics. We must always measure the need with extreme care, however, lest by establishing such units we create an abnormal administrative mechanism which serves to fragment rather than consolidate Institute programs.

Another program development of general interest is the emergence of long-term collaborative research projects as the mechanism of choice in achieving certain of our research objectives. For example, Dr. Bailey will describe to you later his Institute's organized effort, involving many institutions and many disciplines working under a central plan, to study cerebral palsy, mental retardation,

and other crippling diseases which arise as a result of unknown and adverse biological factors that are operative before, during, and shortly after birth. Programs that are comparable in principle are found in the Mental Health field investigations, in study of new drugs against heart disease, and the Cancer Institute appraisal of the usefulness of exfoliative cytology in the early diagnosis of uterine cancer.

TRANSLATION OF SOVIET SCIENTIFIC LITERATURE

Those of you who were members of this committee last year may recall our discussions of Russian science and the interchange of Russian and American literature in the medical and biological sciences. I am glad to be able to tell you that we have made substantial progress in the translation and dissemination of selected Russian scientific papers and abstracts. The first issues of 2 journals have been distributed to 300 libraries, and a contract for the translation of 6 other journals has been awarded; we have agreed to translate papers selected as having special interest to the editors of 40 American scientific journals; substantial blocks of Soviet abstracts are being translated and published under a grant to *Excerpta Medica*; and we have arranged for publication of a Russian-English medical dictionary and of a directory of Soviet research institutes. The continuation and extension of such activities will go far toward achieving a current understanding of the nature and direction of Soviet medical science. In this work, we are maintaining close liaison with the National Science Foundation and other groups actively engaged in the translation of scientific literature from the Soviet Union.

PROPOSED 1958 INCREASES OVER 1957 PROGRAM

The budget proposal that is before you asks the appropriation of \$190.2 million for the activities of the National Institutes of Health in 1958, exclusive of the health research facilities construction program. This \$190.2 million request compares with the \$183.2 million appropriated for these same activities in 1957.

When the Congress acted upon our appropriation for the current year, it pointed out its awareness that there are limitations on the speed with which the Nation's medical research effort can be increased and emphasized its expectation that there should be no sacrifice in the scientific quality of the work the appropriation would support.

Accordingly, before we could plan in any detail the 1958 program now under consideration, we had to undertake an appraisal of how much of the 1957 appropriation might remain unspent under these criteria. Our autumn estimate was roughly \$10 million, with most of the estimated savings in the research grant programs. When this fact, together with our detailed assumptions in support of it, was communicated to the Secretary of Health, Education, and Welfare, he advised us that the anticipated \$10 million savings should be considered as available if our estimates proved low and if there were sound research projects which would remain unsupported unless the estimated savings were utilized.

Thus the program increases from 1957 to 1958 are measured by the difference between our estimated expenditures in 1957 (\$172.9 million) and our 1958 budget proposal (\$190.2 million), or a total planned increase of \$17.2 million.

The planned utilization of these increases over the 1957 expenditures as we saw them early last fall are as follows:

[All figures in millions]

	1956 actual obligation	1957 estimated obligation	1958 appro- priation requested
Total, National Institutes of Health	\$98.1	\$172.9	\$190.2
National Cancer Institute	24.9	44.3	46.9
National Heart Institute	19.0	31.5	33.5
National Institute of Mental Health	18.1	32.3	35.2
National Institute of Arthritis and Metabolic Diseases	10.9	16.0	17.9
National Institute of Allergy and Infectious Diseases	6.5	13.5	17.4
National Institute of Neurological Diseases and Blindness	9.7	17.8	18.9
National Institute of Dental Research	2.2	5.9	6.4
Noncategorical research grant and training activities	6.8	11.6	14.0

In connection with the 1958 programing, I want to talk particularly to the question of the indirect costs to research institutions whose scientific staffs receive our research grants for their individual projects.

Granting agencies, both private and public, have long recognized that project grant awards must include funds to compensate the research institution, at least in part, for such indirect factors as utilities, space renovation, accounting, administration, and other costs related to the maintenance of the project in their environment. The exact amount of these indirect costs is difficult to establish, particularly when a formula is sought which can be applied fairly to all grants and all institutions. This matter has remained under constant review since World War II, and is even now under intensive review by a governmentwide committee established under the auspices of the General Accounting Office and the Bureau of the Budget. During the first years of the grant program, until 1954, we used 8 percent of the grant amount approved in determining the indirect costs. Since 1954 we have used 15 percent as the factor. The budget that is before you for 1958 contains funds which will permit an increase from 15 percent to 25 percent. If this is approved, it will bring our indirect cost factor into line with the practices of Government agencies providing the great bulk of funds for research. These agencies for some time have been using a factor of 25 percent or higher for their research grants and research contracts. This provision will keep research grant funds from continuing to impose a serious drain on the institution's operating funds, which are already at a critical point.

Of the 1958 increases, \$6.8 million would be directed to the payment of up to 25 percent rather than 15 percent for indirect costs on research grants.

Other major program elements in the \$17.2 million proposed increase over estimated 1957 expenditures are expansion of grant activities particularly in allergy but also in arthritis and in the noncategorical research areas (\$3.3 million); \$1.5 million for an essentially new program of special project grants in mental health, under title V of the Health Amendments Act of 1956; additional funds for the allergy and immunology training program just established this year (\$650,000); a second increment in the planned 5-year program for senior research fellowships in the preclinical sciences (\$500,000); increases in certain of our direct operations at Bethesda (\$1.2 million); and just in excess of \$3 million for such factors as annualization of 1957 programs, wage-board increases, retirement and social-security costs, and salaries in excess of the 52-week base.

All of the other program areas would remain essentially at the level of 1957 expenditure.

SUMMARY

I believe, Mr. Chairman and members of the committee, that the appropriations provided last year by Congress have been and are being effectively utilized. The basic underpinning of our national medical research effort has been strengthened; dramatic gains have been made on several fronts; there has been a farsighted investment in the future in the form of manpower and facilities; and research resources which have not been fully utilized are being developed and linked with the national effort toward progress against disease through research.

I believe that the budget proposal before you will support a sound program which will return rich dividends to the American people and will warrant the continued confidence and support of American science.

EFFECT OF HOUSE ACTION

The President's budget for all appropriations of the National Institutes of Health, which you have before you, provides for a 25-percent rather than a 15-percent allowance for indirect costs. This subject is discussed here rather than by each Institute because the policy question involved is identical among the Institutes. The appropriation bill, as passed by the House of Representatives (title II, sect. 208), specifically prohibits this increase. It is our feeling that this action will have an adverse influence upon the long-range fiscal stability of medical and dental schools and universities. We, therefore, ask that the payment of increased indirect costs be allowed.

The House of Representatives, in acting upon the appropriation for the National Institutes of Health, on a point of order deleted provisions which authorized the operation of cafeteria facilities in the Clinical Center and the crediting to this appropriation of proceeds from the sale of meals to employees and others in the cafeteria. No new activity was contemplated under this language, since

the authority first was inserted in the 1954 appropriation and was carried in each succeeding appropriation bill. The absence of authority to operate cafeteria facilities would be a serious detriment to the functioning of the Clinical Center and the other research activities at Bethesda. The only other cafeteria available cannot possibly supply the volume of meals required, nor is it practical to consider its use by nurses and other personnel during the day or at night due to its distance from the Clinical Center. Neither is it practical to consider the operation of the Clinical Center cafeteria by an outside organization, since, as part of the basic design of the building, the cafeteria shares the kitchen constructed for feeding patients, thereby avoiding duplication of facilities and personnel. In order to maintain this necessary and currently self-supporting facility in 1958, it is essential that the authorities for cafeteria operation and for crediting proceeds from the sale of meals be restored.

The House of Representatives has also deleted on a point of order the provisions contained in 1954 and subsequent appropriation acts which authorized advances to the NIH appropriation from other appropriations of the Public Health Service to cover activities performed centrally. These activities include such service organizations as the Clinical Center, laboratory research services, plant engineering supply services, and biometric services, which can be operated more economically on a centralized basis.

Approximately 55 percent of the total obligational authority under the NIH appropriation is financed currently through advances under the authority which has been deleted from the 1958 appropriation. Of the remaining 45 percent, which is appropriated directly, 82 percent is in grant programs which are usually expended during the first 6 months of the year.

Without authority to advance funds from other appropriations to the NIH, cash available in the Treasury will not be sufficient to meet payrolls at several times during the year. The cash necessary to meet these obligations would be tied up in the process of preparing bills, processing payments, and crediting funds to the appropriation. It is, therefore, essential that central services be operated under the advance authority carried in previous appropriations rather than on billings after services are performed.

The action of the House in eliminating the authority to purchase eight motor vehicles will cause some inefficiency in the operations of our programs. The lack of space on the NIH grounds has required utilization of commercially available space in 2 different locations in Bethesda and 1 location in Silver Spring. This dispersion of activities requires more transportation facilities than otherwise would be required for the central NIH operations. In addition, many investigations require transportation to remote areas for collection of data and materials where no public transportation is available, or where public transportation is inadequate, resulting in inefficient utilization of the investigator's time.

The automobiles and station wagons for which replacement was requested are in a condition which would require extensive and costly repairs to keep them in satisfactory operating condition. The Government standards for replacement of these vehicles is 6 years' operation or 60,000 miles. The average age of the vehicles is almost 8 years, and the average mileage as of June 30, 1956, was 66,469 miles. It is requested that authority for the purchase of these replacement vehicles be restored.

RESEARCH HIGHLIGHTS, CLINICAL CENTER, 1956

The great expansion in basic medical research now taking place in the United States inevitably will require expanded clinical study. This will come about because of the necessity for evaluating in man every promising result obtained from laboratory study. It is, therefore, extremely likely that many hospitals and clinics with no previous experience in this field will find themselves involved in the dual process of providing optimum care of patients and meeting the specialized requirements of clinical research.

Clinical research requires special techniques and viewpoints not only of the physician-investigator but also of the hospital administrators and the many hospital workers whose services are essential both to attainment of scientific objectives and to the welfare of the patients participating in the research. Among the essential skills represented are those of pathologists, nurses, pharmacists, and dietitians. These and other highly specialized personnel must exercise much

greater precision and consume far more time in working with research patients than where the only objective is the patient's welfare.

As one of the first and largest hospitals in the world devoted entirely to research, the Clinical Center is amassing professional, technical, and administrative experience which should be of considerable value to other hospitals as they begin to expand their programs of clinical research.

An example may be found in the principles and operating procedures developed at the Clinical Center to assure that the welfare of the individual patient never becomes secondary to the research mission. A Medical Board, which includes research physicians from each of the seven Institutes, maintains continuous surveillance of the quality of the medicine and surgery practiced in the Clinical Center. It reviews all proposed clinical-research projects which involve departure from generally accepted methods of treatment and care of the patients involved, and all studies to be made on normal individuals. The functioning of this Board assures that optimum care is provided the Clinical Center patient without sacrificing the primary research mission of the institution.

A document completed by the Medical Board during the past year and derived from over 4 years of study and experience formalizes the policies and procedures by which the dual mission of effective clinical research and optimum patient welfare may be served in a research hospital utilized by several relatively autonomous medical organizations.

This document, the Organization and Bylaws of the Medical Board of the Clinical Center, is supplemented by another, developed in the same manner, which provides a detailed examination of the legal, ethical, and scientific principles involved in research conducted on humans.

Clinical Center experience is steadily clarifying the respective roles and interrelationships of the several professional workers who are most directly and intimately concerned with the physical and emotional care of the research patient. In addition to the physician-investigator, these include the professional nurse, dietitian, physical and occupational therapist, and medical social worker. Others whose services are often required by the research patient are the hospital clergyman, the patient librarian, the recreational specialist and the volunteer worker.

It is the nurse who shares with the physician the greatest direct responsibility for the patient's welfare. Clinical Center experience shows, additionally, that the nurse is also vitally concerned in the research process itself. She is the liaison between the investigator and the patient and is responsible to him not only for the general care of the patient but also for carrying out many research procedures and observations.

Studies of the responsibilities and techniques of nursing in many highly specialized areas of clinical research are being conducted at the Clinical Center. Several of these have reached the point where they can be compiled and published for the guidance of nurses in other institutions who may have to undertake similar responsibilities with research patients.

Metabolic balance studies are typical of the kind of clinical research that almost certainly will be conducted as a new activity in many hospitals. This form of research requires an extraordinary degree of competence and cooperation among nurses, dietitians and social workers.

In a metabolic balance study, the investigator places the patient on a rigidly controlled diet and obtains day by day and week by week continuing, exact measurements of the gain or loss by the body of minute amounts of a given chemical substance as influenced by the disease being studied or by a procedure or medication being evaluated.

The amounts of a particular substance taken in by the patient is determined by chemical analysis of the diet or by calculation from food analysis tables, or by both methods. The amounts excreted are determined by chemical analysis of specimens, all of which must be collected.

A manual or handbook which describes in precise detail the individual and group responsibilities of the investigator, the nurse, the dietitian, the social worker, and the patient on a metabolic balance study is one of several now being made ready for publication by the staff of the Clinical Center.

Publications of similar value to hospital workers about to engage in clinical research already issued include such fields as pharmacy and central sterile supply, nursing the patient in heart-disease studies, new operating room apparatus, new anesthesiology, diagnostic X-ray, and clinical pathology techniques and apparatus.

HIGHLIGHTS OF PROGRESS IN BIOLOGICS CONTROL 1956

Items of interest on program developments and research studies conducted by the Division of Biologics Standards

POLIOMYELITIS VACCINE SAFETY TESTING PROGRAM

During the past year a considerable amount of the Division's total resources has been devoted to problems connected with the effort made by industry and the various agencies concerned—both private and governmental—to provide as much poliomyelitis vaccine as possible for the 1956 season. A total of 151 separate lots of vaccine were submitted by licensed manufacturers for consideration by the Division during the 12 months ending December 31. This involved testing on a large scale, both by tissue culture methods and by monkey inoculation. Approximately 110 million doses of vaccine were released during 1956.

Although the amount of vaccine submitted decreased considerably during the latter part of the year, the testing program in monkeys was so extensive as to require the maintenance of a reserve supply of 1,000 monkeys during the greater part of the year. The conditioning of these animals, made possible through the excellent facilities of the monkey house which was constructed in 1955, contributed in great measure to the success of the testing program. A canvass of commercial manufacturers of polio vaccine and other large-scale users of monkeys has shown that survival rates of animals used by DBS for test purposes have been higher than generally experienced.

It is anticipated that there will be an increase in vaccine production during the first few months of 1957, but thereafter the demand should be satisfied by a lesser rate of steady production.

POLIOMYELITIS VACCINE POTENCY TESTING

While a great deal of emphasis has been placed upon the safety of poliomyelitis vaccine, it is obvious that unless its potency is adequate the vaccine, although safe, would not give the protection required. Experience accumulated during the past 18 months indicates that present methods of determining the potency of this relatively new product, while adequate, leave something to be desired. During the past year the problem of measuring its potency in a quantitative manner has been given serious attention. The problem of obtaining a more satisfactory potency test has been complicated by the fact that the test must be adequate for testing not one but all three virus strains of the vaccine.

As a result of a collaborative study by DBS scientists and the manufacturers of poliomyelitis vaccine, an extensive body of data bearing on the development of a new potency test is now available, using animals other than monkeys. The study involved a comparison of baby chicks and guinea pigs as assay animals. Various types of tests were considered for each animal. It was conclusively shown that the chick is superior to the guinea pig as a test animal for all types of tests considered.

The use of the chick, as compared to the monkey, will be of great advantage in terms of cost, animal attrition, feeding, housing, and care, thus permitting large-scale investigations necessary for definitive studies of potency and stability of the vaccine. The data developed in the course of this study also allowed determination of the number of chicks to be used in order to ensure highly reliable measures of potency.

VARIATIONS IN VIRULENCE OF POLIOMYELITIS VIRUS

Incidents which occurred early during the 1955 poliomyelitis vaccination program illustrated the virulence of certain strains of polio virus when traces of these strains remained uninactivated in the vaccine. It has been suggested that the virulent, type I Mahoney strain presently used might be replaced by an avirulent counterpart capable of producing vaccine of equally satisfactory protection. It is only within a production framework, however, that the various strains of polio virus can be studied with respect to suitability for production of an effective vaccine. During the past year, a great deal of effort by industry has been devoted to research designed to develop a vaccine containing such a substitute strain, but to date, a type I strain of sufficient potency to replace the Mahoney strain has not been found.

The mechanisms of variation in virulence of viruses still remain obscure, and problems of the virulence of polio virus strains constitute one of the principal

considerations of research with live virus vaccine. One of the difficulties is that loss or gain of virulence is usually a gradual phenomenon, therefore investigation is bound to be slow and time-consuming.

In the course of study by DBS scientists of the mouse-adapted type III polio virus (Leon strain), it was observed that the virus suddenly lost or gained its mouse virulence after 1 or 2 passages in monkey testicular tissue or kidney tissue grafted on membrane of chick embryos. The apparent ready variability in virulence of this mouse-adapted polio virus seems to make it a suitable tool for studies of virulence. The results do not as yet warrant generalization, because in distinct contrast a monkey virulent, type I virus became virulent for the mouse only after prolonged serial passages in monkey testicular culture. They do indicate, however, that the virulence of at least one type of polio virus could easily vary when propagated under different cultural conditions.

TISSUE CULTURE TESTING PROCESS

The present methods of tissue culture testing are cumbersome and expensive of both the materials and work required. Their extensive character, requiring as it does scores of tissue culture tubes and bottles for a single test, introduces additional problems, such as the appearance of unidentified viruses which, until they are identified and their presence explained, complicate the interpretation of the tests. Usually they occur naturally in the monkey kidney tissues used in preparation of the tissue culture tubes and bottles. DBS scientists are therefore studying methods of simplifying the tissue culture testing process, as well as rendering it more sensitive.

One such method, involving concentration of virus by ultracentrifugation, has proven successful. Serum-free media and serum-free experimental vaccines containing infectious virus are centrifuged and then separated into fractions. Centrifugation results in sedimentation of the virus to the bottom of the cup in a more concentrated form, but when attempts were made to recover it, the resulting disturbance resuspended the virus in the fluid. The addition of calf serum to the fluid causes a solid pellet to form on centrifugation. Almost all of the virus is enmeshed in the pellet which becomes firmly attached to the wall of the cup. The yield of virus in the calf-serum pellet is found to be related to the concentration of serum used and to the duration of centrifugation.

DEVELOPMENT OF STATISTICAL THEORY FOR DESIGN OF VACCINE SAFETY TESTS

The problem of safety testing of virus vaccines, as exemplified in the production of poliomyelitis vaccine, has been under intensive study by DBS. The crux of the problem is this: the consequences of infection can be so serious that the desirable level of safety, in terms of infectious particles per cubic centimeter of vaccine, can only be achieved by testing impractically large amounts of each lot of vaccine.

Using as a point of departure the concept of "consistency" of a producer's record, as suggested by the Technical Committee on Poliomyelitis Vaccine, it has been possible to develop a statistical theory by which the level of safety of vaccine to be released could be determined. Specifically, given the safety record of a manufacturer, i. e., his record of success or failure with successive lots of vaccine to pass their safety tests, and the amount of vaccine tested per lot, it is possible to estimate and consequently control the upper limit of infectivity of the vaccine.

This theory, based on the specific problem of testing polio vaccine, is applicable to other biological products involving a similar problem of safety.

ADENOVIRUS VACCINE

During the past several years, a number of agents associated with respiratory infection have been identified as members of the adenovirus group. Recent studies by the NIAID and Department of Defense scientists have shown that in individuals of certain age groups under certain conditions of association (e. g., Army recruits in training), infections due to specific agents of the adenovirus group can be prevented in great measure by use of a vaccine prepared from appropriate virus types. This is a tissue culture vaccine prepared by methods similar to those used in the preparation of polio vaccine.

DBS scientists have kept in contact with this work, and since it now appears that a vaccine of this nature could serve a useful purpose, have drafted regulations to cover the production and testing of such a product. The experience with polio vaccine has been of inestimable value in this undertaking.

IMPROVEMENT IN TESTING OF PERTUSSIS VACCINE

Pertussis, or whooping cough, has ranked in the past among the topmost, highly fatal, communicable diseases of childhood. It has a marked predilection for infants and young children, and from 1940 to 1944 the average death rate for pertussis among children under 1 year of age was 2.6 times the sum of the death rates for measles, scarlet fever, diphtheria, poliomyelitis, and meningococcus infections.

When DBS first began the evaluation of pertussis vaccine, there was considerable variation in the potency of the vaccines on the market, and some demonstrated no potency at all. With the introduction of a standard of potency for pertussis vaccine in 1944, there began an accelerated decline in the death rate and, for the first time, a marked drop in cases. From 1950 to 1954 the death rate for pertussis dropped to 0.15 of the sum of the death rates of the 5 diseases mentioned above. Field trials recently completed in England show a definite correlation between the protection afforded children by pertussis vaccine and the laboratory potency evaluation of the vaccine, as demonstrated by a test developed in the Division of Biologics Standards.

The establishment of an international unit value for pertussis vaccine equivalent to that of the United States standard, which is based on extensive work done in DBS, was recommended this year by the World Health Organization.

DBS research related to pertussis is largely concerned with three phases: (1) Protective activity of untoward reactions caused by pertussis vaccine; (2) an overall understanding of the causative microorganism, *Haemophilus pertussis*; and (3) the so-called mouse histamine-sensitizing factor which is peculiar to the pertussis organism. To date, very little is known concerning this component of the vaccine which causes the mouse to become so extremely sensitive to histamine after injection with the vaccine. This study is important as it may be related to those substances in the vaccine which sometimes cause neurological reactions in children.

CURRENT STATUS OF HEPATITIS RESEARCH

The progress which has been made to eliminate the problems of hepatitis has been achieved by studies carried out with the cooperation of volunteers—a method which has been abandoned because of possible danger to the participating subjects—and by epidemiological studies.

During the past year, very little has been added to the knowledge of hepatitis for, as yet, it has not been possible to propagate the agent by any known method. Recent reports of success with special tissue culture methods are unconfirmed.

Epidemiological opportunities occasionally present themselves, and DBS scientists will continue to investigate these when circumstances indicate that useful information may be forthcoming. For example, during the past year, a number of verbal reports were received which indicated that gamma globulin, a material heretofore considered free of the danger of hepatitis, might actually present a hazard in this connection. However, field investigations quickly showed that these reports were in error and cleared the material in question.

COOPERATIVE STUDY ON CAUSES OF BLOOD BANK ERRORS

A broad study has been initiated by DBS to devise means of increasing the safety of blood transfusion by determining the various causes of errors in the labeling of bottles containing blood intended for this purpose. Preliminary information based upon crude data indicates that for each 1 million units of blood handled by blood banks about 2,000 errors are made in labeling with respect to blood group and type (ABO group and Rh type).

Of this number, approximately 1,700 are corrected by the blood banks before the blood is issued for transfusion purposes. One-half of the remaining 300 incorrectly labeled bloods are found in the cross-match procedures, but there is little information regarding the remaining errors. Most errors appear to be clerical in origin, but other factors may be operative.

More than 100 licensed blood banks are voluntarily cooperating with DBS to record all errors as they occur. At the end of 6 months, the cooperating laboratories return their results to DBS for analysis of the various types of errors made in recording and interpreting laboratory data and the frequency of their occurrence. This information serves as a basis for emphasis in the work of DBS in controlling the safety, purity, and potency of blood and products derived from human blood. It is anticipated that another outcome of this study will be a reduction in the number of such errors, not only in the licensed blood banks cooperating in this study, but in other blood banks as well.

STORAGE OF RED BLOOD CELLS

Prolonged storage of red blood cells at -45° C. for as long as 6 months was reported in the 1956 highlights. During the past year it has been demonstrated that blood stored at -45° C. can be successfully thawed and transfused after 18 months' storage with as good results as those obtained with fresh blood.

HIGHLIGHTS OF BIOLOGIC RESEARCH, 1956

Selected research studies and program developments conducted and supported by the Division of Research Grants—prepared 1957

INFERTILITY, PREGNANCY WASTAGE, AND CONGENITAL ANOMALY

The Division of Research Grants is actively interested in promoting more research in the area of what may be called conception failure, pregnancy wastage, and impairment of offspring, or more broadly, reproductive failure and congenital anomalies. Beside the countless cases of infertility, half a million pregnancies yearly end in death of the unborn child. Another 70,000 infants are so crippled by prenatal damage or birth damage, or both, that they do not survive the first 4 weeks of life, and it is estimated that still another 150,000 who survive this neonatal period bear prenatal or birth damage that will either kill them in time or handicap their existence. These latter are the cases of congenital anomaly—departures from the normal either in form or organ function, or in bodily chemistry. Over 800 such departures from normal have been recognized and given medical names, ranging from cleft palate and harelip to congenital heart defects on to clubfoot. The causes of this failure and wastage of pregnancy and maiming of offspring are very incompletely understood. The Division of Research Grants is making every effort within the limits of its authorized function to encourage research in this area.

It is often true that the direct attack on some disease or disorder must be supplemented by preparatory work of a more basic nature. Such is the case here. In addition to experimental work on animals directed toward reproducing some of the deaths and the deformities found in man, it is necessary that there be more research in genetics, in the physiology of reproduction, in embryology, and in fetal physiology and pathology.

Investigations supported by grants made by the Division of Research Grants have revealed that various agents brought to bear upon the pregnant animal can lead to deformity or death of the offspring.

A clinical study has been in progress in which approximately 3,500 births annually have been studied. Data have been collected regarding the pregnancy, course of labor and delivery, and the clinical course of the infant after birth. Comparisons are then possible between the conditions associated with pregnancy of the women whose infants have not survived birth or the critical first 4 weeks and those whose infants have lived. It is expected that such comparisons will lead to identification of conditions that are associated with nonsurvival.

In this study careful pathological examination has been made of the organs of fetuses and infants that did not survive. Effort has been made, particularly, to learn more about the condition known as postnatal asphyxia and atelectasis, a lung condition that kills in the first few days of life approximately 5,000 infants a year.

In the study referred to, the normal organ weights of fetuses at different periods of gestation have also been recorded. These data will permit calculation of organ growth curves, information for which is now lacking.

In the same study, effort has been made to determine the outlook for future childbearing in women who have been immunized to the Rh factor. It will be recalled that an Rh negative mother may bear an Rh positive child who, during pregnancy, continuously administers to his mother the Rh material. The child's

red cells are just as continuously destroyed by an antibody to the Rh factor manufactured and administered to him by his mother. The condition of erythroblastosis results. The child may die in utero or shortly after birth or may survive. The investigator has found that suitable treatment may lead to survival of 3 out of 4 such infants.

When parents have had one such child they may be afraid to risk another. The investigator concludes from a study of 350 cases that parents may be advised to go ahead and take this risk if they are anxious for another child. The risk of death of the next child is greatest if the first one was stillborn, less if it died after birth, and least if it survived.

PREPUBERAL REPRODUCTION

In another study supported by the Division of Research Grants, immature mice were caused to mate by administration of appropriate hormones. By further use of hormones it was possible to bring about in these immature animals the normal processes of implantation, pregnancy, delivery of offspring, lactation, and rearing of young. Removal of the ovaries after the process was initiated did not interfere with its progress when hormone balance was suitably controlled. Studies such as this add to our knowledge of the normal reproductive process, and contribute to the ultimate solution of the problem of reproductive failure.

INDUCED CONGENITAL DEFORMITIES

Pregnant mice were exposed to deficiencies of folic acid and riboflavin, to fasting, and to the administration of insulin. It was found that folic acid and carbohydrate fit a biochemical model of coenzyme and substrate. Deformed embryos result if either coenzyme or substrate is temporarily removed. Much more work toward experimental production of anomalies is needed.

OBSTETRIC ANALGESIA

A clinical investigation supported by the Division of Research Grants is setting a new standard of safety in the use of obstetric analgesia. Clinical trials have shown that newborn infants of women who have received morphine (10 milligrams) hypodermically during labor are promptly relieved of the depression of respiration induced by absorption of the opiate through the placenta, when a single injection of N-allylnormorphine (0.5 milligram) is given intramuscularly. Administration of this relative of morphine to the newborn infant counteracts completely the action of morphine on the brain center controlling breathing and leads to a marked and striking increase in the amount of air breathed.

CATABOLIC RESPONSE

It has long been observed that individuals who have suffered some damaging accident, such as a fracture or severe burn, or who have been subjected to a major surgical operation, lose weight progressively, possibly for weeks afterward. The loss of weight is due to an actual tearing down of protein and is known as the "catabolic response." It has been found that there is a rapid outpouring of amino acids and other protein breakdown products in the urine of these patients. Anemia frequently develops, and muscle atrophy, or wasting, may result. Clinicians have regarded this phenomenon as one that definitely slows up the process of wound healing and recovery from the bodily damage suffered.

Experiments using a labeled amino acid (S^{35} -methionine) have shown rather conclusively that the catabolic response in cases of serious burns is not due to any failure of the body to form protein out of the amino acids in the food. Newly formed body protein breaks down much more rapidly than normally, however, and the breakdown products, such as amino acids and other nitrogen compounds, are lost in the urine.

The investigators have tried forced feeding of protein concentrates of high caloric value via stomach tube. The results appear highly promising. Several patients stopped losing nitrogen in their urine after periods of less than a week, as compared with the usual time of several weeks up to 3 or 4 months.

These clinical studies will have to be supplemented by further studies on experimental animals. The investigators are now undertaking this further work.

CORTISONE AND GROWTH

Cortisone is one of our most valuable weapons in the war against disease. One of the actions of cortisone, however, is to oppose the action of the hormone that promotes growth. There has been reason, therefore, to fear that when cortisone is administered for long periods to children, it might bring about a stunting of growth. A clinical study supported by the Division of Research Grants has recently shown that cortisone can be given for long periods to growing children without affecting the child's ultimate stature, provided that dose levels are carefully controlled.

WHAT IS RESERPINE

The discovery of the potent tranquilizer, reserpine, as the major biologically active constituent of the Indian shrub, *Rauwolfia serpentina*, has turned the attention of synthetic chemists to the problem of duplicating nature's potent compound. Before the substance can be made synthetically, it is obvious that its molecular structure must be deciphered. This has been the object of one of the investigations supported by the Division of Research Grants. As a result of this work, the complete stereochemical formula of reserpine is now known. Steps toward its synthesis may now be expected.

PHYSIOLOGY OF THE SKIN

The skin is an organ about which little is known other than that it forms a protective covering for the body. Study of its various functions has been neglected, as investigators have busied themselves with learning more about the deeper structures within. As a consequence, it may be said that dermatology as a medical specialty rests more on an empirical basis than any other of the specialties.

The physiology of the skin and the causes and treatment of diseases affecting the skin constitute an area in which there is much need for expanded research. The Division of Research Grants is supporting a small amount of research in this area.

HISTOPHYSIOLOGY OF THE SKIN

In one recent study observations have been made on the mouse, an animal in which hair grows and rests in cycles. It was found that during the period of hair growth the hair follicle, which holds the hair root, extends down into the fatty layer underneath and shortens again, pulling out of the fatty layer, in the period in which the follicle is resting. The significance of this finding is not understood. It has been found also that the skin is more resistant to certain injuries during the cycle of hair growth than it is during the time when the follicles are resting. In the same laboratory, study on the black rat has been underway to determine the effect of various hormones on hair growth. The observation has also been made that the nerves and sensory organs of the skin of the fingers develop in early embryonic life and do not increase in number with growth of the individual; they just move further apart.

Enzyme studies are indicating which parts of the hair follicle and sweat gland are active in growth and secretion.

FROG SKIN AS A MEMBRANE

The use of amphibian skin as a membrane is providing interesting data which will throw light upon the mechanism of passage of materials through other cellular membranes such as blood capillaries, and may be useful toward a better understanding of edema, ascites, circulatory shock and kidney function. Studies can be undertaken on the large area of membrane provided by the skin of a frog that would be impossible on the minute blood vessel known as a capillary.

An investigation supported by the Division of Research Grants has shown that the maintenance of sodium ion and potassium ion content of the skin and the active transport of sodium chloride, or salt, are (three) independent cell functions. These functions may be located in different parts of the cell and may differ in chemical characteristics. The importance of studies on the passage of sodium and potassium through membranes is underscored by the demonstration that has been made in recent years that the passage of a nerve impulse along a nerve is dependent on the differential movement of these two ions across the membrane forming the surface of the axon of the nerve cell.

MITOCHONDRIA CONTAIN ENZYMES

Work supported by the Division of Research Grants continues to bring out extremely important findings regarding the biochemical reactions that take place in the cell. Evidence has been obtained that strengthens earlier postulates that most or all enzymes are located within the finite subcellular particles known as mitochondria, rather than in the surrounding cytoplasm. It is now possible to isolate mitochondria from the rest of the cell by use of the ultracentrifuge and to study the enzyme systems contained in the resultant concentrated material. Particular advances have been made in understanding the role of certain trace metals and organic cofactors in vital biochemical reactions regulated by enzymes. Knowledge of these reactions is fundamental to an understanding of how tissues synthesize substances essential to their functions. A better understanding of enzyme systems offers promise of test-tube synthesis of compounds needed by the body in situations in which a compound may be made in insufficient quantities (because of tissue wasting or disease); it offers also promise of test-tube synthesis of compounds capable of opposing some chemical that the body may happen to make in excessive amounts.

In the area of test-tube synthesis, new knowledge of reactions within the cell has provided the know-how resulting in at least partial synthesis of two vitally important proteins ACTH and insulin, as well as a number of amino acid polymers.

ACETYLCHOLINESTERASE AND NERVE GASES

Very striking advances have been made in work supported by the Division of Research Grants in the understanding of the function of acetylcholine and its derivatives, substances intimately involved in the process of impulse transmission by nerves. The enzyme, acetylcholinesterase, is known to be of the greatest importance in nerve and muscle function; it destroys acetylcholine and thus prevents its harmful accumulation. Certain war gases ("nerve gases") and an important group of agents, the alkyl phosphates, used as agricultural insecticides, are known to be poisonous to acetylcholinesterase. When the enzyme is poisoned by one of these "anticholinesterases," acetylcholine accumulates and there may be a total loss of nerve function, with immediate death. Work supported by the Division of Research Grants has led to the discovery of antidotes to these poisons that attack acetylcholinesterase. Administration of an antidote neutralizes the poison and permits the enzyme to go on performing its essential task. The applications of this discovery in military and industrial medicine are obvious.

ACETATE FRAGMENTS AS BUILDING BLOCKS

A molecular fragment made up of a pair of carbon atoms linked together, with 3 hydrogen and 2 carbon atoms bound to the pair, is found as a constituent in many chemical compounds of biological interest. The fragment is known as "acetate." As compounds from ingested foods are broken up in the body chemistry, multitudes of acetate fragments are set free. When combined with coenzyme A, these acetate fragments are amazingly active chemically. In this active state they become building blocks for construction of many vitally important compounds. Among these are indispensable body sugars, fats, bile acids, sterols and hormones.

The understanding of the reactions of "active acetate" has now led to the total synthesis of certain members of one of the hormone families, namely, cortisone and its derivatives. The *in vitro* synthesis of other equally important biological compounds appears to be imminent.

CHRONIC TOXICITIES

In spite of the expenditure of millions of dollars by industry and hundreds of thousands by Government, the problem of chronic toxicities from chemicals that may get into foods is outstripping in its complexity all present efforts to deal with it adequately. It may safely be said that at no other time and in no other country has more effort been expended to bring to the American table none but the highest quality of materials. It has become an economic necessity, however, that in order to feed our growing population a large variety of chemicals must be applied to growing crops and to unprocessed foods in storage to curb the enormous destruction of foods by insects and other pests. Residues of these

pesticides that may remain in the food as consumed are becoming of increasing concern to experts in this field.

It is estimated that six new pesticides appear on the market each year, each having cost the manufacturer literally millions of dollars to bring to the point of commercial production. Each as it appears adds further to the complexity of the public health problem posed by the necessary use of such agents in food production.

In a study supported by the Division of Research Grants, growing alfalfa was treated with one or the other of two of the newer pesticides and the hay was then fed to cows. Traces of the materials used, or their derivatives, were found in the milk and butter of the animals, but no abnormalities were found on microscopic study of their organs after slaughter. Such findings are reassuring to the consumer who may contemplate with some concern the fact that he may consume in his food and drink each day traces of anywhere from one to a dozen chemicals used by necessity in food production and processing.

In another study another of the newer insecticides was fed in minute proportions (as low as one part per million) in the diet of rats and the observation was made that all the animals gained less, or actually lost weight, ate less, were hypersensitive to various stimuli (sound, touch) and that the males were more susceptible than the females, and had a higher mortality.

In another investigation supported by the Division of Research Grants one of the newer insecticides in a group known as alkyl phosphates was applied to growing alfalfa and the hay was fed to cows. Hay with low insecticide content (41 p. p. m.) caused no weight loss and no decrease in milk production but did cause a gradual fall in one of the normal blood enzymes (cholinesterase).

PROGRESS ON PROBLEM OF HOUSEHOLD DETERGENTS

Scientists at the Massachusetts Institute of Technology are making notable strides toward finding the basic causes of the problem created by the constant outpouring of detergents into the Nation's surface waters.

Since 1949, when warnings first were made as to the eventual effect of detergents on water supplies, the validity of these warnings has been shown in the increasing difficulties attendant to sewage treatment and the carryover of waste detergents into the water supplies of communities and industrial plants. As an instance of severity, the case in which one American river was blanketed with foam from shore to shore because the 4 to 12 parts per million of synthetic detergent is well remembered.

As the reward of this research, under support by the Division of Research Grants, it has been found that certain members of the class of chemical compounds known as alkyl benzene sulfonates are largely responsible for a pronounced resistance to oxygenation and normal biological attack in waste waters. These "biologically hard" types of compounds are characterized by the particular carbon atom in the molecule's straight alkyl chain to which the benzene ring is attached. If the attachment is to the carbon atom at the end of the chain, then normal metabolic breakdown by oxygen and bacteria can proceed readily. If attachment is to the second or third carbon atom, however, degradation of the molecule proceeds with difficulty and the half life of such compounds can be expected to be as much as 15 to 17 days in the surface waters.

Although the "biologically soft" compounds are broken down readily by bacteria, the "biologically hard" types remain a source of trouble because the bacteria (if they exist at all in the local water) have difficulty in degrading the compounds, especially if they are bacteria whose enzyme system does not readily allow the necessary metabolic adaptation to the particular environment.

Since more than 60 percent of the surfactants used in compounding household synthetic detergents today belong to the "hard" class of compounds, the value of supporting such research is apparent.

HANDBOOK OF THE PRIMATES FOR RESEARCH TOOL

As part of the broad program of assembling the world's medical research data into handbooks, a group at the University of Washington Medical School has reported the assembly of 14 of the 20 sections planned for a comprehensive handbook of the primates. The handbook has already been described by one English authority as one which will be a "mine of information" in research work with experimental animals such as the apes and monkeys, and represents but one of several such projects now being supported by the Division of Research Grants.

Since the applicability of research data involving the use of experimental animals can only be interpreted with full recognition of the animal's individual characteristics, such handbooks will serve as immediate sources of reference data in the establishment of research protocols for experimental procedure. Sections of the handbook pertaining to the diseases of such mammals, both infectious and chronic degenerative, have been assembled to date. Remaining sections to be assembled include colony design, construction and operation, as well as sections on diet, handling of animals, and general experimental methodology.

NEGLECTED AREAS OF RESEARCH

The area of conception failure, pregnancy wastage and impairment of offspring has already been referred to as one in which more active research is urgently needed. Reference has also been made to the comparative inactivity in the research field of skin physiology and dermatology. There are other important gap areas within the horizon of medical research. These include the fields of pathology, biophysics, human genetics, biometry and epidemiology. The primary need in these fields is one of manpower. The Division of Research Grants is seeking ways to help meet this primary need, as well as to assist in furthering research in these fields. The Division of Research Grants is aware also of other gap areas where continued medical research is needed to protect the health of our population, areas such as accidents, radiation hazards and chronic toxicities. The Division stands ready to assist research in these areas.

HIGHLIGHTS OF PROGRESS, 1956, DIVISION OF RESEARCH SERVICES

Items of interest in support of research—prepared January 1957

SPECIALLY BRED MICE FOR OSTEOARTHRITIS STUDIES

Laboratory Aids Branch geneticists, collaborating with an NIAMID scientist, supplied 18 strains of specially bred mice, including hybrids which had never before been produced. The joints of 670 of the mice, aged 12 to 22 months, revealed osteoarthritis—degenerative joint disease. The condition had formerly been identified in only two mouse strains.

This particular project presents the first attempt to breed arthritis into mouse strains that are ordinarily not susceptible to the disease. The finding establishes the fact that experimental approaches to osteoarthritis, involving all possible factors in its etiology, can now be made with mice specially bred at NIH. In humans, signs of this type of arthritis are found in about 80 percent of people over age 50.

TINY, WIRED NEEDLE FOR NEUROPHYSIOLOGICAL RESEARCH

Instrument section technologists, in collaboration with a neurophysiologist in NIMH, succeeded in producing a fine, wired needle for implantation in the brains of monkeys.

Twenty separate stainless steel wires, each one-thousandth of an inch in diameter, are attached at 1-millimeter intervals along the needle's length. All in all, the wires and their protective cabling measure less than one-thirtysecond of an inch in diameter.

Implanted in the monkey's brain, the needle will transmit the brain's electrical potentials, and will also be used to stimulate the activity of the brain by electrical current. It will be used in exploratory neurophysiological research, and is expected to contribute to the knowledge of epilepsy.

SMALLEST FLUORIDE INJECTOR

Instrument Section technologists, at the request of the Division of Dental Public Health, PHS, designed, developed, and built a fluoride injector which will deliver fluoride in the ratio of one part per million of water. It is the first injector to meter successfully in such infinitesimal quantity, and will be used to deliver fluoride into urban water systems.

PLASTIC HEAD FOR MEASURING RADIATION DOSAGES

Artists and craftsmen of the Medical Arts Section, collaborating with radiation biologists and therapists of NCI, developed and fabricated a hollow, trans-

parent plastic head for accurately measuring radiation dosage. NCI scientists will use the head to study the distribution of doses to be given patients.

The head is filled with a special fluid which absorbs radiation. After irradiation, the fluid is drained, and the radiation it has absorbed is measured. It replaces the older method of inserting X-ray film into a masonite head model.

COLOR PHOTOS OF BRAIN DAMAGE AREAS

Photography Section technicians, working with NINDB investigators, developed a new photographic technique and special printing procedure to produce consistent color reproductions of areas of brain damage which have been made to fluoresce by the introduction of special dyes.

The lesions are visible under ultraviolet radiation, but previous attempts at color photography, using standard photographic techniques, were unsuccessful.

The particular study for which the new technique was developed concerns the penetration of the blood-brain barrier. NINDB investigators, working with cats, introduced special fluorescent dyes and visually followed their progress through the blood-brain barrier and into the brain area. Such visual observation proved inadequate for two reasons: it was fleeting, and formed no permanent means of comparison with later tests; and written reports could not describe accurately and completely the subtle changes that occurred.

The new photographic technique makes possible a permanent record for continuing study and comparison.

UNIVERSAL OPERATING STAND FOR NEUROSURGERY

Instrument Section specialists designed and built a new, universal operating stand for use in neurosurgery.

The new instrument stand, which replaces models previously used with limitations, will suffice for any neurosurgical procedure. It may be attached to the right or left, or head or foot of the operating table. It permits sterile draping of the patient and allows ample room for the surgical team. It has proved entirely successful in use at the Clinical Center.

TRANSLATING OF RUSSIAN SCIENTIFIC INFORMATION BEGUN AT NIH

During 1956 a broad program for translating and disseminating Russian scientific information in the medical and biological sciences was established at NIH. The program is coordinated with similar programs of the National Science Foundation and the Atomic Energy Commission, and will be executed through grants and contracts.

Eight journals were initially listed for cover-to-cover translation. During 1956, two of these were completed and distributed to governmental research installations, principally the Army, Navy, Air Force, and Veterans' Administration.

The program includes the publication of a Russian-English medical dictionary, a directory of Soviet research institutes, and a guide to translating services.

Translated material will be distributed to medical libraries and Government installations, and will be offered for sale at a reduced price to American physicians.

GENERAL STATEMENT

Dr. SHANNON. Before getting down to business today, Senator Hill, I would like to introduce Dr. Joseph E. Smadel.

Senator HILL. Good morning, Dr. Smadel. We are glad to see you. Doctor, this is Senator Pastore of Rhode Island.

Dr. SMADEL. Glad to meet you, sir.

Dr. SHANNON. Dr. Smadel came to us about a year ago to accept the responsibilities of the position I last held as Associate Director responsible for the direct research operation at Bethesda. He comes to us with a very rich background. Trained initially in pathology and immunology at Washington University, he joined the staff of the Rockefeller Institute and this service was interrupted by very effective service in the Medical Department of the Army during World War II. After the war he joined the staff at Walter Reed

Medical Research Institute, where he was the senior scientist of the group. He has made many contributions in the fields of immunology, bacteriology, and biology. He is among the outstanding scientific leaders in the world, as judged by his accomplishments in those fields.

Some of the outstanding contributions relating to tropical medicine are basic to our present-day understanding of the rickettsial diseases and their treatment.

We are very glad to have him with us.

TRIBUTE OF NATIONAL ACADEMY OF SCIENCE

Dr. Van Slyke reminds me that some 3 days ago, Dr. Smadel was elected to the National Academy of Science. This is a tribute to his scientific eminence.

Senator HILL. I think it is very fine that you have him, Dr. Shannon.

A few days ago when we heard from the Surgeon General I believe some inquiry was made with reference to the number of personnel in the employ of the National Institutes of Health. The subcommittee has been supplied with this table showing the employment in 1950 through the current fiscal year with the estimated number for the coming year. The table will be included in the record at this point.

(The table referred to follows:)

NATIONAL INSTITUTES OF HEALTH

Obligations by activities combined for all accounts, 1950-53

	1950		1951		1952		1953		1954	
	Positions	Amount	Positions	Amount	Positions	Amount	Positions	Amount	Positions	Amount
Grants for research and training:										
1. Research projects.....		\$13,005,514		\$18,174,000		\$18,173,000		\$20,374,000		\$28,806,000
2. Research fellowships.....		1,448,057		1,445,000		1,755,000		2,024,000		2,133,000
3. Training grants.....		6,415,000		6,928,200		7,392,000		8,184,000		10,183,000
Grants to States for detection, diagnosis and other control services.....		9,050,000		9,050,000		7,700,000		7,050,000		5,700,000
Grants for construction.....		5,775,000		9,439,000		4,025,000		900,000		1,100,000
Grants for special control projects.....		1,000,000		1,000,000		900,000				
Total, extramural program.....		36,753,631		46,176,200		40,545,000		39,132,000		48,612,000
Direct operations:										
1. Research:										
(a) Direct research.....	1,587	8,836,004	1,087	10,026,708	1,700	10,171,945	1,889	10,906,430	1,950	11,549,700
(b) Professional services to patients.....					38	103,000	452	1,500,000	520	1,712,500
(c) Nonprofessional services to patients ^a					7	18,000	210	272,000	181	531,500
Total Clinical Center, patient care (b)/(c).....					(45)	(121,000)	(608)	(1,772,000)	(701)	(2,244,000)
(d) Supportive services to research ^a	388	1,841,000	407	2,130,086	174	2,517,400	816	2,768,520	878	4,101,300
2. Biologics standards ^a									36	338,000
3. Review and approval of grants.....	151	802,940	151	822,756	152	927,171	156	902,000	176	1,079,000
4. Training.....	28	171,100	28	152,368	15	92,737	11	70,000	9	40,000
5. Technical assistance to States.....	471	2,537,958	465	2,592,550	338	2,021,300	314	1,943,000	289	1,793,000
6. Coordination and development of dental resources.....			18	125,000	21	126,500	21	126,000	21	112,000
7. Administration.....	280	1,183,301	274	1,250,274	247	1,151,638	248	1,290,200	240	1,204,000
Total, intramural program.....	2,905	15,392,369	3,030	17,099,800	3,058	17,130,291	4,123	19,898,750	4,300	22,541,000
Total appropriation or estimate.....	2,905	52,140,000	3,030	63,276,000	3,058	57,675,291	4,123	59,030,750	4,300	71,153,000

	1955		1956		1957		1958	
	Positions	Amount	Positions	Amount	Positions	Amount	Positions	Amount
Grants for research and training:								
1. Research projects.....		\$33,918,000		\$38,288,000		\$80,682,000		1,891,845,000
2. Research fellowships.....		2,562,000		2,800,000		5,397,000		5,897,000
3. Training grants.....		11,051,000		14,502,000		28,075,000		28,325,000
Grants to States for detection, diagnosis and other control services.....		5,700,000		6,375,000		8,375,000		8,375,000
Grants for construction.....						(2)		(2)
Grants for special control projects.....		1,100,000		1,300,000		1,900,000		1,900,000
Total, extramural program.....		54,331,000		63,265,000		133,429,000		136,342,000
Direct operations:								
1. Research:								
(a) Direct research.....	2,096	13,013,915	2,334	15,804,000	2,660	20,120,100	2,700	21,618,000
(b) Professional services to patients.....	786	3,359,000	1,095	4,749,000	1,204	5,735,300	1,269	6,438,400
(c) Nonprofessional services to patients ³	331	806,600	349	1,184,300	364	1,198,700	364	1,390,600
Total Clinical Center, patient care (b)/(c).....	(1,117)	(4,165,600)	(1,444)	(5,933,300)	(1,568)	(6,934,000)	(1,633)	(7,829,000)
(d) Supportive service to research ³	1,016	5,007,400	1,117	5,676,500	1,146	6,099,900	1,248	6,975,000
2. Biologics standards ⁴	50	454,485	154	1,272,700	205	1,691,700	205	2,105,000
3. Review and approval of grants.....	172	1,048,600	208	1,301,000	396	2,789,300	396	2,897,000
4. Training.....	8	50,000	8	51,000	25	251,000	25	232,000
5. Technical assistance to States.....	281	1,740,000	407	3,519,200	727	9,524,500	727	9,854,000
6. Coordination and development of dental resources.....	21	1,110,000	21	1,115,400	30	287,500	30	301,000
7. Administration.....	256	1,347,000	275	1,519,900	318	1,874,000	323	2,030,000
Total, intramural program.....	5,017	26,937,000	5,968	35,193,000	7,075	49,578,000	7,287	53,841,000
Total appropriation or estimate.....	5,017	81,268,000	5,968	98,458,000	7,075	183,007,000	7,287	190,183,000

¹ Includes \$150,000 for Gorgas Memorial Laboratory.² Excludes \$30 million construction grants in separate appropriation for "Health research facilities."³ Adjusted for reorganization.⁴ Funds for biologics standards included in direct research in 1950 through 1953.

Dr. SHANNON. Senator Hill, the statement I presented for the record covers both general problems and progress at the National Institutes of Health and describes a series of programs that are lumped under the general appropriation title of "General research and services." In the latter appropriation are included the Division of Research Grants which, as you know, runs our noncategorical research and training program; the Division of Biologics Standards, which is responsible for the discharge of the Public Health Service activity in the field of biological control; and the Division of Research Services, the Division of Business Operations, and the clinical center. These last are three services performed on a centralized basis which support the categorical programs.

CONSTRUCTION PROGRAM AT BETHESDA

Special consideration is also given to the construction program at Bethesda and to progress in the program of the research facilities construction grants, which has made an extraordinarily successful start during its initial year.

HIGHLIGHTS OF RESEARCH PROGRAM

Of general interest to the committee but not contained in the statement is a volume which we prepare once a year which, generally speaking, the committee members may well find useful. It is termed "Highlights of Research Progress at the National Institutes of Health." The House committee this year found it sufficiently interesting to print it in full as part of the proceedings of our appropriation.

Senator HILL. In their hearings.

Dr. SHANNON. Pardon?

Senator HILL. In their hearings?

Dr. SHANNON. Yes, sir.

Senator HILL. Do you have a copy for each one of us?

Dr. SHANNON. We will get them to you, sir.

Senator HILL. Will you?

Dr. SHANNON. Yes, sir; I think that there are enough here now.

Senator HILL. I am sure Senator Pastore would like to have a copy, and I would like to have a copy myself.

Dr. SHANNON. You may keep this one.

Senator HILL. I am sure the other members would like to have a copy.

Dr. SHANNON. I am sure they will.

Senator PASTORE. Is that it?

Dr. SHANNON. Yes, sir.

Generally speaking, Senator Hill, we have had a busy and I believe a very profitable year. The generous budgets that were made available to us by the Congress permitted a realistic approach to the solution of the many serious ailments man is heir to. For the first time in the history of medical research, either in this country or abroad, the limitation on progress was due more to manpower limitation and facilities limitations than moneys available for current support of research. This situation was taken by us as a serious challenge to our ingenuity. Our mission was to develop a broad program in a relatively short time and in a prudent manner, and to do this without any

sacrifice to our well-established standards of quality. Within the broad front of the general advance, special interest was given to a number of very highly specialized areas. I believe that the institutes deserve credit for a job very well done. I might say that is well done up to the present time, since they will have a continuing problem during the shakedown that must take place in the coming year.

Basically, it is an appreciation of the need for time to consolidate our gains of the previous year that led to the present budget submission. This is characterized by relatively small proposed increases, and these only in highly selected areas. Program emphasis during the past year has been on the extramural operation. However, this created local problems which related to both grant and training programs. We have had, as you know, a serious limitation on office space available to house some of the new programs. We have had delays in our construction programs and overriding all of this—

DELAYS IN CONSTRUCTION PROGRAM

Senator HILL. In that connection, Dr. Shannon, give us the picture for the record for these delays. Detail the projects and delays.

Dr. SHANNON. Can we submit that, sir?

Senator HILL. Yes. Let us know what these delays are and how much delay there has been and the exact status of the matters at this time.

Dr. SHANNON. I believe we are over some of the hump now, Senator Hill. I will be glad to give you that and include the projects and how we see it now.

Senator HILL. All right.

(The information requested follows:)

NATIONAL INSTITUTES OF HEALTH
Status of direct construction projects

Building	Authority	Status	Original completion schedule	Current completion schedule	Plans and specifications, Construction award, Completion date, Plans and specifications, Construction award, Completion date, Plans and specifications, Construction award, Completion date, Plans and specifications, Construction award, Completion date, Plans and specifications, Construction award, Completion date.
1. Biologics standards, \$3,500,000.....	2d Supplemental Appropriation Act of 1956.	Planning contract awarded July 1956.	June 1956.....	July 1957.....	Plans and specifications, Construction award, Completion date.
2. Surgical facilities, \$1,630,000.....	1957 Appropriation Act.	Planning contract awarded October 1956.	August 1956..... November 1957..... October 1956..... November 1955..... November 1958.....	August 1957..... June 1959..... November 1957..... January 1958..... January 1959.....	Plans and specifications, Construction award, Completion date.
3. Animal quarters (animal, office building), \$1,371,000.	2d Supplemental Appropriation Act of 1957.	Construction started December 1956.	August 1956.....	Completion, November 1956.	Plans and specifications, Construction award, Completion date.
4. Dental research building; cost estimate, \$3,724,000, excluding planning.	2d Supplemental Appropriation Act of 1957 (planning funds only, \$200,000).	Planning contract in process at PHS. ¹	March 1957.....	August 1957.....	Plans and specifications, Construction award, Completion date.
5. General office building.....	2d Supplemental Appropriation Act of 1957 (planning funds only, \$300,000).	Planning contract awarded January 1957; site borings are underway.	February 1957..... (Construction funds not yet available. Time-table 22 months available) May 1957..... (Construction funds not yet available; construction timetable 26 months from date funds became available)	November 1957..... from date funds became available April 1958.....	Plans and specifications, Construction award, Completion date.

¹ Planning is being coordinated with biologics standards building to use same basic structural plans.

Dr. SHANNON. Overriding these, which we take to be minor physical difficulties, has been the continuing need for the assessment of the extent to which we are able to modify our administrative practices to comply with the emergent needs of the largest medical research support program yet devised by any nation. Such an assessment must be continually before us. We must make judgments on the extent to which our programs provide suitable stability for research work, adequate support, and, at the same time, maintenance of freedom of inquiry for the investigator, provision for an adequate amount of risk capital, and, finally, ability to plan and organize collaborative programs where these are specifically indicated.

Certainly, the strains of the present fiscal year have thrown some of these problems into sharp focus, and we have attempted a modification of certain of our procedures in order better to cope with these problems, now more readily apparent.

The 1958 program contains relatively little that is new, but two items may warrant special note.

STUDY OF TROPICAL DISEASES

First, it is proposed to establish a field party within the Canal Zone so as to undertake a study of certain of the diseases of direct importance to tropical areas but indirectly of tremendous importance to the United States. I can discuss this now, or you may wish to discuss it later when the Institute of Allergy and Infectious Diseases' appropriation is before you.

Senator HILL. Will you go into it fully at that time?

Dr. SHANNON. If you wish, sir.

Senator HILL. At that time, all right. It comes, of course, under that Institute.

Dr. SHANNON. Yes, sir.

FOREIGN FELLOWSHIP PROGRAM

The second program proposes the reactivation, in modest fashion, of our foreign fellowship program. These fellowships will be limited in number, and they will emphasize scarce skills. The nomination of fellows who will participate in this program will be by national scientific bodies and initially will be limited to the northern European countries. Later, with experience, this may be spread to other countries where a scientific profit is quite obvious.

Senator HILL. What are you doing now in that particular field, Doctor?

Dr. SHANNON. Right now, Senator Hill, we are doing nothing other than planning.

I might go back historically over the development of this foreign fellowship program. In 1946 and in subsequent years, with the establishment of support programs of significance, the National Institutes of Health brought to this country a limited number of brilliant young scientists of other countries for limited periods of time on research fellowships. These effectively supplemented the skills of our own scientists. This program demonstrated to us the certain advantages that were inherent in our educational system, but also permitted us to contrast this with certain educational advantages that were inherent

in the European educational system. In addition, those fellowships produced a bond of, I will call for want of a better name, scientific fellowship throughout the world. In a small way, the program placed the United States in a position of eminence as a nation with interest in the support of research, more particularly in our medical sciences, and not a nation solely or primarily interested in military sciences.

This fellowship program was curtailed in 1950, incidentally, at the beginning of the Korean conflict, and since that time has been completely inactive. We propose, starting this year, to set aside some of the money contained within our present fellowship program to reestablish this program.

Mr. Charles V. Kidd and I spent some 4 weeks in Europe last summer studying the support programs for medical research and the support of scientific training on the Continent, and, at my request, Mr. Kidd extended the study there for another 12 weeks in order to go more deeply into some of its facets. It was abundantly clear to us that tremendous gains were to be obtained from the expenditure of relatively minor sums, these being scientific gains. However, another aspect has impressed me over the years, as I have traveled around the world, particularly in Europe, Central and South America. This stems from the fact that scientists in these countries play a more active role in the culture of their people as a whole than obtains in this country. Because of this, we feel that, wholly apart from the scientific values of this fellowship exchange, an ability to have some of the more brilliant scientists of these countries spend a year or two in the United States will achieve other valuable objectives. It will result in the establishment of groups of intelligent people, with high university posts in these countries, that will have a clear appreciation of the moral values of America. These, I am convinced, can only be obtained by having lived in America and having exchanged ideas on a day-to-day basis with people in the same business as they.

It would not take many fellowships per year, but continued over a 10-year period, to provide a sizable segment of individuals who will determine European culture with a type of honest indoctrination that gives them a true impression, and a true realization of the fundamental moral values of America.

Senator PASTORE. May I ask a question?

Senator HILL. Yes, Senator Pastore.

LOCATION OF FOREIGN FELLOWSHIP SCIENTISTS

Senator PASTORE. When these scientists do come here to America, where would they go and where would they perform their research?

Dr. SHANNON. They would not go particularly to Federal institutions, although this opportunity is open to them. No doubt a sizable portion of them would come to places like the National Institutes of Health or the Army Medical School. Arrangements will be made to have each of them accepted at one of our outstanding scientific institutions—

Senator THYE. I cannot hear the witness and neither can the reporter.

(Discussion off the record.)

Dr. SHANNON. These scientists will be accepted as guest workers in outstanding scientific and educational institutions throughout the country, but in a way that I feel will give them a greater appreciation of the generalities of American science than were they just to go to Harvard, Yale, Wisconsin, or Minnesota, and the like. They will come to NIH and spend a week to a month in residence with us. There they will be given a general overview of science in the United States, its institutions, its opportunities, and its people.

They will then be decentralized to the host institution, where they will spend 1 year or 2 years. Prior to their return to the country of their origin they would pass through Washington, spending 2 or 3 weeks again with us. At this time they could collect their ideas and perhaps prepare something in the form of treatises that would cover their experience while in this country, in this way their total experience would be most profitable to them.

PURPOSE OF PROGRAM

Senator PASTORE. I have this further question. Now is the purpose of bringing them here in order to afford an opportunity for our own scientists to go abroad and learn abroad, or is it for the purpose of teaching these visitors our techniques in order to edify them in their profession, or is it for the purpose of their coming here so we can learn from them a lot of what we do not know?

Dr. SHANNON. Well, sir, it is a combination of all of those. At the present time, there are quite ample funds to send American scholars abroad, and, in fact, in the places of origin of these scholars there are always Americans. We have adequate mechanisms for this purpose. We have fellowship mechanisms at the NIH and many of the private foundations also provide such fellowships. We have an ability to provide for such a one-way exposure, if you will.

However, we find, in talking to the senior scientists in advanced countries that visits to this country are quite possible for the professor while similar exposure of a number of young scientists so that they may feel something of the nature of the United States is now quite impossible. The professor, himself, has access to funds that permit him to visit this country at least for short periods of time. This is not true for the young scientist. However, the major segment of young scientists—and this particularly at a time when science is moving so rapidly, and when we are placing our major chips upon the younger scientists—these younger scientists are completely without an ability whatsoever to develop a true image, I would say, of the United States.

Senator THYE. Mr. Chairman, might I try to get further information on this.

Senator HILL. Yes, sir.

FINANCING FOREIGN FELLOWSHIP STUDENTS

Senator THYE. Is it a question of the United States aiding in the financing or bringing these students or these scientists to the United States? Is that the question?

Dr. SHANNON. This would be part of the question, Senator Thye, yes, sir.

Senator THYE. There are no funds at the present time that you could draw on to bring such scientists to the United States?

Dr. SHANNON. There are funds available, Senator Thye, but these funds are available for all university work, whether it be English, Latin, Greek or science. In an analysis of the funds that are available for these exchange fellows, the funds that have gone to either the biological or medical sciences are so small as to be completely incapable of doing much in the way of good. Now they do good, broadly speaking, but not when you break down science into its segments. The numbers involved are too few. I would say that, although I have emphasized the general values of this interchange, there are very selfish reasons why we are anxious to obtain a number of young scientists.

Senator THYE. I thought I understood you to say you had ample means for the student exchange or the American student going abroad.

Dr. SHANNON. Yes, sir.

Senator THYE. But the question seems to involve the scientists coming to the United States.

Dr. SHANNON. Yes, sir.

Senator THYE. Now, you say that they could come to the United States if they were enrolled in a university.

Dr. SHANNON. No, sir.

Senator THYE. Then I misunderstood you.

Dr. SHANNON. The funds to bring any sizable number of students are grossly inadequate.

Senator THYE. Well, you have some and the authorization of bringing the scientists is now available to you.

Dr. SHANNON. Yes, sir.

Senator THYE. But your funds are limited.

Dr. SHANNON. Yes, sir.

Senator THYE. And that is the question.

Dr. SHANNON. We are not asking for more funds for this program, Senator Thye. We would propose to divert some of the funds contained in the present budget for the specific purpose.

Senator THYE. Were there some unused funds in that?

Dr. SHANNON. No, sir.

Senator THYE. Then some other phase of it would suffer, would it not?

Dr. SHANNON. Well, suffer in the sense, that I think all of our fellowship funds—

Senator MAGNUSON. Are you talking only about your National Institutes of Health funds now?

Dr. SHANNON. Yes, sir.

Senator MAGNUSON. And you are not talking about your other funds?

Dr. SHANNON. No, sir.

Senator MAGNUSON. Used in exchange of students?

Dr. SHANNON. No, sir.

Senator MAGNUSON. Or scholarships or fellowships. That comes under other departments.

Dr. SHANNON. Yes, sir.

Senator MAGNUSON. You are talking purely about your funds in the National Institutes of Health?

Dr. SHANNON. I am pointing out that the other funds have not succeeded over the past 10 or 12 years—

Senator MAGNUSON. In bringing in the scientific part of it.

Dr. SHANNON. That is right.

Senator MAGNUSON. They are devoted to the other fields of knowledge and education.

Dr. SHANNON. Yes, sir.

INCREASED EMPHASIS ON SCIENTISTS

Senator MAGNUSON. What you are trying to say is that you would like to put more emphasis on bringing in the scientists. Is that about it?

Dr. SHANNON. Yes, sir.

Senator HILL. That is the way I understood it.

Senator PASTORE. Medicine and biology.

Senator THYE. What funds would you need specifically or in what manner must you have the authorization rewritten in order to permit you to do it?

Dr. SHANNON. Sir, we do not need any further authorization. This we have. We are not asking for any funds for this program at the present time because we feel that this should begin in a very modest fashion. We are not talking about really large dollar expenditures. It may well be that after the program has been well organized, perhaps after it has been running for a 2-year period, we might come before this committee and say that it is——

Senator MAGNUSON. Working well.

Dr. SHANNON. Working so well we would really like to invest more dollars in the program.

Senator THYE. Is there any phase of the question that involves and embarrasses you to such an extent that you cannot carry out what you hoped to do?

Dr. SHANNON. Not at the present time, sir.

MORALE SUPPORT OF COMMITTEE

Senator THYE. Is there anything that this committee should consider that would further assist you in your endeavors?

Dr. SHANNON. We would like your moral support, sir.

Senator THYE. That was what I was getting down to. You did not need money.

Dr. SHANNON. No, sir.

Senator THYE. You do not need a rewrite of the language.

Dr. SHANNON. No, sir.

Senator THYE. It is just a question would this committee approve of such an action.

Dr. SHANNON. Yes, sir.

Senator THYE. That is what I was trying to get my thinking clear on.

PROGRAM REPORT

Dr. SHANNON. Senator Thye, as you know, when we embark on a program of this sort, if it is a departure from our past experience or a return to past experience, we feel a moral obligation to let the committee know precisely what our thinking is, what we propose to do, and how we propose to do it. It was in the nature of a progress report

and again, as I say, hoping and actually expecting to obtain the committee's moral support that this report was made.

Senator MAGNUSON. If we could have that attitude from everybody we would be in better shape.

Dr. SHANNON. Sir, you know it is very nice to be able to report on a program as promising as this.

To return to the general commentary on the program—

Senator HILL. Excuse me one minute, sir.

While you are speaking about bringing the scientists over here, give us the other side of the coin which is our scientists going over there. You and I can remember—I say you can, perhaps you are a good deal younger and you may not remember—but really and truly nearly every doctor, every ambitious doctor had the desire to go to Vienna, Berlin, or Paris and London and study in some of those great clinics over there. Of course, they were not perhaps so much interested in research, but they did feel in the clinics over there there was something that perhaps they had missed or they did not get over here. How about that side of the coin?

Dr. SHANNON. Sir, I think that the scientists that go to the European laboratories today go to a specific laboratory for something highly specific, as opposed to what happened when I first entered medicine—which, Senator Hill, was many years ago, too. They went then to obtain as much as anything else the cultural attitudes that come from being closely associated with research. In the twenties there was a profound change in American medicine. It was characterized by the broad establishment of full-time departments of medical schools and for the first time a wide expansion of research in this country. This was so well established by the end of the 1930's that the tide had already begun to flow the other way—that is, Europeans were coming to us for the excellence of our facilities, rather than we following our desire to go abroad.

CARSBURG LABORATORIES IN COPENHAGEN

Be that as it may, there are still certain areas that are superlative training grounds for students with specific research interests. I have in mind such places as the Carsburg Laboratories in Copenhagen. I guess that the laboratory setup there, which is one of the outstanding biochemistry laboratories of the world, always will have 3 or 4 or 5 American students staying for 1 to 2 years. The same is true of the Caroline Institute in Sweden. The same is true in the Pasteur Institute in Paris. A good deal of the modern genetics of bacteria, a very forward-thinking research program built around one man, is being carried out in the Pasteur Institute in Paris.

So one can pick out specific areas where it is greatly to our advantage to send certain of our scientists. But the general need for a trip to Europe for what I would call a cultural experience is no longer there, and our internists, our surgeons, who heretofore had felt an absolute need for European experience, now feel no need at all. It is the scientists that go to inquire and acquire very specific or unique skills from a single individual that is dominating a specific scientific environment that we have greatest regard for.

Senator PASTORE. Could you describe this cultural experience for the record?

Dr. SHANNON. Could I describe it?

Senator PASTORE. You say the whole point here seems to be developing in this country a cultural experience that we apparently do not enjoy to the degree that you would like to have it. What does that mean, in simple language?

Dr. SHANNON. No, sir. I did not—if I said that, I did not mean it. I said the physicians and surgeons, pathologists, who in the early 1920's and the early part of the century traveled to Europe for training traveled primarily for cultural experience, although of course, many people also went for scientific training.

Senator THYE. Doctor, if I might interrupt at that point, and I beg the pardon of my colleague here for interrupting, in the early years at the turn of the century it was generally believed that your best scientists and research laboratories existed in the foreign countries.

Dr. SHANNON. Yes, sir.

Senator THYE. And, therefore, any student that could go into a foreign study or a foreign research laboratory for a period of time came back with a certain prestige that did not lend itself to a student that had just been in the classrooms of the United States.

Dr. SHANNON. That is right.

Senator THYE. I think that is what you were trying to convey to us at the time.

Senator PASTORE. I realize that. Now that has all changed. Now many of these people come here to develop their cultural experience.

Dr. SHANNON. Right now, sir?

Senator PASTORE. Right now.

Dr. SHANNON. A great many.

Senator PASTORE. That is what I mean.

Dr. SHANNON. Yes, sir.

MUTUAL BENEFITS OF PROGRAM

Senator PASTORE. In essence, what good is this program going to do us? Is it going to edify those who come here, or edify our own? That is the point I am trying to establish. Is it for our benefit or their benefit?

Dr. SHANNON. For the benefit of both.

Senator PASTORE. There will be benefit to us?

Dr. SHANNON. Yes, sir. There are certain areas where the European scientist still has preeminence, and when I say in certain specific areas, I have in mind such areas as biophysics. For example, I know you realize that the basic work in theoretical physics that led to the ultimate possibility of the development of the atom bomb was a European experience. In that area I think that now we are quite equal to them and perhaps beyond them.

On the other hand, there are certain of the fundamental sciences upon which medicine depends heavily and will depend heavily in the future. I think there are some laboratories abroad that are quite superior to the average of ours.

MASS EDUCATIONAL SYSTEM

Now secondly, we have a mass educational system in this country; we are primarily concerned with dealing with large numbers of students. This I will not decry, because I think that the benefits to all are far superior than an educational system which still continues in Europe where the benefits are limited to the few.

On the other hand, an educational system in science that will take an extraordinary amount of time and detailed effort with individuals as opposed to groups does produce a type of scientist quite younger in his age of emergence as an independent investigator as compared to our own system.

We would propose to provide fellowships to individuals, who, in general, at the time they get their Ph. D.'s, are 2 years in experience beyond our own Ph. D.'s. We feel that, bringing them into our laboratories, bringing with them their habits of thought and the attitudes of great European laboratories, will have a profound effect upon our young developing scientists. So I think we have a great deal to gain.

Now, I truly believe that, in the long run, the total benefit of this program may be on quite a different level than that of straight science.

ULTIMATE AIM OF PROGRAM

Senator THYE. You mean relationships between this and the most advanced scientists in the society of other countries, because, when they come and get acquainted with us, it will have a tendency to neutralize the vicious propaganda that has been spread against the United States and its scientific world, you might say.

Dr. SHANNON. Yes, sir.

Senator THYE. That is the ultimate and what is hoped for in the exchange of students and the exchange of these scientists.

Dr. SHANNON. Yes, sir.

Senator THYE. You are bringing the best of their society to this land, and they will go back with an entirely different concept, possibly, of the United States than the propaganda had taught them at an early time in life.

Dr. SHANNON. Yes; precisely.

AMOUNT PER PERSON

Senator MAGNUSON. Doctor, I think the record ought to show that, because we will be asked these question: What is the usual amount per person, travel, I imagine—

Dr. SHANNON. Sir, we have a one-page technical description of what we will propose with this. With your pleasure, we can have this included.

Senator HILL. I think that ought to go in the record. That gives the full answer to Senator Magnuson's question?

Dr. SHANNON. Yes, sir.

(The information referred to follows:)

EXTENSION OF ADDITIONAL NATIONAL INSTITUTES OF HEALTH FELLOWSHIPS TO SCIENTISTS FROM WESTERN EUROPE

A. PURPOSE

Bring to this country outstanding people with knowledge of unique techniques developed by scientists in Western Europe.

B. BYPRODUCTS

1. Implement the President's Baylor speech in which he said that "it is vitally important that we detect and pursue ways in which cultural assistance will mean more to world strength, stability, and solidarity than will purely military measures."

2. Strengthen the medical-research effort of Western Europe, and thereby increase the effectiveness of research in the world.

C. MEANS

1. Offer fellowships to additional numbers of postdoctoral students and persons in the regular academic ranks.

2. Fellows to study for periods ranging from 9 months to 2 years in outstanding laboratories in this country.

3. Nomination by the appropriate national body (for example, the Medical Research Councils of Great Britain; the Medical Research Council of Sweden; the Institute d'Hygiene in France). Liaison by a representative of NIH in Western Europe. Formal selection by the scientific directors of NIH.

4. Discussions of medical research in the United States and of special problems of individuals at NIH upon arrival in this country; reports on experiences in this country at NIH before return to country of origin.

5. Firm arrangements at the time of award for return to country of origin upon completion of term of study.

6. Under current law, a visa to visit thus may not be issued until necessary security clearances have been received.

D. NUMBERS INVOLVED AND FINANCING

1. Funds will probably be from the budgets of the Division of Research Grants, but the precise source of funds has not been finally decided. No additional statutory authority is required and no specific budget item is required.

2. The ultimate objective is to bring over about 50 persons per year; so that 75 to 100 will be in this country at any one time. At this point we would estimate a total of 15 to 25 in fiscal year 1958 at a cost in that year in the approximate range of \$150,000 to \$250,000—an average of approximately \$10,000 each.

E. COMMENTS

1. Initial concentration on Western Europe is proposed because of the concentration of medical research in that area, and relative ease of administration as compared with the Middle East, Far East, and South America.

2. Extension to other geographical areas is contemplated but not firmly planned.

BUILDUP OF WESTERN SCIENCE IN NATO

Dr. SHANNON. Dr. Van Slyke points out that this presentation would be grossly inadequate were it not to emphasize the indirect benefit that the United States acquires from a program which will aid in the buildup of Western science in the NATO nations. We will be the initial benefactors of these fellowships. But I am not a diplomat so I cannot be specific on much beyond that.

Senator MAGNUSON. Not being a diplomat, would you limit this to everything on this side of the Iron or Bamboo Curtain or would you attempt to call upon some scientific knowledge, and I am talking medicinewise, in other places.

Dr. SHANNON. Well, sir, I think that—

Senator MAGNUSON. I think you would have to start, naturally, with the other free nations.

Dr. SHANNON. I would think that if the opportunity were—I would rather have this off the record.

Senator HILL. Off the record.

(Discussion off the record.)

Senator HILL. Back on the record.

RUSSIAN MEDICAL RESEARCH TRANSLATION SERVICE

Senator HILL. Doctor, tell us what progress you have made with the new Russian medical research translation service that you initiated at the National Institutes of Health this fiscal year.

Dr. SHANNON. I would be very happy to, sir. As you know, this new program, established at the National Institutes of Health to provide a service for American medical science, results from recognition of a need and the interest of Congress and the Institutes, Public Health Service, and Department of Health, Education, and Welfare in meeting this need. The last session of the Congress and subsequent discussions led to rapid implementation of the service, which is now well underway and developing progressively.

The objective of the program is to help American scientists keep up-to-date on Russian medical research findings through increasing and speeding up the translation and the dissemination of Soviet scientific medical literature. The new service of the Institutes is planned to accomplish in the biological and medical sciences objectives of similar purpose in the program of the National Science Foundation in the physical sciences, where translating services have been developed to cover the Soviet literature in these fields. Supplementing and complementing the National Science Foundation activities, as well as other public and private efforts in this country, the Russian scientific translation program is designed to increase the previously small volume of Russian medical literature available in English translation in the United States and to provide more adequate coverage and wider, faster service than has heretofore been available.

As the Congress noted, in its last session and following its committees' hearings and discussion, there was a gap area, a place in need of immediate aid, the scope of which should supplement other translation efforts to the degree required to provide adequate coverage. Immediately following Congress' actions, a tentative program was drafted and circulated among scientific groups and interested Federal agencies. Incorporating suggestions from these and with continuing coordination with these interested agencies and groups, a program comprised of a variety of projects was evolved and implemented as rapidly as possible. For the operation of this program, a preliminary budget of \$233,000 for fiscal year 1957 was earmarked by equitable contributions from the appropriations of the individual Institutes, as suggested by the Congress.

The new Russian medical science translation program is already accomplishing the objective of better and faster communication of more of the results of Soviet medical and biological research to a variety of American professional groups and to more individual medical researchers in this country. This is shown by the response to and com-

ments upon the new program received by the National Institutes of Health; many statements have been received testifying to the acceptance and impact of the translation program and to the fact that a need existed which is now beginning to be well met.

SUMMARY OF ACCOMPLISHMENTS

I have with me a brief listing of some of the initial accomplishments in summary form:

Initial issues of two journals, published by Consultants Bureau, have been distributed to 300 medical libraries and 80 Government installations.

Six more journals to be published under contract resulting from competitive bids.

Seventy editors of American specialty journals invited to select papers from Russian counterpart journals for translation.

Grant of \$40,000 made to Excerpta Medica Foundation to translate and publish Soviet abstracts in cancer, physiology and pharmacology, infectious diseases, and internal medicine.

Contract signed for publication of Russian-English medical dictionary by Academic Press.

Preliminary edition of a directory of 489 Soviet medical research institutes ready to be sent to printer.

Special Libraries Association submitting grant application for support of translation pool to February Council sessions.

Preliminary selection made of monographs for translation; Selection Panel being organized for meeting in February.

Guide to Translation Services at Government Printing Office with anticipated March publication date.

Annotated bibliography of reports by scientific visitors to the U. S. S. R. compiled and ready for duplication.

Twenty-five sets of American Review of Soviet Medicine bought for request distribution.

Contract study of scientists' practices and prejudices in acquiring information from Soviet sources half completed.

ALLOCATION FOR PROGRAM

In continuing this program for fiscal year 1958, it is essential to maintain commitments already established. Translation of eight journals, the translation of abstracts, support for the translation center, and the preparation of reviews and the translation of monographs constitute the core of the program. As authorized by the committee, approximately \$233,000 from fiscal year 1957 appropriations of the Institutes has been allocated for the program. Several features of the fiscal year 1957 program are self-limiting, and it is expected that the level of activities can be maintained in fiscal year 1958 with a budget of approximately \$175,000.

In summary, for the first time we will have a continuing awareness at the bench of the accomplishments of people who are not within the free world. As we told this committee last year, this very awareness itself is worth literally hundreds of thousands of dollars. It means we acquire information that other people have spent money to acquire. It is as though we double our own scientific effort.

TOTAL INCREASE IN OVERALL BUDGET

Now on the more prosaic side, Senator Hill. To summarize our overall budget: It proposes an increase in grants for four appropriations, general research and services, arthritis, allergy, and mental health. The total increase in the grants request amounts to \$4,895,000.

The three appropriations for general research and services, for arthritis, and for allergy, even in the face of the large appropriations of last year, had serious shortages which became obvious as early as January, and for that reason a request for an increase has been made. Mental health, as you know, requests \$1.5 million to implement title V legislation of last year. This is aimed at conducting practical studies on a broad base in order to determine ways and means to bring the benefits of modern sciences to bear on individuals in mental hospitals, or to prevent them from requiring admission.

Senator HILL. This work would be done in cooperation with mental institutions?

Dr. SHANNON. Yes, sir.

FUNDS FOR MENTAL HEALTH

Senator MAGNUSON. Let us be specific now. What did the House give you on mental health?

Dr. SHANNON. Precisely what we asked, \$35,217,000.

Senator MAGNUSON. And you are asking for \$1.5 million more?

Dr. SHANNON. \$1.5 million increase. Then there is another item—

Senator MAGNUSON. Why is that? They gave you what you asked for.

Senator HILL. Yes; \$1.5 million is within the House figure. He was just explaining the figure.

Senator MAGNUSON. I see.

Dr. SHANNON. There were two increases proposed overall.

Senator MAGNUSON. I mean we are quite liberal over here, but not quite that liberal.

Dr. SHANNON. The increase in mental health is \$1.5 million to cover the so-called title V grants, and then there is a proposal for an increase in the overhead figure for all grants from 15 to 25 percent. I will speak to this in a moment.

ALLERGY AND INFECTIOUS DISEASES

This budget for the first time proposes the establishment of a training program in allergy and infectious diseases. This is an area where limitation on research accomplishments is imposed largely by limitations on soundly trained scientific personnel.

Senator HILL. Excuse me one minute, Doctor. For the sake of the record, and that we all may have the picture, give us a few examples of these infectious diseases and the work that comes under this Institute.

Dr. SHANNON. Yes, sir; if I can break the field into large classes of diseases, it will be easier to then break them down to common disease entities.

Senator HILL. All right.

Dr. SHANNON. There are three large classes of diseases that are lumped together in the broad category of infectious diseases. There are the diseases of bacterial origin, of virus origin, and of protozoal origin. There are others but most entities are contained within these three.

In bacterial diseases, for example, one has bacterial pneumonia, streptococcus infections, such as can result in rheumatic fever and rheumatic heart disease, and upper respiratory diseases. In the virus diseases one has influenzas, inflammation of the brain, characterized as encephalitis. In protozoal diseases one has the malarias, and many diseases that are of primary significance in the belt of the world just north and south of the Equator.

Our programs in infectious diseases at the National Institutes of Health cover all three areas. The first area relates to the so-called minor upper respiratory ills and ailments of viral origin. At the present time these diseases of viral origin probably are the primary cause of industrial absenteeism. They do not kill, they do not make one seriously ill, but they cost, it has been calculated, industry somewhere between 1 and 3 billion dollars every year.

We have made striking progress that Dr. Andrews may touch on later. We are beginning to evolve vaccines that are highly effective in preventing certain of these diseases.

TUBERCULOSIS

One of the bacterial diseases of interest to us is tuberculosis. We have made some striking progress in the separation of the mycobacterium, the cause of tuberculosis, into what might be called antigenically clean fractions. Parts of the mycobacterium may now be obtained by physical or chemical separation, which produce immunity without at the same time producing disastrous side effects.

The main difficulty in the one tubercular immunizing agent we now have, i. e., B. C. G., is that it causes serious side effects in individuals that have a latent infection. It cannot be used in such individuals. Nonetheless, it is these individuals that have the infections, latent to begin with, that cause the bulk of the later cases of clinical tuberculosis. The very people that most need a preventive measure are the people that cannot have administered the one immunizing agent available.

TROPICAL DISEASES

In relation to the tropical diseases, for example the protozoal diseases, we are no longer concerned with problems of malaria. It has been eradicated in the United States and control measures are available elsewhere.

SCHISTOSOMIASIS

On the other hand, we are concerned with problems of schistosomiasis, a disease which is devastating in its end result. The organism is transmitted by a snail. The disease is particularly prevalent wherever one has rice paddies and the types of agricultural economy that depends on irrigation in warm climates. And our scientists over the years—

Senator HILL. You speak about irrigation. Do you find it in the West where we have irrigation?

Dr. SHANNON. No, sir.

Senator HILL. You would not?

Dr. SHANNON. It is primarily in the hotter climates.

Senator HILL. In the warmer climates.

Dr. SHANNON. Puerto Rico is bad. It is probably the most important single disease entity in its importance on the economy of Egypt. It is a serious problem in the Philippines. As a point of fact, our soldiers were widely infected when we first hit Leyte, we were completely unaware it existed and it threw the Army in a tailspin for many, many months. We had no definitive knowledge of the long-range consequences of infections due to short exposures.

YELLOW FEVER

Again more directly important to us is the problem of yellow fever. As you know it was generally believed that yellow fever had been eradicated from this hemisphere. Later the so-called jungle forms turned up with monkeys, these being the definite hosts. This permitted mosquito transmission to occur freely around the year in many humid climates. The possibility of eventual eradication is now known to be remote. If any of you gentlemen have flown over the Amazon you will realize why mosquito control is not possible in such an area.

Yet yellow fever was of no concern to us for many years. But years ago, it was described in a series of fatal cases in the Panama Canal Zone. A few years later it was described in Guatemala. Now, for the first time, some 5 or 6 weeks ago, several monkeys were captured in the lower reaches of Mexico that were infected with yellow fever.

POSSIBILITY OF YELLOW FEVER EPIDEMIC

Now we realize we have a tremendous stake in the control of yellow fever because we have the urban vectors of the disease in many of our southern cities. If yellow fever were to break through the geographic barrier, as it appears now to be doing, it is conceivable we would have yellow fever in this country again.

This is of serious concern to the Pan American Sanitary Bureau. Our Institute of Infectious Diseases and Allergy has, on a crash basis, loaned a group of scientists to the Pan American Sanitary Bureau to work in Guatemala as part of the general program to stop the northern progression of the disease.

Yellow fever is caused by a virus. There are many other viruses, now that malaria can be effectively controlled, that are showing themselves up as causes of minor illnesses. These are more easily studied in tropical areas, such as Trinidad, Panama, Puerto Rico, and the like. However, we have reason to believe that our gulf-coast cities—Galveston, up around to the Florida coast—are, no doubt, equally susceptible. Furthermore, it has been found that the encephalitides—eastern and western encephalitis, and St. Louis encephalitis are indigenous to the Tropics. These are diseases that come and go in epidemic waves without any ability on our part to understand what causes their extension and what causes their contraction.

It now seems quite possible that the so-called tropical areas can serve as the stable reservoirs for the periodic extension of these diseases.

In résumé, when one talks about infectious diseases, he speaks about diseases that usually do not kill, although some do. Yellow fever does, as does viral hepatitis. Apart from such killing diseases, this is the area of medicine that still constitutes a major segment of general medical disability; diseases of children, young adulthood, as well as diseases of old age.

SENIOR RESEARCH PROGRAM

This budget proposes the second year of the senior research fellowship program. This program is aimed at developing scientists for teaching and research positions in the so-called preclinical sciences of anatomy, biochemistry, pharmacology, et cetera.

We are proposing a strengthening of our support services, that is, for our direct research program at NIH. We had a general increase in direct operations last year, but decided that we would try to withhold further support to the service operators in Bethesda to be certain these could not be run on a more economical base. After a starvation period, we have now shaken them down, I believe, to the highest practical peak of efficiency possible.

ANNUALIZATION OF 1957 PROGRAM

Then there is the sizable sum in the budget which represents an increase of some \$3 million that we have called annualization of the 1957 program. This includes retirement and social-security benefits which are mandatory, as well as wage-board increases, which are mandatory.

Finally there is a provision for increase in overhead from 15 percent, as is presently our practice, to an average of 25 percent.

This, the House has not allowed.

Senator HILL. Give us the benefit now, for the record, of what you mean by overhead. I think I understand what you mean by overhead. Give us that, so the record may show clearly what you mean by this overhead.

Dr. SHANNON. First, I would like to say that overhead is a misnomer. What we are really talking about now—

Senator HILL. That is the reason I want you to explain it to us.

INDIRECT COSTS OF RESEARCH

Dr. SHANNON. Are the indirect costs of research. These indirect costs are very little as long as the research itself is very small in proportion to the total operation of any installation. It becomes possible to add one scientist and a couple of technicians to a large teaching staff and not have to add additional people for purchase of supplies and equipment. The problem is large, however, when the research program is large.

Back in 1946 the problem was not considered very great. However, as the base of medical research has expanded to a point where medical research now constitutes a very sizable proportion of the total budget of many of our large educational institutions, the indirect costs—again I here include the administrative officers, the need for purchasing personnel, the need for light, heat, depreciation of buildings, and the like—these indirect costs are sufficiently in excess of 15 percent of the

total direct costs that their payment by institutions is really weakening education. Such funds are derived from money which should be used for educational purposes. Under the present system it is used to support, in part, the research activities.

It is my own conviction—and, I believe, the conviction of Secretary Folsom—that an increase in indirect costs or an increase in overhead to cover a larger proportion of the indirect costs than now obtained, would, by stabilizing the research base, benefit research itself more than any other single thing that can be done at the present time.

This is an area where one must have a firm conviction, sir, and this is mine.

LIMITATION ON OVERHEAD

Senator MAGNUSON. Did the House limit you to the 15?

Senator HILL. The present limitation.

Senator MAGNUSON. Yes. And you are asking for a change in that limitation, for more flexibility, up to 25?

Dr. SHANNON. Well, sir, we are asking for two things, I think. One is the removal of the restrictive language. It is our feeling that indirect costs are a proper part of doing business by an executive branch of the Government. This is something they should be able to negotiate, and I do not think that they would be irresponsible in such a negotiation. However, I think, if they change their practices, they should report to the congressional committees, but I think that it is inappropriate to put a legal restriction on their negotiating abilities in this area.

Senator MAGNUSON. For the purposes of the record, get the restriction and page, Mr. Chairman.

Senator HILL. We will put that in the record at this point.

Senator MAGNUSON. I do not see it in the House report here. Is it in the House report?

Dr. SHANNON. Yes, sir.

Senator MAGNUSON. Oh, yes; House Report 217. I see it is on page 17.

Dr. SHANNON. This relates specifically, of course, to our grant-in-aid programs.

EXCERPT FROM HOUSE REPORT

Senator MAGNUSON. What do you have to say about this?—

It was less than 2 years ago that the overhead allowance was raised from 8 percent to 15 percent.

Dr. SHANNON. Yes, sir.

Senator MAGNUSON (reading):

The committee does not doubt that most medical schools need some additional financial assistance; however, funds appropriated to the National Institutes of Health are not for the purpose of general assistance to medical schools, and the committee was not convinced that the research program for which these funds are appropriated would suffer by maintaining the current policies in regard to overhead allowances.

And they have left it at 15 percent in the bill.

Dr. SHANNON. I might say that there has been a very serious study of this matter by many of the granting agencies of Government.

Historically, the Department of Defense programs, as they have evolved since World War II, have in large part supported total indi-

rect costs. This is in their contract research area. Our programs started off with an 8 percent coverage.

Dr. DEARING. First it was none.

Dr. SHANNON. Beg pardon?

Dr. DEARING. At first it was none.

Dr. SHANNON. At first it was none. Later, everybody was so convinced that this was doing serious harm to the educational process that there was a concession, going from 8 percent to 15 percent.

Now, as a result of the studies during the past year by the Bureau of the Budget, by the National Science Foundation, and others, the general decision of the executive branch is that the granting agency should more or less cover total indirect costs.

Senator MAGNUSON. You say it harms the program because, as I understand it, you take these increasing overhead costs?

Dr. SHANNON. They have to come from some place.

Senator MAGNUSON. From somewhere—and you have a tendency, and it is only natural—you take it from the amount that should be in research.

Dr. SHANNON. I think you are taking it from the educational process.

Senator MAGNUSON. Yes.

DEPARTMENT OF DEFENSE POLICY ON OVERHEAD

Mr. KELLY. It might be pointed out, Mr. Chairman, that the Department of Defense has followed the policy of paying the full indirect costs of research, and there are several other governmental agencies, such as the Atomic Energy Commission which have followed that practice. The National Science Foundation and the National Institutes of Health, however, have more restrictive practices. This study which Dr. Shannon referred to is an attempt to get governmentwide uniform policy for measuring and paying for both direct and indirect costs.

Senator MAGNUSON. I heard the National Science Foundation. I do not recall whether we left in the bill a restriction or not, but there is in the House bill a restriction on the Science Foundation.

Mr. KELLY. I was not aware of that.

Senator MAGNUSON. I think there is. I am not sure. Their policy has been 15 percent.

Senator HILL. They have not marked it up yet.

Senator MAGNUSON. They completed their hearings, but that is all. It may not be, because I do not think it was mentioned in the hearings.

Dr. SHANNON. Senator Hill, I did not mean to take so long. I would like to answer any questions.

MODIFICATION OF PROCEDURES

Senator HILL. Doctor, I was interested in what you said about your planning, about modification of your procedures. You may recall that several weeks ago I addressed a letter to you, sir, in connection with this matter of planning and procedures and with the idea of looking more perhaps to continued stabilized attack on these different diseases for longer periods of time. I think I used perhaps as a somewhat analogous situation, our General Staff of the Armed Forces. They

certainly know where the enemy is today and they are certainly making their plans not just for 1 year or maybe for 2 years, but they are looking well into the future. And particularly I am sure is that true in their research. Every day now we are reading with interest about these ballistic missiles. We know they have not been brought about by any 1 year's research or 1 year's effort.

I wish you would go into that matter for the committee. Give us your best thinking, and give it to us fully, sir, just what can be done and what should be done in connection with improving this research or looking more in terms of long range and final victory over these enemies of mankind.

Dr. SHANNON. Well, sir, I am glad to have the opportunity to comment on some of these things.

First, as to our programs, I think that our programs have as much stability as is possible in any grant program, and insofar as they do not have stability it is more our fault than the framework within which we are operating. The Congress has shown a willingness, year after year, not only to support that which they started last year, but in fact, to expand it.

DURATION OF GRANTS

In response to this, our grant programs have increased in duration of the support of individual grants from a figure of something like an average of 1.8 years, to something like 3.2 years. This has taken place in the last few years.

Now this is, as I say, about as good as one can expect in a project grant support program, where program substance changes from year to year the way it does.

On the other hand, we have poor stability of support for individual careers in investigation—and we may well be getting to the point where we must consider careers of investigation as opposed to continuity in projects of investigation. How one can best handle this problem, I do not know, but there are a series of mechanisms that could be utilized.

RESEARCH UNIT MECHANISM

There is a possibility of utilizing a type of mechanism that has been quite successful in England, where there are what are called Medical Research Council research units. Under that system individuals are selected jointly by the Medical Research Council and a university, to work in a general area of science. They become direct employees of the Government yet are decentralized to the university and become full-time members of the staff of the university. This gives them a type of university stability that is roughly equivalent to university tenure. There is another mechanism—

Senator MAGNUSON. Do you draw on those for the part-time fellowships? Do a lot of those come from the pool of part-time fellowships?

Dr. SHANNON. They really come from junior personnel who have reached the stage where they no longer constitute a sizable gamble but where their demonstrated competence warrants permanence of support.

Another type of stability could be from a type of program grant, if you will, that might support the nucleus of whole departments.

In other words, if you have a professor of physiology or a professor of medicine who has had a distinguished career for 10 or 15 years, it would probably be to the interests of science to assure him of a certain minimum support as a base for an indefinite period of time and then, periodically, reexamine that base to determine whether it should be expanded or left as it is.

Senator THYE. Then, Doctor, at that point, for the sake of further clarification, what you are endeavoring to do is to make certain that the educational, scientific research will have the benefit of this student that seems to be one of your most apt students, and if you did not have some such program, he might well, for his own security, go to private enterprise or seek some security in a permanent job.

Dr. SHANNON. Yes, sir.

Senator THYE. Is that right?

INSECURITY OF RESEARCH SUPPORT

Dr. SHANNON. Yes, sir. This is one of the very serious hazards. The insecurity of research support on projects can be great. It largely depends on what a senior investigator wants to do this year or the following year and does not provide the emotional stability for the young investigator that will permit him to commit his life to research. When I say we are trying—we are not trying any of these things—we are attempting to utilize our project system as intelligently as we can within the intent of our regulations, within the intent of law and within the intent of our congressional committees, but I am saying that ultimately, sir—

Senator THYE. That was what I found in the study that I made with the university and other institutional agencies in research, that they would get an apt student and they desire to keep him but, because they did not have the ability, either in the wage scale or in the future certainties, they oftentimes lost that apt student and he went on to the field of employment for his security, and when you lost him, you never again had that opportunity of keeping that top mind in the field of scientific research.

Dr. SHANNON. Now, there are a series of other devices that can be utilized to do this, and I am very glad to report to the committees that the Secretary is proposing the establishment of a serious study of this and related questions by a group of competent outside advisers. They will have an opportunity to discuss these things with us. Their charge will relate not only to mechanisms, but also to overall goals. When Senator Hill discusses research planning, we are placed in a difficult position—we have our plans, I might say. We know where we would like to go in 2, 3, or 4 years. But it is not the hard type of planning that can be done within a framework of certainty of funds, or of at least good expectations of funds.

It has become increasingly apparent to us that as science has become more and more complex, there must be longer and longer range planning for it, if we are to make effective utilization of money. I believe that one of the responsibilities of the Secretary's planning group would be to decide and advise him: Are our ideas nonsense, are they prejudiced, or are they sound? Are we special pleaders, or are we really, in the final analysis, hard-headed scientists that see certain deficiencies in our present system that should be remedied?

I believe the type of overall programing now possible is not consistent with the level of dollar support of medical research in this country. I am convinced that with better ability to plan, with better ability to utilize our ingenuity, we would get more for the funds that are spending.

ACCOMPLISHMENTS OF PAST 10 YEARS

This is particularly apparent as we study what our programs have accomplished over the past 5 to 10 years. We have built a base of support for cancer research, for heart research, for neurological research, for all of our categorical programs, such a base as this world has never seen before, in terms of a support of medical research. But even while these programs have been building, the very basic programs of science, upon which these categorical programs ultimately depend for new knowledge, new approaches, and new techniques, these are starved, these basic programs are starving.

Senator HILL. These are what?

Dr. SHANNON. These are starving. I am talking about some of the university sciences, that have to be brought back into the medical school, as an essential part of medical research. I am talking about some of the pre-clinical sciences upon which all clinical medicine is based, and I have in mind our inability to provide stable careers for individuals in these sciences. If carried much farther, these deficiencies will do long-term harm to our overall progress.

BRITISH SYSTEM OR TENURE TYPE SYSTEM

So, I think it would be presumptuous on my part were I to say the British is the system this country should follow, or the tenure-type of program grant is the program we should follow.

Nonetheless we should try to remedy our deficiencies. I suspect that we should use part of all these techniques in an intelligent way—adapted to our own environment, of course.

I am convinced the one thing we must be very fearful of is the evolution of a support program that could eventually be on a straight formula basis, where the intelligence of our advisers could not be utilized to take advantage of research opportunities as these evolve. Anything that could lead us to support of research by formula would to my mind be disastrous.

Now, another thing we might mention here—and this is from your letter, Senator—relates to a possible need for money in the bank for planning purpose, i. e., a cash reserve. I can recount some of our experience this past year when our Institute directors were pretty harried individuals. They were given the very exciting possibility, last summer, of planning without regard to narrow dollar limitations. For the first time it was possible to do a type of research planning that previously had been impossible because of sharp dollar limitations. This required the better part of 3 months to prepare a working plan for the utilization of funds that were, in the aggregate, about double those they had requested. Such planning was necessary before they could be sure themselves and before they could assure the Surgeon General and the Secretary that their plans were wise and we should go forward.

Now these funds became available July 1, 1956. The programing of

the funds was probably complete about the end of September, and the funds were released for the programs roughly in the middle of October, and this is not in complaint of the mechanics; such time was required for essential planning.

USE OF CONTRACT FUNDS FOR RESEARCH

However, certain of the programs involved the use of contract funds for research and our authorities permit us to pay by contract for services rendered within a budget year. This meant that a quarter of the funds that were available for contract research were no longer available for programing since we could not build up a base for 1958 that was beyond our certain expectations.

Furthermore, by the time that the programing was completed, many of the research programs of the university groups had been more or less frozen for the year.

2-YEAR AVAILABILITY OF FUNDS

The result is that it will take us the better part of this summer and fall to consolidate the gains we had made this year.

If it were possible—and again I am making no special plea for this particular mechanism, I am just pointing out there are a series of devices that can make expenditure of funds by us more effective, and all of these devices should be looked at—if it were possible for the Congress, when they wished to establish a significant expansion of programs, to make a provision for funds to remain available for expenditure within a two-year period. This could be done with the expectation that the bulk of funds that were expended during the initial year would be expended for planning purposes. This would give a complete university cycle for planning purposes and would permit us to negotiate in a constructive fashion for the best type research. Under this system then we would have the ability to return to this committee fully 10 or perhaps even 12 months after the program was initiated, to make a progress report. We could then discuss, not only our plans for the expenditure of funds in 1958 but where the program could, with profit, go in 1959. In other words, in the long run, if we are trying to find out how best to spend these funds, we ought to look at the very mechanics by which funds are made available.

POSSIBILITY OF RESERVE FUND

Senator Hill asked for us to comment on the possibility of having a reserve of some \$90 million to be drawn against until expended, or some other sum. I think Senator Hill used that just as something to talk against.

After writing Senator Hill, I had an opportunity of discussing some of these problems with him, and I pointed out that this would give a type of planning opportunity that we had never had. But I also pointed out that we had had a very rough time this past year adhering to rigid standards of excellence, and I felt that to have some large amount of money in the bank might overtax our abilities to be very prudent administrators of funds.

So I would like some liberality of funds for planning purposes introduced by some other device than just having a drawing account, if you will. In the latter case we would come back and discuss, in retrospect, what we had done. A more effective program would place us across the table from you and plan what should be done.

I think what I am trying to say, in an inadequately prepared manner, is that there are a variety of modifications of budget mechanics that we feel should be given very serious attention at this juncture. These relate on the one hand to the mechanics of funding our operation, and on the other to the terms of our grant procedures. Some considerations relate wholly to how we do our business in our own shop, some relate to our relationships with our Appropriations Committees, but all require very deep consideration.

Another apparent——

UNEXPENDED BALANCES

Senator MAGNUSON. Before you leave that, we appropriate so much money to you every year and supposing your program cannot start until October. It is a third of a year. You can continue that on to the next October because you have the unexpended balance, do you not?

Dr. SHANNON. No, sir.

Senator MAGNUSON. You turn it back?

Dr. SHANNON. Yes, sir.

Senator HILL. The balance goes into the Treasury on July 1.

Senator MAGNUSON. You would report those unexpended balances. You just do not draw them out.

Dr. SHANNON. We cannot draw them out, sir.

Senator MAGNUSON. No; I mean they are in the Treasury to begin with and you draw them out.

Dr. SHANNON. Yes, sir.

Senator MAGNUSON. And what I am trying to get at—and maybe oversimplify it—you would probably like to do the job you are talking about considering one of these devices you mentioned, to have the authority to be able to continue to draw on those things for a year's program?

Dr. SHANNON. Yes, sir.

Senator MAGNUSON. And not be hit by dates, such as we are here, on July 1.

Dr. SHANNON. This is particularly true in the contract area.

CONTRACT AUTHORITY

Senator MAGNUSON. We allow some other departments to do that. We allow the Defense Department to do that, because, somewhat like building a ship, for instance, you just do not do it between July 1 and June 30. We appropriate for the ship and they keep on drawing on it, or they have the reserve pool obligated to work on it until the ship is completed. Research is what you are trying to say—I would think research is somewhat like that, too.

Dr. SHANNON. I think that is a very good analogy.

Dr. VAN SLYKE. I think it is very important that the committee be apprised of the fact that for research grants, where we make grants

for support of individuals around the country, we can start essentially the last day of the fiscal year and support them for 11 months of the next fiscal year. We give moral commitments to those folks, and we have never for financial reasons failed to honor those commitments. There is that kind of stability in the research grant program.

Incidentally, Dr. Shannon and I and others have gone before our advisers—our Study Sections and our Councils—and spoken at length and very feelingly about the need for two things: First, not to restrain scientists, these very capable men, within a very narrow range of described activities, but make the range broader, make more of a program type of support, and second, where we are supporting a capable man for a project, or usually a team of capable men, to give them long-term support.

So we have been stepping up in our 5-year commitments, if you will, so we are introducing stability that way. But, specifically the point that you raised, Senator, for contract authority, you see, we cannot spend a nickel beyond June 30.

Senator MAGNUSON. I know that.

Dr. VAN SLYKE. So the funds are not available to us. We run into that not only because we cannot support these contracts beyond June 30 with present fiscal year funds, but because the people who are doing the work for us are not quite willing to go into this on a 6 or 9 months' basis. They have to see their way to keep going on it. We can give them nothing more than a moral commitment.

Senator MAGNUSON. You might fall to the temptation along in June to make some of this authorization when maybe if you were not limited to the fiscal year you probably might look at it twice.

Dr. VAN SLYKE. We might for research grants. I would doubt seriously in practice that that would happen, but for contracts our hands are tied, because they have to perform the service within that fiscal year or the funds are not available. That accounts, sir, in part, for some of the unexpended funds this year. Since they are contracts, we cannot go beyond June 30.

EXAMPLES OF SPECIFIC RESEARCH PROJECT

Senator MAGNUSON. Let me ask this for information. I do not know the answer. I probably should know it, but, on a project itself, supposing you have a given project, project A and you estimated that would cost X number of dollars. You can give that X number of dollars to a project and that project may not necessarily end at this fiscal year.

Dr. SHANNON. No, sir.

Dr. VAN SLYKE. It can go on for 5 years.

Senator MAGNUSON. It can go on.

Dr. VAN SLYKE. Pay the whole thing. If we did that, five other projects we may not have funds for and not use that, of course.

Senator MAGNUSON. You would then have to do a lot of picking and choosing that you would not want to do in the over-all program. Would that have a tendency to do that?

Dr. VAN SLYKE. That is true, sir. And it is painful to deny support to capable research workers.

Senator HILL. Just like you would not want to pay the contractor the whole sum for a building that he would not finish for 2 years,

and deny yourself going forward with some other thing you needed to go forward on; is that right?

Dr. VAN SLYKE. Yes, sir.

Dr. SHANNON. There is another thing I would like to mention, Senator.

CONTINUING PROGRAM

Senator MAGNUSON. I suppose this is true in your field; there never is a completion of the building, ever?

Senator HILL. In this field, never.

Senator MAGNUSON. Never.

Dr. SHANNON. Well, sir, I think fortunately we have been able to complete some "buildings."

Senator MAGNUSON. Generally speaking, one thing leads to another and as the base gets broader it is pretty much a continuing program.

Dr. SHANNON. Yes, sir.

Senator MAGNUSON. It is pretty much a continuing program, this research, I would think—I may be wrong.

Dr. VAN SLYKE. You are absolutely right, Senator. Everything we discover creates a need to discover something else. It will be that way forever.

Senator MAGNUSON. Yes.

Senator HILL. All right, Dr. Shannon.

RESPONSIVENESS TO NEEDS

Dr. SHANNON. There was one other point, and this has to do with planning, too, but in a somewhat different sense. This aspect of research planning relates to the extent to which our programs are wholly passive, as opposed to having an ability to take specific advantage of the research opportunity as we see it as a group of prudent administrators. Our grant system in general, is responsive to needs, as interpreted to us by the scientists across the country. An application is made by a scientist because he has a concept of work to be done, facilities in which to do it, and techniques are available for it to go through to completion.

COLLABORATIVE RESEARCH

On the other hand, there are certain problems that require a coordinated activity. For example, from our past performance one could quote the development of effective utilization of streptomycin, penicillin, cortisone, and acth, the latter two in the rheumatic diseases. These studies were done by collaborative effort, where investigators were brought together in response to our invitation to participate. The studies were highly organized, and comparable results were forthcoming from each investigator.

This type of technique can be extended to include the exploration of certain areas, as has been done very effectively by the group of scientists responsible to the Armed Forces Epidemiological Board of the Department of Defense. These groups of scientists have been concerned with those medical problems that are of special concern to the military, but the techniques and organization they have developed are superbly suited for certain of our studies.

In brief, a group of people are designated as being peculiarly well suited to contribute to a selected field. They are brought together in the form of a commission for the study of this, that, or the other area selected.

These people then are given a long-term commitment by the Board, the Armed Forces Epidemiological Board, for support of work in that field.

The newly formed commission presents to the President of the Board a research program and a budget that will permit the group of studies to be undertaken. The members of the commission are experts but additionally are emotionally committed to the area to be explored, and have other competences that make them peculiarly suited to solve the problem.

A basic budget is then made available to the group of investigators who have the combined responsibility of the conduct of current research and forward planning. They can bring in, as the study progresses, associate commission members to further expand the problem where necessary, but they continue to represent the direct force, if you will, of the total study.

These techniques may well be useful to us in some of our problems. We have been attempting for some years to establish a sound program in the field of peptic ulcer. We have also been trying to establish a sound program in the field of ulcerative colitis. These are studies that are of importance to our people but, at the present time, there are not enough investigators who have deep interest in them.

We are considering the possibility of establishing a limited number of such commissions. Organizationally these would be placed midway between the study sections on the one hand, and the councils, on the other. Again they would serve as a forceful focus for a neglected field and at the same time permit a long-term commitment to that field not possible by our current mechanisms of support.

I would emphasize that many of my comments this morning relating to types of supports and the mechanisms of support are drawn from the continual discussions of the staff of the National Institutes of Health. These scientists are unwilling to stop their searching until we feel we have approached perfection, if this is, in fact, humanly possible.

We feel, at the present time, we are a long, long ways away from perfection. As we progress, as the importance of this program expands, not only within these United States but within the world, we feel that intelligent planning of this sort is an absolute essential. The simple availability of funds is not the total answer.

As I say, we are delighted that the Secretary is going to give us a sounding board, if you will—I hope it is more than a sounding board—in the form of a committee that will be in a position to be a little bit more objective about certain of these things than we are at present. We live with these things day in and day out.

I suppose, Senator Hill, at times we are pretty unrealistic. We have our yearnings, and sometimes our yearnings do not make sense. I hope that is not the case too frequently.

Senator HILL. I think, Doctor, that Dr. Felix, head of the Institute of Mental Health, will tell us that those yearnings are very natural things. We would not get very far if we did not have those yearnings.

NEED FOR LEGISLATION

Let me ask you this, Doctor. Do you feel there is need for any legislation at this time?

Dr. SHANNON. Yes, sir; we do. Right now, if the House report or bill stands we have to close our cafeteria.

Senator HILL. I was going to come to the cafeteria in a minute, but I meant legislation in connection with your research programs; I have not left that yet. I will come to the cafeteria in a minute.

Dr. SHANNON. We have some problems, but I do not know if they have to be solved by legislation; perhaps some can be solved by rulings by our legal counsel or the Comptroller General. I will mention several to you:

TRAVEL OF GOVERNMENT SCIENTISTS

We are in a very difficult situation in our relationships with many voluntary agencies, many universities, and many international congresses, because of the ruling that precludes in any practical manner their participating with us in the travel of some of our scientists to special conferences and symposia.

Senator HILL. You mean under that ruling, one of your scientists cannot go, say, to a meeting at the University of Minnesota, and have the University of Minnesota or some group there in Minnesota pay the expenses of that scientist—is that correct?

Dr. SHANNON. If you did not pick Minnesota——

Senator THYE. Dr. Shannon, I am very happy you corrected that. I thought the chairman was kind of needling a little.

Senator HILL. I will tell you why I picked Minnesota, because Senator Thye rendered such distinguished services as the chairman of this subcommittee and still is such a distinguished member of the subcommittee, and he does have such a great medical university in Minnesota, is the reason I picked Minnesota.

Senator THYE. Mr. Chairman, I will say that we have one of the finest medical units in all the land at the University of Minnesota, and I believe that can be stated without any fear of a challenge.

Dr. SHANNON. We concur heartily, sir.

Senator THYE. And, Mr. Chairman, any interest or the keenest interest that I have in this entire field was gained, first by my acquaintance with the research activities at the University of Minnesota. That came to me when I was first privileged to know anything about it, and that was when I was serving as Governor, and that was where—and from there I chose this committee; and in fact, Mr. Chairman, I forfeited seniorities for the chairmanships of two committees, Civil Service and Post Office, and Government Operations, to get on Appropriations, and then my next choice was to get on this subcommittee, because I felt that I could do something toward aiding humanity in the field of research by serving on this committee.

Dr. SHANNON. Well, our problem, to outline it in principle, is not very serious.

The fundamental thought is that, if a Government scientist travels on Government time, it should be to satisfy a normal purpose of his position. With this we heartily agree. However, when this is translated into action, we get into situations such as this, and I will personalize this so that it will be wholly self-analytical.

INTERNATIONAL POLIO CONGRESS IN GENEVA

Some of us have been invited to attend the International Polio Congress in Geneva this July. It is terribly important that we have good American representation there, because the bulk of the work in this field has been done in the United States. This work was under unrealistic fire for a period of time, and it has just recently been accepted by the Europeans. By and large, hopefully, this Congress will put the seal of approval on an international basis on the activities that have been conducted in research laboratories and industrial groups in this country.

Senator THYE. In your opinion, how many scientists should go to that Conference in Geneva, in order that the United States can have the proper representation and make a proper presentation of itself as a nation?

Dr. SHANNON. I would say probably between 10 and 15. I would place that as a minimum. I would start off by saying that the expert committee appointed by General Scheele here some two years ago at the peak of the crisis should go en masse, because they are the ones, above all others, who have technical competence in all aspects of testing, evaluation, and production of this vaccine. Then, I think, there should be those who have been fundamental to the development.

Now, the problem is not the cost of this travel, Senator, because the Polio Foundation is delighted to subsidize the total cost of all these people going over. However, since the cost of staying in Geneva and hence the overall cost of travel is in excess of that which is allowed Government employees, we, as Government scientists can only receive from the Polio Foundation, if we go as an official, the equivalent of what the Federal Government would pay. Otherwise, one must take annual leave. As a result the four of us will take annual leave to go to the Congress, in order to be able to accept funds from the National Foundation to carry us over and back at no cost to the Federal Government, to do what is really an official job.

I think that is one of the odd consequences of what really happens—

Senator THYE. Technically, you could not receive that supplemental assistance if you remained on a wage status?

Dr. SHANNON. That is right.

Senator THYE. That is why you take your annual leave?

Dr. SHANNON. Technically, my salary is not high enough to afford to supplement it from my own income. At least, I feel it is not.

Senator THYE. I agree with you, Doctor. I absolutely agree with you.

AMERICAN DRUG MANUFACTURERS ASSOCIATION

Dr. SHANNON. One of the high officials in the Public Health Service, whom I will not name, recently was the invited guest of the American Drug Manufacturers Association to give a keynote talk on certain interrelationships of the Federal Government and industry. These talks are tremendously important, because this group includes top executives of the whole pharmaceutical industry, and a major segment of the heavy chemical industry. In order to obtain the type of collaboration between organizations of this type and the Federal Government, it is necessary for many of us to discuss our positions

with them and at times on the industry's grounds, at least, so I believe.

This meeting was at Palm Springs. The hotel room, I am told, came to something in excess of \$35 a day.

Now, this high official did not select the hotel. We had no choice of what hotel he would stay in, but this money of necessity came out of his pocket.

Now, there is no simple way of avoiding the reoccurrences under the present regulations. Maybe these are not good examples. However, it would appear only fair for a university group or a foundation or a business organization to invite an individual to participate in their deliberations, as an official, and have the opportunity to defray the cost of the travel involved. As I say, the principle upon which the definitive decision is based, is sound or would appear to be so to me. However, its application to the specific cases works hardships. We are hoping that a reinterpretation will be possible. I might say the general ruling hits all executive branches, the Bureau of Standards, the Department of Agriculture and others.

STATE DEPARTMENT POLICY ON TRAVEL

Senator MAGNUSON. How do we handle the State Department on that?

Dr. SHANNON. Sir, I do not know.

Senator HILL. I imagine, on account of the fact so many of their personnel have to travel overseas, that they have a special statute.

Senator MAGNUSON. I imagine they have no limitation.

Dr. SHANNON. They may have a special statute.

Dr. VAN SLYKE. I think, Mr. Chairman, if I may, I will stress again what Dr. Shannon said: This is merely travel cost. There is no compensation involved in this.

Senator HILL. No honorariums.

Dr. DEARING. No, sir. The technical interpretation is that the payment of these costs is actually a supplementation to the appropriation, unless one takes annual leave.

Senator HILL. Would you say this question is now back before the Comptroller General?

Dr. SHANNON. I am not quite sure where it is, sir. I think it is, is it not?

Dr. DEARING. I do not know.

Dr. SHANNON. We recommended it be referred back. This may require legislation—I am not sure.

GOVERNMENTWIDE PROBLEM

Dr. VAN SLYKE. I think, Mr. Chairman, I should also stress that this is not a matter solely for the National Institutes of Health or the Public Health Service, but it is departmentwide.

Dr. SHANNON. It is governmentwide, I believe.

Senator HILL. We will move along a little bit, unless there are some questions here. I think the doctor made this clear.

CAFETERIA PROBLEM

What is the problem about your cafeteria?

Dr. SHANNON. This becomes rather complex, Senator Hill, and if I could have included in the record a technical description of our problem, I would appreciate that. I could talk about the problem generally.

There is contained in our appropriation language the authority to run a cafeteria and recoup our costs. This is legislation that has been repeated year after year. The House took exception to the authority and still it constitutes the only authority we have to run a cafeteria.

(The information referred to follows:)

CAFETERIA

The Congress has included authority to operate a cafeteria in the Clinical Center, and to credit the recovered costs of its operation to the general appropriation "General research and services, NIH, PHS," in each annual appropriation act since 1954. The deletion of this authority from the 1958 appropriation act, which occurred in the House of Representatives on a point of order, will mean that our Clinical Center cafeteria will be out of business on July 1, for without this appropriation language the Surgeon General will have no authority to operate this cafeteria. If this happens the NIH will be faced with a critical management and employee morale problem:

1. It will have only the one small GSI cafeteria—already operating at capacity—to service a current population of over 5,500 people.

2. It cannot contract with an outside concern to operate the Clinical Center cafeteria because the basic design of the center provides one large kitchen to feed both patients and employees in order to share this facility and thus avoid duplication of both facilities and personnel.

3. The only remaining alternative, then, is for Clinical Center and other affected employees to eat off campus, and this just cannot be done within the normal one-half hour lunch period. In order of magnitude, this involves not only the 3,000 plus employees housed in the Clinical Center, but also a large number of employees from adjoining laboratory and service buildings. Not only will the NIH suffer a severe loss of productive time from a program standpoint, but we may also expect a serious employee morale problem through our inability to provide adequate feeding facilities on the campus to say nothing of the traffic and parking problems which would be created both on campus and in the Bethesda business community.

This statement points up the seriousness of our overall problem—without getting into further detail on such specific problems as how we are to feed our hospital staff during their hospital tours of duty, which of course involve nights, holidays, and weekends. In short, the NIH is faced with an extremely serious and critical problem if the House action should be sustained.

What we are doing is protesting the striking out of this language from the appropriations act.

NEED FOR CAFETERIA

Senator HILL. Let me ask you this question: If you cannot run a cafeteria, where in the world would your employees have to go to get their meals? You are out there by yourselves. I think it is fine that you are out there by yourselves, but you are certainly not surrounded by cafeterias or restaurants, so far as I know.

Dr. SHANNON. Literally the community could not serve the employees.

Senator HILL. It would be an impossible situation.

Dr. SHANNON. There is a second point-of-order authorization that was stricken by the House. This problem really gets into the techni-

calities of the appropriation. We run a great many of our central services by a reimbursement formula. In other words, money is appropriated for the Cancer Institute or the Heart Institute for those services which are furnished on a central-service basis. Some of these services are paid for on a straight fee-for-service basis and others based on a formula derived from experience. In either case, we now have an ability to finance our central-service operations through such advance reimbursements. Senator HILL, I would rather, if I may, call on Mr. Siepert to discuss the technicalities of this, or perhaps Mr. Harlow, because I get lost when it comes to how you resolve this one.

Senator HILL. All right.

OPERATION OF CENTRAL SERVICES

Mr. HARLOW. Senator, the present appropriation language as recommended in the budget authorized us to advance from the categorical Institutes' appropriations to the general appropriation of the NIH funds which are determined to be necessary to operate these central services. That includes a great many things; the machine shop, the shop that manufactures articles for the various institutes.

Senator HILL. Give us a few examples so we might have it for the record, Mr. Harlow, when you speak of articles.

Senator MAGNUSON. Let us make the record a little clearer. In the House bill you cannot do that; is that correct?

Mr. HARLOW. That is correct.

Senator HILL. The language went out. The language was in there to allow them to do it.

Senator MAGNUSON. And now that is out.

Mr. HARLOW. Yes, sir.

Senator THYE. The articles that you refer to are technical instruments or instruments that go into the research just the same as the University of Minnesota scientists went into the engineering technique and developed the circulatory pumps that circulated the blood from the host animal. As they commenced to make surgery on the heart they circulated the blood from the one dog over into the other while they were performing surgery on the heart. Those are the instruments, and you cannot hire a technician or a garage mechanic, or somebody like that do this work. You have to do it in your field of research, and that is what you have reference to?

Dr. SHANNON. It goes much further.

Senator THYE. I am just using the rough layman's explanation, but you can fill in details of the scientific instruments that you have to design in order to carry out the research project that you are oftentimes engaged in, and that is what is involved in this legal interpretation.

Senator HILL. I think Mr. Siepert here might give us a brief summarization.

Mr. SIEPERT. The particular services you are talking about, Senator Thye, are very much a part of this financing problem. In addition, there are, I would say, probably 3 dozen different kinds of technical services, of which you have mentioned 1.

Senator THYE. I just used the one as a rough example of what was done in one research laboratory that did not relate itself to your problem, but it was an example of that which you are constantly confronted with in the research field.

PATIENTS' SERVICES IN CLINICAL CENTER

Mr. SIEPERT. The largest factor dollarwise in this problem would be the entire operation of the patients' services in the Clinical Center. Those have to be operated as a single organizational structure for all of the seven Institutes, so that they transfer moneys in to pay the cost of the care of patients.

All of our costs for raising animals are included, and we raised practically 1 million animals last year for our direct operation. This is handled through central service. So is the entire maintenance of the plant, so that this problem is of real importance to us because these are so complicated as services that it is necessary to have the money in a central fund rather than finance these out of seven different appropriations.

Senator MAGNUSON. Where does the House mention that in their report?

Mr. SIEPERT. It is not mentioned in the report.

DELETION OF LANGUAGE BY HOUSE

Senator HILL. The House committee retained this language and raised no question about it, but on the floor of the House it went out on a point of order and, as the Senator well knows having been a distinguished Member of the House, when a point of order is made if the language is legislation, it goes out. There is no way to get it in then at all. It goes out automatically almost.

Mr. HARLOW. There is \$18 million worth of work involved in this one item we are talking about, Senator. You can understand how it is necessary when you have an operation that large that you be able to finance it from one fund. That is why it is so essential that we have this language, because it would be an administrative and bookkeeping nightmare to attempt to finance those central operations out of the seven separate appropriations.

PREVIOUS FINANCING PLAN FOR CENTRAL SERVICES

Mr. SIEPERT. Prior to 1954 we were able to finance the central services in a slightly different manner. They were much smaller in size: they were financed out of the central appropriation of the NIH, which at that time included the research grant funds for our general grant program as well as the research programs for the three Institutes now known as: Allergy and Infectious Diseases, Arthritis and Metabolic Diseases, and Neurological Diseases and Blindness. This put enough money in that central appropriation so that you could meet the payrolls until reimbursements came in from the Institutes. This is not the case today because in 1954 the Congress at our request established each of these Institutes as separate appropriations so that the parent appropriation does not have the cash resources to permit us to operate the services except by very frequent billings back to the Institutes. This is why it can become an accounting problem.

Senator HILL. Are there any other questions on this matter?

COST-TYPE CONTRACTS FOR CANCER CHEMOTHERAPY

Doctor, why has not the NIH used the authority provided in the Cancer Institute appropriation to negotiate cost-type contracts for cancer chemotherapy? What is the answer on that?

Dr. SHANNON. I would like to have Mr. Siepert discuss that.

Mr. SIEPERT. Now Senator, or would you care to wait until you hear the Cancer Institute?

Senator HILL. When we get to the Cancer Institute. When you and Dr. Heller come we can take it up then.

Is there any other matter you would like to take up at this time, Dr. Shannon?

GENERAL GRANTS AREA

Dr. SHANNON. There is one other thing. I do not know whether it requires language or whether it simply requires legislative intent. As I mentioned earlier, we are increasingly impressed by the inadequacy of the job we are doing in the so-called general-grants area. You may remember we discussed this very briefly in your office in relation to the planning of the program in the future.

We have had discussions with our own General Counsel over a sizable period of time as to whether the general authority of the Public Health Service and the general authority of the NIH would permit the making of grants for fellowships and training in the old "Operating expenses" appropriation, now the "General research and services" appropriation. We would like it made abundantly clear to the General Counsel that it would be the intent of this committee to permit certain of these activities to be done under this general appropriation.

TRAINING PROGRAMS

Let me give two examples of the complications under the present system. We reported to this committee last year the serious need of the biometricians and epidemiologists for the modern approach to clinical science and said that we were establishing training programs in these two areas.

Dr. Van Slyke negotiated with each of the categorical institutes within their training grant authority for sums to be operated out of a central committee to provide the necessary funds to establish these two training functions. This meant negotiation with each of seven councils, with each of seven Institute directors, and then the establishment of a central committee operating under the general appropriation. The latter group actually recommended certain grants.

These grant recommendations then had to be returned to the seven councils for their approval. This was a pro forma type of approval, but be that as it may it was legally essential. As a result there is no single appropriation that we can point to in relation to the activities of this committee to indicate the training that is being done on a centralized basis. We find now that this is going to be even more complicated in the future because of the shortage of physiologists, of pharmacologists and pathologists.

PROPOSED LANGUAGE CHANGE

These training programs in the preclinical sciences have a terrific impact on the categorical areas, but they cannot be sensibly supported on a centralized basis from categorical funds of any one Institute. They should be supported in the general appropriation. If there is any doubt of the intent of the committee, we feel that perhaps four words should be added to our section 301.

The section now reads:

Make grants-in-aid to universities, hospitals, laboratories, and other public or private institutions, and to individuals for such research projects grants as are recommended by the National Advisory Health Council

If that were modified to read—

to individuals for such research projects and research fellowships and training grants as are recommended by the National Advisory Health Council.

it would remove for all time this difference of opinion. We feel we have the authority. The General Counsel feels that we do not.

Senator HILL. If you add that language as you suggest, that really would mean legislation.

Dr. SHANNON. You asked me if we needed legislation.

Senator HILL. I understand that.

I wonder if the committee saw fit in its wisdom, to be certain of this matter and just to make clear its intent that these research fellowships and training grants were included under these grants-in-aid, would that take care of it?

Mr. HARLOW. I do not think that is sufficient, Senator.

Dr. SHANNON. The General Counsel's opinion is based largely on the fact that such authority is specifically and precisely covered in the categorical Institutes, and because of omission in the general authority, they believe that it was never meant that such authority should be there. Sir, as you said, do we need any legislation?

Senator HILL. As the chairman of the committee that has jurisdiction over the legislation, you and I will have to have further conferences. Is there anything else you want to add, Doctor?

Dr. SHANNON. No, sir; I think I have burdened you with enough of our troubles.

MEDICAL RESEARCH FUNDS

Senator HILL. Doctor, would you supply for the record a statement which would show the total funds available in the United States for medical research, as well as some indication as to the growth in expenditures for this purpose over the past 10 years?

It would also be of interest to the committee if your report would show how much the voluntary organizations raise for medical research, as well as some indication as to the annual investment by the pharmaceutical industry for this purpose.

Dr. SHANNON. We will be glad to furnish the latest information we have available on the subject, Mr. Chairman. Detailed information for the current year is probably not available in all cases, but we will furnish the latest information that is available to use.

Senator HILL. Very well, Doctor. Thank you.

(The information referred to follows:)

SUMMARY OF NATIONAL EXPENDITURES FOR MEDICAL RESEARCH (PRELIMINARY
1957 DATA)

National Institutes of Health, April 30, 1957

I. THE TOTAL PICTURE

The Nation's attack on disease through medical research is a joint undertaking of private industry, private nonprofit organizations, and the Federal Government. National support of conduct of medical research in 1957 is expected to reach almost \$330 million.

TABLE 1.—*Medical research funds by source, 1957*

[In millions]

Agency	Funds	Percent of funds
Total.....	\$330	100
Federal Government.....	156	56
Industry.....	90	27
Philanthropy.....	35	11
Schools and other nonprofit.....	19	6

The Federal Government in 1957 will supply half of the Nation's funds for conduct of medical research. But three-fourths of the Nation's medical research funds will be used in the laboratories of private industry and private nonprofit organizations, principally college and university laboratories.

Private support of medical research (philanthropy plus schools and other nonprofit) has increased from a level of \$25 million in 1947 to \$54 million in 1957.

TABLE 2.—*Medical research funds by use, 1957*

[In millions]

Agency	Funds	Percent of funds
Total.....	\$330	100
Federal Government.....	75	23
Industry.....	83	25
Philanthropy.....	2	1
Schools and other nonprofit.....	170	51

II. POSTWAR GROWTH

Medical research expenditures have grown rapidly over the past decade, but no more rapidly than all research.

The economy has been growing, even after taking price rises into account.

TABLE 3.—*National growth of medical research expenditures in relation to total national research and development and GNP*

Year	Amount (billions) ¹	Amount (millions)	
	Gross national product	National research and development ²	Medical research ³
1947.....	\$232	\$1,990	\$88
1948.....	257	2,201	113
1949.....	257	2,200	133
1950.....	285	2,503	148
1951.....	328	2,971	163
1952.....	345	3,532	173
1953.....	363	5,370	203
1954.....	361	5,735	225
1955.....	391	6,280	240
1956.....	412	6,970	270
1957.....	435	7,390	330

¹ Economic Report of President, and Joint Economic Committee (current dollars).

² National Science Foundation documents; McGraw-Hill, Department of Economics; adjustments by ORP-NIH.

³ Public Health Reports, February 1954, and ORP-NIH estimates.

The sharp increase in research and development expenditures in 1953 is not a real growth, but a statistical adjustment to take account of earlier underestimates.

III. THE RELATIVE IMPORTANCE OF RESEARCH AND DEVELOPMENT

Only 4 to 5 percent of the Nation's total research and development is devoted to medical research.

All kinds of research and development amount to 1.5 to 1.7 percent of the gross national product. Only one-fourth of 1 percent of the gross national product was devoted to research and development in 1929.

TABLE 4.—*National medical research expenditures as percent of expenditures for national research and development and national research and development as percent of GNP*

Year	Medical research as percent of national research and development	National research and development as percent of GNP	Year	Medical research as percent of national research and development	National research and development as percent of GNP
1947.....	4.4	0.86	1953.....	3.8	1.50
1948.....	5.1	.86	1954.....	3.9	1.59
1949.....	6.0	.86	1955.....	3.8	1.61
1950.....	5.9	.88	1956.....	3.9	1.69
1951.....	5.5	.91	1957.....	4.5	1.70
1952.....	4.9	1.02			

IV. FEDERAL MEDICAL RESEARCH EXPENDITURES

Federal appropriations for research finance a significant portion of the medical research carried on in the private section of the economy. This year, \$111 million (table 5) of the \$255 million medical research program carried on in private laboratories (table 1), or almost 45 percent of all private medical investigations, will be financed by Government.

The proportion of Federal funds spent for grants and contracts, as contrasted with the operation of Federal laboratories, is now running close to 60 percent of the total amount, an increase of more than 15 percent over 1956.

Medical research grants of NIH (\$85 million) account for half of the total of \$170 million research program carried on by all medical schools, universities, and other private nonprofit laboratories.

TABLE 5.—*Estimated Federal medical research expenditures by agency, 1957*

Agency	Amount (millions)		
	Government laboratories	Grants and contracts	Total
Department of Health, Education, and Welfare:			
Public Health Service:			
National Institutes of Health.....	\$39	\$85	\$124
Other units of Public Health Service.....	12	1	13
Subtotal, Public Health Service.....	51	86	137
Other units of Department of Health, Education, and Welfare.....		1	1
Subtotal, Department of Health, Education, and Welfare.....	51	87	138
Department of Defense.....	14	9	23
Atomic Energy Commission.....	1	12	13
Veterans' Administration.....	9	1	10
National Science Foundation.....	0	2	2
Total.....	75	111	186

V. TOTAL INDUSTRIAL MEDICAL RESEARCH EXPENDITURES

This estimate rests upon estimates of the present gross sales of the pharmaceutical industry expanded for research and absolute gross sales figures. The industry, as shown by several studies, spends about 5 percent of gross sales on research.¹ Application of this percentage to gross sales yields research expenditures ranging between 90 and 100 million dollars. The latter figure may be somewhat more realistic, but the more conservative \$90 million figure is used here.

VI. MEDICAL RESEARCH PROGRAM OF INDIVIDUAL FIRMS

The individual pharmaceutical houses have not released much information relating to their research programs because of the highly competitive nature of the industry and the central role played by research. However, the data that were available confirm the fact that about 5 percent of sales are used to finance research. Pertinent data from individual firms are shown below.

TABLE 6.—*Medical research expenditure of individual firms, 1956*

[In millions]

Company	Amount	As percent of sales
Merck.....	\$7.3	5.0
Parke, Davis.....	4.5	4.1
Pfizer (Chas.).....	7.0	5.0
Abbott Laboratories.....	5.0	5.4
Smith, Kline & French.....	4.0	4.7
Schering.....	2.3	5.8

Source: Forbes magazine, Jan. 1, 1956.

Recent indications are that these forecasts of medical research support by individual firms are low. For example, Pfizer's annual report for 1956 (New York Times, Mar. 31, 1957) shows a total of \$8 million instead of \$7 million invested for medical research.

¹ D. C. Dearborn, Spending for Industrial Research, 1951-52. Harvard Business School; Medical School Inquiry, Staff Report to the Committee on Interstate and Foreign Commerce, House of Representatives, 85th Cong., 1st sess., Government Printing Office, 1957; Bohmfalk, The Modern Pharmaceutical Industry, reprint from Chemical and Engineering News, 1953; Forbes magazine, January 1, 1956.

VII. PRIVATE GIVING FOR MEDICAL RESEARCH

A. The voluntary health organizations

Of the total of \$35 million contributed to medical research privately, \$25 million comes from individual contributions through voluntary health organizations and direct personal gifts to support research. Private endowed foundations supply the remaining \$10 million.

As table 7 shows, the national voluntary health organizations supply about \$18 million for research, only one-eighth of their total annual collections of \$143 million. Three large associations supply 80 percent of the research funds raised by all foundations.

It is estimated that the funds reported in table 7 cover only about two-thirds of funds raised by national and local organizations and contributed directly by individuals.

TABLE 7.—*Medical research and total funds of voluntary organizations, 1955*¹

[In thousands]

Organization	Total funds	Medical research funds	Medical research funds as percent of total funds
National Foundation for Infantile Paralysis.....	\$52,475	\$2,702	5.1
National Tuberculosis Association.....	25,780	748	2.9
American Cancer Society.....	24,427	6,908	28.3
American Heart Association.....	13,576	4,753	35.0
National Society for Crippled Children and Adults.....	8,633	20	.2
United Cerebral Palsy.....	7,507	547	7.3
Muscular Dystrophy Association of America.....	3,489	776	22.2
Arthritis and Rheumatism.....	2,220	408	18.4
Planned Parenthood Federation of America.....	1,150	64	5.6
National Multiple Sclerosis Society.....	1,298	130	10.0
Damon Runyon Memorial Fund.....	996	991	99.5
American Foundation for the Blind.....	696	0	0
National Association for Mental Health.....	630	126	20.0
American Social Hygiene Association.....	319	0	0
National Society for the Prevention of Blindness.....	246	32	13.0
National Council to Combat Blindness.....	185	106	57.3
National Epilepsy League.....	(²)	(²)	(²)
Total.....	143,627	18,311	12.8

¹ These are the latest figures published by the Lasker Foundation. In a few cases individual organizations have issued more recent figures in their latest reports.

² Not available.

B. The private foundations

The large, endowed, private foundations, particularly the Rockefeller Foundation, played a pioneer role in stimulating medical research in the United States. Over the past few years, the private foundations have stressed other fields that are less well developed, such as means of developing understanding among nations and the social sciences.

Nevertheless, the contribution of \$10 million per year by these groups is substantial. The latest National Science Foundation study for 1953 showed that the foundations contributed \$11.4 million for medical and biological research. This total figure is probably somewhat higher today, but the estimate of \$10 million for medical research allows for the fact that some biological research is not medically related.

TABLE 8.—*Foundation support of medical and biological research, 1953*¹

[In millions]

Number of foundations	Amount		
	Medical	Biological	Total
37 largest.....	\$6.6	\$3.4	\$10.0
77 largest.....	7.7	3.7	11.4

¹ Scientific Research Expenditures by the Larger Foundations, NSF, 1955.

VIII. UNIVERSITY ENDOWMENT INCOME FOR MEDICAL RESEARCH

Universities supply about \$19 million from endowment income for medical research. A National Science Foundation estimate confirms this figure, which is extrapolated from earlier NIH studies.² If funds which the universities claim they contribute to medical research through payment of indirect costs are counted as medical research expenditures, their endowment contribution may be as high as \$30 million or \$35 million. Indirect cost payments by universities are not considered as contributions to medical research in this analysis.

Assets and income of 77 larger foundations in 1953

[Dollar figures in thousands]

Foundation	Asset rank	Assets	Income from assets
Altman Foundation ¹	61	² \$11,967	³ \$256
Anderson (M. D.) Foundation	21	⁴ 31,966	³ 1,375
Association for the Aid of Crippled Children	44	⁴ 15,506	³ 550
Avalon Foundation	24	⁴ 28,447	1,071
Beaumont (Louis D.) Foundation ⁶	38	² 16,829	914
Benwood Foundation ⁵	70	² 9,466	982
Board of Directors of City Trusts (Philadelphia)	9	² 70,165	4,659
Boettcher Foundation	63	⁴ 11,584	³ 517
Bok (Mary Louise Curtis) Foundation	72	⁴ 8,931	366
Buhl Foundation	52	² 13,138	³ 693
Callaway Community Foundation ¹	46	² 14,540	1,236
Campbell (John Bulow) Foundation	68	⁴ 9,974	³ 436
Cannon Foundation ⁵	71	² 9,236	565
Carnegie Corporation of New York	3	⁴ 196,007	³ 7,572
Carnegie Endowment for International Peace	30	⁴ 20,684	³ 514
Carnegie Foundation for the Advancement of Teaching	48	⁴ 14,205	503
Carnegie Institution of Washington	10	⁴ 65,168	³ 1,977
Carter (Amon G.) Foundation ⁵	58	² 12,345	1,016
Chicago Community Trust	60	² 12,039	³ 481
China Medical Board	23	⁴ 31,216	1,116
Cleveland Foundation	36	² 17,702	³ 640
Commonwealth Fund	7	⁴ 96,308	³ 3,790
Cullen Foundation ⁵	75	² 4,622	911
Danforth Foundation ⁶	73	² 7,803	1,089
Donner Foundation ⁵	50	² 13,846	³ 733
Duke Endowment	5	² 108,000	6,800
El Pomar Foundation	22	⁴ 31,290	562
Falk (Maurice and Laura) Foundation	67	⁴ 10,745	³ 664
Fels (Samuel S.) Fund	51	⁴ 13,296	³ 315
Field Foundation	57	⁴ 12,395	³ 757
Fleischmann (Max C.) Foundation of Nevada	69	⁴ 9,607	³ 404
Ford Foundation	1	² 520,232	48,248
Ford Motor Company Fund	39	² 16,459	³ 323
General Education Board	77	⁴ 884	³ 480
Guggenheim (John Simon) Memorial Foundation	20	² 31,992	³ 1,198
Hartford (John A.) Foundation ⁵	76	² 3,680	1,706
Hayden (Charles) Foundation	12	⁴ 56,124	2,001
Higgins (Eugene) Scientific Trust	19	⁴ 37,072	1,187
Hill (Louis W. and Maud) Family Foundation	32	² 19,952	³ 763
Houston Endowment ⁵	31	² 20,039	2,126
Hyams (Godfrey M.) Trust ⁵	65	² 11,401	692
James Foundation of New York ⁷	15	⁴ 47,720	1,829
Juilliard Musical Foundation	37	² 17,162	574
Kaiser (Henry J.) Family Foundation	45	² 15,364	58
Kellogg (W. K.) Foundation	4	⁴ 109,812	³ 4,166
Kresge Foundation	8	⁴ 86,233	³ 4,338
Kress (Samuel H.) Foundation ⁵	74	² 6,017	2,738
Ladd (Kate Macy) Foundation	49	⁴ 13,972	552
Libbey (Edward Drummond) Trustees	42	² 15,729	670
Lilly Endowment	13	⁴ 53,856	³ 1,851
Macy (Josiah), Jr., Foundation	28	⁴ 22,856	³ 730
Markle (John and Mary R.) Foundation	26	⁴ 25,132	³ 965
Mayo Association ⁵	17	² 43,478	³ 4,890
Mellon (A. W.) Educational and Charitable Trust	16	⁴ 43,612	³ 1,293
Mellon (Richard King) Foundation	33	⁴ 19,891	³ 779
Milbank Memorial Fund	47	⁴ 14,452	³ 638
Miner (William H.) Foundation ⁵	54	² 13,082	1,684
Mott (Charles Steward) Foundation ⁵	40	² 16,321	965
Nelson (William Rockhill) Trust	64	² 11,500	450
New York Community Trust	29	⁴ 21,423	³ 775
New York Foundation	53	⁴ 13,030	³ 580
Noble (Samuel Roberts) Foundation	59	² 12,171	³ 1,024

See footnotes at end of table.

² Ladimer, Trends in Support and Expenditures for Medical Research, Public Health Reports, February 1954.

Assets and income of 77 larger foundations in 1953—Continued

[Dollar figures in thousands]

Foundation	Asset rank	Assets	Income from assets
Old Dominion Foundation.....	34	\$19,268	\$735
Olin Foundation.....	14	\$52,531	\$2,129
Pew Memorial Foundation ^{5 7}	6	\$104,987	1,197
Research Corporation.....	56	\$12,473	\$1,494
Reynolds (Z. Smith) Foundation.....	27	\$24,837	1,103
Rockefeller Brothers Fund.....	11	\$59,785	\$402
Rockefeller Foundation.....	2	\$318,229	\$17,586
Sage (Russell) Foundation.....	41	\$16,260	\$600
Scaife (Sarah Mellon) Foundation.....	62	\$11,928	\$425
Sloan (Alfred P.) Foundation.....	18	\$38,188	\$2,121
Surdna Foundation ⁸	35	\$18,163	1,296
Trexler Foundation.....	55	\$12,892	586
Twentieth Century Fund.....	66	\$10,876	\$551
Volker (William) Fund.....	43	\$15,643	926
Woodruff (Emily and Ernest) Foundation ¹	25	\$27,826	\$1,108
Total.....	77	3,013,561	165,996

¹ From Form 990-A, 1952, U. S. Bureau of Internal Revenue.² Ledger value.³ Supported scientific research in 1953.⁴ Market value.⁵ From Form 990-A, 1951, U. S. Bureau of Internal Revenue.⁶ From Form 990-A, 1950, U. S. Bureau of Internal Revenue.⁷ Market value from other sources.⁸ From Form 990-A, 1953, U. S. Bureau of Internal Revenue.

Source: Russell Sage Foundation survey for National Science Foundation, except as noted.

Source: Scientific Research Expenditures, National Science Foundation, Washington, D. C., 1956.

COMMUNICATIONS

Senator HILL. If there is no objection, I would like to put in the record at the appropriate place the letter that I wrote to Dr. Shannon and his reply which has been alluded to here several times in Dr. Shannon's testimony.

(The letters referred to follow:)

UNITED STATES SENATE,
Washington, D. C., March 15, 1957.

Dr. JAMES A. SHANNON,
Director, National Institutes of Health,
Bethesda, Md.

MY DEAR DR. SHANNON: In preparing for the Senate Appropriations Committee hearings on the budget for the National Institutes of Health. I have given a good deal of attention in recent days to an examination of the entire structure of the medical research grant program.

The basic conclusion which I have reached is that we are not mounting a coordinated planned research offensive for new treatments and cures of the major diseases which kill or cripple our people. I do not mean by this that the research project grant program has outlived its usefulness. On the contrary. Under the National Institutes it has been an enormous stimulus to research in all parts of the country, and it should be accelerated in the years to come.

However, there are certain basic weaknesses in the project grant system. The most serious of these results from the fact that it is a somewhat passive operation you have to wait upon the individual initiative of the various investigators before you move in any direction.

Under the project grant system, there is little time for long-range planning and tooling-up. Frequently money available in July or even August has to be spent by June 30 of the following year.

Finally, the individual project grant system does not allow the Congress and medical research leadership to set the pace of the research program. Instead of active stimulation of research based upon definite goals to be achieved, the project grant program follows the passive pace of sporadic individual investigation.

The most powerful plea for long-range support of medical research was made by the Task Force on Federal Medical Services of the Hoover Commission in a report released in February 1955. Criticizing short-term annual research grants as uneconomic and lacking in stability, the report recommended 5-year block grants to institutions and agencies so that they could "plan their studies without fear of an abrupt end of financial support." The Hoover task force strongly recommended that these block grants be awarded "in accordance with an approved over-all plan for health research."

I am therefore requesting you to submit to me an overall medical research program of the kind outlined in the Hoover Commission reports. Let me give you a specific idea of what I would like to see. At the present time, Government support for medical research and research fellowship grants through the National Institutes of Health is at a level of approximately \$98 million a year. I would like you to project this expenditure over a minimum of 3 years, with an annual goal of \$250 million for medical research grants by the end of the third year.

Such a plan would include a new administrative structure for such an undertaking. It might be analogous to the National Cancer Chemotherapy Council, which unites the efforts of the National Cancer Institute, voluntary cancer organizations, the pharmaceutical industry, and other agencies of Government in a coordinated voluntary planned program designed to stimulate a total chemical offensive against cancer, to find chemical cures for various types of cancer.

Planning committees of this kind could be set up by each of the Institutes. They would probably include some members of the present advisory councils, representatives of voluntary health organizations active in each specific field, the pharmaceutical industry, representatives of universities and medical schools and possibly other agencies of Government—the Atomic Energy Commission, Veterans' Administration, etc.

These Institute planning committees should be given the task of drawing up long-range medical research programs to better treat, cure or to eliminate the diseases in each of the areas covered by the various Institutes. In other words, they would be the spearhead for highly organized voluntary cooperative efforts which would enlist all resources capable of contributing to a single project.

These committees would be empowered to offer long-term contracts to industry, to a university, to a medical school unit, or to any agency capable of handling a large bloc grant in the research field. These contracts would be awarded with certain large-scale goals in mind, similar to the proposed contract awards to industry for the accelerated screening of chemical compounds against cancer. For example, the same kind of contract authority could be used for developing more effective drugs against mental illness, for large-scale investigations of steroid action in heart disease and arthritis, etc.

In order to offer these contracts, the various Institute planning committees would have to have a reserve of funds to draw upon—a certain amount of credit in the bank. For example, Congress might appropriate a \$90-million 3-year authorization for contract and planning authority in the field of cancer research. On the basis of this appropriation, the Cancer Planning Committee could go to industry and ask it to tool up for a large-scale effort which cannot be planned on a year-to-year, uncertain basis.

In a recent magazine article, Senator Richard Neuberger reported a conversation he had with Dr. Leonard Scheele, the distinguished former Surgeon General of the Public Health Service. In response to a question from Senator Neuberger as to the maximum amount of money which the National Cancer Institute could wisely spend in 1 year for research and study, if given reasonable notice in advance, Dr. Scheele replied that half a billion dollars could be used.

More important than the estimate is the following statement from Dr. Scheele, which indicates the enormous value of a planned reserve of money available for tooling-up and planning.

"You would be certain that you could carry on your program from year to year without delay or interruption." Dr. Scheele replied. "Your top doctors and scientists would know their continued employment, at fair and adequate pay, was assured. They would not be tempted to break off their work to enter lucrative private practice. In addition, you could follow every possible lead or hope, no matter how remote or elusive it might seem. You would not have to budget so carefully and pursue only the most promising discoveries. In a war, the military often overspends because it might be fatal to the country to underspend. We could do that in the area of cancer research if we had a billion dollars or even half a billion dollars at our disposal."

In summary, I would like you to submit to me an overall administrative structure and a plan for an accelerated, coordinated offensive against cancer, arteriosclerosis, mental illnesses, arthritis, blindness, neurological diseases, and other major killers and cripplers of our people. I would also like you to request the individual directors of the Institutes to submit detailed plans for long-range medical research programs involving planning committees, contract authority and bloc grants. Since it is difficult to plan without a specific goal in mind, I have suggested moving toward a level of \$250 million annually in medical research grants at the end of the third year of this program. However, you need not be held to this goal. You may find it more satisfactory to plan in terms of the 5-year period advocated by the Hoover Commission and by Senator Margaret Chase Smith in her questioning of witnesses during the hearings last year.

Sincerely,

LISTER HILL, *Chairman.*

APRIL 5, 1957.

HON. LISTER HILL,
United States Senate.

DEAR SENATOR HILL: Thank you for your letter of March 15 regarding your concern for the establishment of a framework of basic policies which will contribute most effectively to the performance of the missions of the National Institutes of Health. We share your concern. Consequently, we greatly appreciate your statesmanlike perception of the fundamental problems which must be resolved as we progressively become a more significant factor on the total national medical research scene.

Your letter deals so realistically with many problems which we consider to be of the greatest importance, not only to us but to the total national medical research effort, that I wish to reply at some length.

Secretary Folsom has also been concerned with these basic questions of long-range medical research policy. He is now proceeding with the establishment of a group composed of leaders of medical research, leaders in the university world, and leaders in such other fields as industrial research and the foundations to study and advise the Department on the whole problem of medical research, both within and without the Government. I welcome this development. The Secretary has indicated that he regards this as a high priority matter.

The research project system has changed a great deal over the years. For example, the average period of support for grants is now 3.2 years as contrasted with 1.8 years in 1951. The average size of grants has increased by 30 percent since 1955. In short, the system has been, and is being, changed to provide more stable support for broader areas of investigation. The extent to which the project system has been changed in substance is not generally realized.

We have also served as the central force in the establishment of a number of planned collaborations designed to explore specific research areas in a systematic fashion. Such areas have been selected for study in the past by assessing research opportunities in the light of the research emphasis then current. These

evaluations have resulted, for example, in planned, large-scale examination of the direct and side effects of cortisone, the determination of the predictive value of abnormal lipoproteins in assessing progress of atherosclerosis, the clarification of the role of high oxygen tension in the development of retrolental fibroplasia, and the consequences to the young child of happenings occurring in the perinatal period.

The planned study now in progress which has attracted most attention is the cancer chemotherapy program. However, the current studies on blood pressure lowering agents and on psychopharmacology also are based upon the concept of planning research by matching research opportunities with current effort and designing a large-scale voluntary collaborative effort.

It is important to note that each of these efforts has been planned and guided by a group whose functions are those which you envisage for the planning committees which you propose.

We intend to extend this approach in appropriate areas, and welcome your interest in studies of this kind as a rational means of attack on certain disease areas and other research problems at the appropriate times. In our opinion, it is not only feasible but desirable to approach selected medical research problems through eliciting voluntary participation of scientists and institutions in a co-operatively planned basis. The Council and other advisory groups have been actively involved in the planning and execution of these studies.

At the same time, I am gratified at your understanding of the vital role played by our research project system. We view what appears to be the somewhat passive nature of this system as one of its greatest strengths. Medical and biological investigators, as is true of all fields of science, spontaneously organize their lines of attack so as to select for study the areas of greatest significance as well as scientific promise. This area of free research is organized to a high degree in a scientific, as contrasted with an organizational, sense. Maintenance of freedom and absence of formal, highly organized effort in these fields is essential.

In supplementing the spontaneous efforts of individuals by organized efforts, it has been our experience that the approach to each problem must be carefully designed to meet the precise circumstances surrounding each field of research at its then current state of development. Such matters as the composition of various advisory groups, the relationships among special groups and the existing study sections and national advisory councils, and the degree to which participating investigators must conform to a centrally fixed plan, must have a bearing upon planning and the execution of the plan.

We are of the firm opinion that there is an inherent need for approaching each highly organized large scale research enterprise as a unique task. Each must be approached as an individual problem within a framework of general objectives, procedures, and administrative structure. Consequently, we would prefer to interpret your proposal for Institute planning committees not literally but as a general desire to see some appropriate means of supplementing the study section-National Advisory Council mechanism.

In our opinion, the roles of the study sections and national advisory councils must be preserved not primarily because of the statutory function of the councils but because of the indispensable service which they perform for the Nation by serving as an extraordinarily effective and important link between medical research, the Federal Government, and the public.

What we have had in mind for some time is the establishment of a series of additional groups of varied structure and function located in concept between the study sections and national advisory councils to supplement the work of these advisors in a productive way. Some of these would be similar to those we have established for the programs mentioned above. Others would be quite similar in structure and function to the tested and proven commissions of the Armed Forces Epidemiological Board.

With respect both to the research project approach and the more formally planned larger-scale research endeavors, we appreciate your emphasis on stability of support. Stability is fundamentally important to research which takes a long time, regardless of the degree to which the research is planned.

The importance which you give to stability of support for research suggests a general consideration which we feel is of the utmost significance to the support of medical and biological research. The terms and conditions under which funds are provided to investigators affects the usefulness of funds in a most important way. At this time, it is in our judgment as important to work toward more effective ways of providing support as it is to expand the volume of support. Indeed, we have reservations as to the rate at which research can expand unless continuing and effective attention is paid to the question of the terms and conditions under which support is provided.

This brings me to a final point not mentioned in your letter, but one with which I am sure you agree. The progress of medical research depends upon three factors—adequate facilities, adequate funds, and most important, manpower of high caliber in adequate numbers. At this point, expansion of the pool of trained manpower and of laboratory facilities is in our opinion more important to the furtherance of medical research than are additional large sums for the current support of research.

The facilities and manpower situation is, in fact, such that we have reservations as to the feasibility of increasing the research and training grant part of our appropriation to a level of \$250 million in 3 to 5 years. This, however, is a matter on which we would prefer not to make a hasty judgment. For this reason, I would like to devote further study to this question. We are in the process not only of estimating future program levels, but also of thinking through the processes and means by which those levels are most productively reached. We would like to have any fund levels that may be proposed appear as the end product of a thoughtful process rather than as the starting point.

All of these activities combined are, as you may imagine, quite complex in themselves and in their relationships among themselves and to other activities and programs.

The importance of making correct decisions, of approaching these plans as a whole rather than as isolated devices, and of proceeding in a manner which will allow highly qualified people throughout the country to comment upon them lead me to request that we do not be pressed to an early and firm decision. Among the questions which we should like to devote more study is your significant proposal for the establishment of a large appropriated fund to be available for expenditure over a period of several years.

You may be assured of our sincere appreciation of the stimulating ideas in your letter, and of our determination to continue the development of concrete proposals as rapidly as the nature of the problem permits.

Sincerely yours,

JAMES A. SHANNON, M. D., *Director.*

Senator HILL. Senator Thye, do you or Senator Magnuson have any questions?

Senator MANGUSON. I have no questions.

Senator THYE. No, I have none, Mr. Chairman.

Senator HILL. Thank you very much.

Senator MAGNUSON. We are glad to know that they think they have enough money. For years the fight around here was to get the money. Now that we have the money we have some other problems.

Dr. SHANNON. We will probably be back next year asking for some more money too, sir.

Senator MAGNUSON. Yes.

Senator HILL. Thank you, Doctor. Thank you very much, sir.

NATIONAL CANCER INSTITUTE

STATEMENT OF DR. JOHN R. HELLER, DIRECTOR, NATIONAL CANCER INSTITUTE; ACCOMPANIED BY DR. JAMES A. SHANNON, DIRECTOR, NATIONAL INSTITUTES OF HEALTH; W. PALMER DEARING, DEPUTY SURGEON GENERAL; ROY L. HARLOW, CHIEF FINANCE OFFICER; ALBERT F. SIEPERT, EXECUTIVE OFFICER, NATIONAL INSTITUTES OF HEALTH; AND JAMES F. KELLY, DEPARTMENT BUDGET OFFICER

SALARIES, EXPENSES, AND GRANTS

APPROPRIATION ESTIMATE

"National Cancer Institute: To enable the Surgeon General, upon recommendations of the National Advisory Cancer Council, to make grants-in-aid for research and training projects relating to cancer; to cooperate with State health agencies, and other public and private nonprofit institutions, in the prevention, control, and eradication of cancer by providing consultative services, demonstrations, and grants-in-aid; and to contract for supplies and services by negotiation, without regard to section 3709 of the Revised Statutes, in connection with the chemotherapy program; and to otherwise carry out the provisions of title IV, part A, of the Act; [\$48,432,000] \$46,902,000."

Amounts available for obligation

	1957 appropriation	1958 budget estimate	1958 House allowance
Appropriation or estimate.....	\$48,432,000	\$46,902,000	\$46,902,000
Additions: Comparative transfer from "General research and services, National Institutes of Health, Public Health Service".....	162,000	0	0
Deductions: Unobligated balance, estimated savings.....	4,288,000	0	0
Total obligations.....	44,306,000	46,902,000	46,902,000

Analysis by activities

Description	1957 appropriation		1958 budget estimate		1958 House allowance	
	Positions	Amount	Positions	Amount	Positions	Amount
1. Grants:						
(a) Grants for research projects.....		\$18,559,000		\$20,175,000		\$18,559,000
(b) Research fellowships.....		1,000,000		1,000,000		1,000,000
(c) Training grants.....		4,675,000		4,675,000		4,675,000
(d) Grants for detection, diagnosis, and other control services.....		2,250,000		2,250,000		2,250,000
(e) Grants for field investigations.....		1,900,000		1,900,000		1,900,000
2. Direct operations:						
(a) Research.....	636	8,049,000	636	8,793,000	636	8,793,000
(b) Review and approval of grants.....	30	522,000	30	541,000	30	541,000
(c) Professional and technical assistance.....	442	6,940,000	442	7,105,000	456	8,721,000
(d) Administration.....	24	411,000	24	463,000	24	463,000
Total obligations.....	1,132	44,306,000	1,132	46,902,000	1,146	46,902,000

EFFECT OF HOUSE ACTION

Activity No. 1 (a).—Grants for research projects

The House denied a request of \$1,616,000 for an increase in overhead allowances from 15 to 25 percent to institutions and other recipients of research grants. This program reduction could have an unfavorable effect on the financial stability of the educational and medical institutions who contribute substantially to the national cancer research effort. The requested amount was removed from this activity and placed into "Activity No. 2 (c) Professional and technical assistance" by House action for the cancer chemotherapy program. Despite the signal importance of this program, it would be more advantageous in the long run to the total cancer program to maintain the requested overhead allowances of 25 percent to the Institute's grantees.

Activity No. 1 (b).—Research fellowships

The full amount requested of \$1 million was allowed by the House and is the same as the 1957 appropriation.

Activity No. 1 (c).—Training grants

The full amount requested of \$4,675,000 was allowed by the House and is the same as the 1957 appropriation.

Activity No. 1 (d).—Grants for detection, diagnosis, and other control services

The full amount requested of \$2,250,000 was allowed by the House and is the same as the 1957 appropriation.

Activity No. 1 (e).—Grants for field investigations

The full amount requested of \$1,900,000 was allowed by the House and is the same as the 1957 appropriation.

Activity No. 2 (a).—Research

The full amount requested of \$8,793,000 and 636 positions was allowed by the House. This is an increase of \$744,000 over the 1957 appropriation, of which \$596,900 is for mandatory items and the balance is for the Institute's proportionate share of program expansion in services furnished centrally.

Activity No. 2 (b).—Review and approval of grants

The full amount requested of \$541,000 and 30 positions was allowed by the House. This is an increase of \$19,000 over the 1957 appropriation, all of which is for mandatory items.

Activity No. 2 (c).—Professional and technical assistance

The full amount requested of \$7,105,000 and 442 positions was allowed by the House, and an additional \$1,616,000 and 14 positions was earmarked for the cancer chemotherapy program. The latter amount is an adjustment within the total 1958 estimate, and is taken from the requested increase for overhead allowances in "Activity No. 1 (a) Grants for research projects." This is an increase of \$1,781,000 over the 1957 appropriation, of which a net \$147,800 is for mandatory items. The additional funds of \$1,616,000 provided by the House will be utilized to increase the screening of industrial chemicals and industrial antibiotic "beers".

Activity No. 2 (d).—Administration

The full amount requested of \$463,000 and 24 positions was allowed by the House. This is an increase of \$52,000 over the 1957 appropriation, of which \$29,000 is for mandatory items and \$23,000 is for the Institute's proportionate share of program expansion in services furnished centrally.

Obligations by objects

Object classification	1957 appropriation	1958 budget estimate	1958 House allowance
PUBLIC HEALTH SERVICE			
Total number of permanent positions.....	1,081	1,081	1,095
Full-time equivalent of all other positions.....	20	20	20
Average number of all employees.....	996	1,039	1,052
Number of employees at end of year.....	1,067	1,090	1,103
01 Personal services.....	\$5,388,700	\$5,632,700	\$5,722,700
02 Travel.....	192,000	192,000	199,000
03 Transportation of things.....	28,000	28,000	28,000
04 Communication services.....	50,000	50,000	50,000
06 Printing and reproduction.....	115,700	115,700	115,700
07 Other contractual services.....	4,703,500	4,719,500	6,235,500
Reimbursements to "General research and services, National Institutes of Health, Public Health Service".....	3,813,000	4,319,000	4,319,000
08 Supplies and materials.....	1,006,300	1,014,700	1,015,700
09 Equipment.....	319,000	283,800	285,800
11 Grants, subsidies, and contributions.....	28,384,000	30,090,000	28,384,000
Contribution to retirement fund.....	0	238,400	238,400
13 Refunds, awards, and indemnities.....	4,000	4,000	4,000
15 Taxes and assessments.....	15,900	18,900	18,900
Subtotal.....	44,020,700	46,616,700	46,616,700
Deduct charges for quarters and subsistence.....	24,700	24,700	24,700
Total, Public Health Service.....	43,996,000	46,592,000	46,592,000
ALLOCATION TO VETERANS' ADMINISTRATION			
Total number of permanent positions.....	51	51	51
Average number of all employees.....	51	51	51
Number of employees at end of year.....	51	51	51
01 Personal services.....	\$229,100	\$229,100	\$229,100
02 Travel.....	43,200	35,200	35,200
08 Supplies and materials.....	31,400	26,400	26,400
09 Equipment.....	6,300	6,300	6,300
11 Contribution to retirement fund.....	0	13,000	13,000
Total, Veterans' Administration.....	310,000	310,000	310,000
Total obligations.....	44,306,000	46,902,000	46,902,000

Summary of changes

1957 actual appropriation.....	\$48,432,000
Transfers: Comparative transfer from "General research and services, NIH".....	+162,000
Estimated savings.....	-4,288,000
Adjusted 1957 appropriation.....	44,306,000
1958 appropriation request.....	46,902,000
Net change requested.....	2,596,000

	Positions	Estimate	Positions	House allowance
For mandatory items:				
Annualization.....		\$262,100		\$262,100
Retirement.....		436,400		436,400
Social security.....		14,000		14,000
Pay in excess of 52-week base.....		27,200		27,200
Wage board.....		53,000		53,000
Total.....		792,700		792,700
For program items:				
Increased overhead costs.....	0	1,616,000	0	0
Expansion of chemotherapy program.....	0	0	+14	1,616,000
Expansion of environmental studies.....	0	19,000	0	19,000
Expansion of services furnished centrally.....	0	168,300	0	168,300
Total change requested.....	0	2,596,000	+14	2,596,000

NOTE.—Additional mandatory items of \$53,000 will be absorbed by nonrecurring items.

PROGRESS REPORT

Senator THYE. Now, Dr. Heller, of the Cancer Institute. Doctor, we are happy to have you back with us again this year.

Dr. HELLER. Thank you very much, Mr. Chairman.

Mr. Chairman, I have a detailed statement which with your permission can be submitted for the record.

Senator HILL. All right; fine.

(The statement referred to follows:)

STATEMENT OF DR. JOHN R. HELLER, DIRECTOR, NATIONAL CANCER INSTITUTE,
PUBLIC HEALTH SERVICE

Mr. Chairman and members of the committee, I welcome this opportunity to review for the committee progress in our cancer research and related activities and to identify some of the areas which offer particular promise in the future. During this year, laboratory and clinical research has been expanded in our laboratories and in the universities receiving grants; training programs have been expanded to increase the supply of manpower; cytology activities have been expanded, and centers are being started to test the feasibility of using the cell-examination technique in cancer of the lung, and other body sites as well as cancer of the uterine cervix. The cancer chemotherapy program which was so substantially increased continues to develop rapidly.

These are the programs in which congressional committees have expressed a special interest. I wish to describe our progress in these programs as well as some of the recent developments in cancer research; but first I would like to touch briefly on the current financial situation.

The appropriation for fiscal year 1957 is \$48,432,000 or almost double that of the prior year, principally for grant and contract activities.

Scientists in universities and medical schools have prepared research proposals, recruited staff, and developed sound programs. All concerned have directed their attention to assure that programs were developed on a sound basis and funds spent wisely. Study sections reviewing grant applications continued to insist on high standards of research, and the National Advisory Cancer Council pledged itself to approve grants only where completely warranted and to return any funds not so needed to the Treasury.

During this year, we will just about double our support of research through the research grant programs. Our work in establishing cytology units has been slow because of the shortage of trained technicians and difficulty in recruiting personnel. We are, however, pleased with the progress that has been made. The new programs in training are all underway, and our intramural program is proceeding quite well in carefully selecting key personnel for areas of special interest such as virology.

There is an increase of \$2,596,000 in obligations requested in the budget for 1958. The principal increase of \$1,616,000 is in research grants to pay grantee institutions a greater proportion of overhead costs. The direct operations increases total \$980,000. These increases are for the following: \$16,000 for environmental cancer studies; \$174,200 for annualization of positions new in 1957; \$16,800 for pay in excess of 52-week base; \$267,000 for Government's share of civil-service retirement costs and social-security costs; and \$506,000 for services performed centrally.

These proposals support the intentions of the President in continuing the Nation's attack upon disease through expanding medical research. The House of Representatives, in the passage of this appropriation bill, took action to change some of the premises upon which these proposals as submitted by the President were based. I will comment directly upon those later in the statement.

I should like now to cover some of our programs in more detail.

CHEMOTHERAPY

The search for a successful chemical treatment of cancer has received much attention by Congress in the past several years. Sparked by the interest and support of Congress, the National Cancer Institute has developed a coordinated national program of research jointly sponsored by 4 Federal and 2 private agencies. An interagency staff organization—the Cancer Chemotherapy National

Service Center—is now in its second year of operation as the clearinghouse, expeditor, and coordinator of hundreds of interrelated research projects being carried on throughout the Nation in universities, hospitals, Government laboratories, and private industry.

These projects in one way or another all aim at the discovery of a substance which, like penicillin in bacterial disease, will have the property of attacking cancer cells without seriously harming the normal cells of the body. There is already abundant evidence that several different types of chemical agents, when given by mouth or by injection to cancer patients, are capable of causing spectacular, though temporary, regression or disappearance of widespread cancer lesions. Unfortunately, all of these chemicals have undesirable side-effects on normal tissues and most of them are highly toxic to one or more types of essential normal cells such as the blood-forming cells or the cells which line the intestinal tract.

Thus far the margin of safety has been so small that it is not possible to destroy all of the cancer cells. The surviving cancer cells multiply and eventually kill the patient. It is our hope that through intensive efforts we may find chemicals which are much more toxic to the cancer cell and much less toxic to normal cells so that permanent cures may result.

The search for better chemicals is largely an empirical program of successive steps of trial-and-error screening. For obvious reasons, the number of chemicals which can be tested against human cancers is quite small. Yet there are literally millions of synthetic and natural chemicals to choose from. The chemotherapist must therefore devise a screening system for selecting those few chemicals which he may try in man. His constant dilemma is that until he discovers a cure he has no assurance that the screening method is the proper one.

At present the primary screening is being made mostly with transplantable cancers in mice. Substances showing anticancer activity in mice are tested for toxicity and pharmacologic properties in other animals and then found safe for clinical trial are subsequently tested against various types of human cancers. Currently the National Cancer Institute is receiving substances from industry in excess of 25,000 per year for testing in mouse cancer and the demand for testing continues to increase. Clinical trials are in progress in more than 75 hospitals. Meanwhile intensive efforts continue in the search for better methods and in basic biochemical research which may provide sufficient knowledge of the chemistry of cancer cells to permit the chemotherapist to design a cure on abstract theoretical ground rather than by trial and error.

Two new activities have been launched during the year in accordance with congressional action. Grants have been made to training centers for specialized training of research workers in such shortage areas as clinical research, pharmacology, steroid biology, and biochemistry. An intensive research program in the synthesis, assay, and clinical trial of steroid hormones in the treatment of cancer is now underway.

Although the current year's work has yielded more than a score of new agents which have antitumor activity in animals, the most significant development from a long-range viewpoint has been the progress made in securing the interest of the pharmaceutical industry. One reflection of this interest has been the tenfold increase in the supply of materials sent in for screening by institutions and organizations under contract with the National Cancer Institute.

It would seem, then, that many things are going on at the same time and at different rates of progress in the field of chemotherapy, and everything is in obviously more organized and coordinated fashion than hereto possible. Some areas of the program are "tooling up" for major screening activities. Other areas are already well underway testing, analyzing, and evaluating compounds. Industry is being drawn into the picture. Hospitals and medical schools are pooling resources to study chemotherapy in patients. New techniques are being devised and old ones refined. And more talented researchers are being given specialized training. Such comprehensive and expanded efforts we hope will make major contributions to our ultimate objective—the discovery of compounds which will destroy tumors with little or no side effects to the patient.

CYTOLOGY

Chemotherapy involves the search for treatment. Cytology, or the study of cells, is concerned with the early discovery of cancer so that treatment may be

more effective. The cytologic technique involves the cell examination by microscope of vaginal secretions secured through a quick, simple, painless, and inexpensive procedure. Many members of the committee know of the Memphis cervical cytology project. Approximately 108,000 women in that area were examined at least once as of last fall. About 1,500 biopsies were performed to establish a final diagnosis. A full half of these 1,500 women were found to have cancer, equally divided between early stage cervical cancer and advanced uterine cancer. Of those with early cervical cancer, fully 90 percent were totally unsuspected; and of the advanced cases, about 30 percent were unsuspected. Here is continuing proof of the usefulness of this test as a diagnostic aid in terms of the medical axiom, the earlier the stage of disease at diagnosis the more effective the treatment.

The Congress encouraged the National Cancer Institute to expand work in cytology by establishing a number of additional centers. These will be in operation this calendar year. Those operated by Institute staff people are in Memphis, Tenn.; Louisville, Ky.; Columbus, Ohio; Madison, Wis.; San Diego, Calif.; Washington, D. C.; and Houston, Tex. The National Cancer Institute is also making grants for demonstrations and investigations of this diagnostic procedure as a useful mass screening device. Charlotte, N. C.; Detroit, Mich.; Kansas City, Kans.; and Providence, R. I., are screening large population groups. These projects are designed to do three things: To explore further the actual biological relationship between early cervical cancer and advanced invasive uterine cancer; to explore a variety of mass screening methods; and to examine the utility of cytologic techniques for other body sites.

It may be noted that the American Cancer Society has instructed all of its field chapters throughout the Nation to urge all women to avail themselves of the cytologic test.

There is good reason to believe that the cytologic technique can also be used as a case-finding procedure and an aid to diagnosis of cancer involving other parts of the body in both sexes. The problem is one of finding an easy method of collecting specimens from the body sites involved. The pulmonary system is one in which malignancies have a rather high attack rate. The gastrointestinal area is another. These areas offer important targets for use of the cytologic examination. We are also thinking in terms of the applicability of cytology to the early detection of breast, renal, prostate, and bladder cancer. Research in these areas is either planned or underway as both direct and grant-supported operations in Kansas City, Chicago, and Houston.

I have mentioned that some of our projects in cytology have been delayed due to the difficulty of recruiting and training technicians needed for laboratory work. The committee may recall previous references to an electronic scanner being developed by a major instrument company with support of the National Cancer Institute and the American Cancer Society. This scanner will be capable of rapidly processing slides and separating out the suspicious ones, so that technicians will have fewer slides to examine. The experimental model of this machine is expected to be placed in operation at the Memphis project this fall. Because technicians will always be needed in the cytology program, training continues to be an important aspect. We have enlisted the cooperation of the Office of Vocational Rehabilitation through whose regional offices we hope to find physically handicapped people who may be quite capable of becoming competent technicians. In fact, we have already trained a few of these people and placed them in our projects.

MANPOWER TRAINING

The National Cancer Institute has been operating a number of training programs in various research areas and at different levels. Two new programs were instituted this present fiscal year.

Cancer research training grants support the training of potential investigators in disciplines and techniques pertinent to cancer research. This is a new aspect of the training program of the National Cancer Institute. It extends and supplements but does not replace the research training opportunities available through our regular research fellowships and through employment on research projects. Institutions receiving funds select and appoint the individuals to be trained and determine the stipends to be paid. The Surgeon General has approved 15 such grants for sums totaling just under \$1 million. Slightly more than half of the total appropriation for this purpose was allocated to training in fields of chemotherapy and steroid hormones. Such outstanding institutions as Columbia, Yale, the Sloan-Kettering Institute, and Roswell Park Memorial Insti-

tute are participating in this type of training. General research training grants were awarded to the universities of Wisconsin, Minnesota, and Kansas; Brown, Stanford, and Washington Universities; and the Jackson Memorial Laboratory and Massachusetts General Hospital.

Almost 400 young scientists will be awarded fellowships for advanced training in biology, chemistry, physics, medicine, and other fields pertinent to cancer research. A recent study indicates that nearly 90 percent of those trained in this program remain active in research or in the teaching of subjects related to cancer.

Some 133 schools—medical, osteopathic, and dental—will be aided by grants to improve the teaching of cancer subjects at the undergraduate and graduate levels. This program is considered to be a real factor in improving the quality of medical care to be given by the young physicians.

Clinical traineeships will assist in developing physicians capable of more adequately diagnosing and treating cancer patients. About 150 to 160 such grants will be available this year. It is believed that each of these physicians serves as a focal point for interesting more medical men in the latest cancer diagnostic and therapeutic developments.

ENVIRONMENTAL CANCER

Environmental cancer is an area of research in which we are very active. For some 3 years now the National Cancer Institute has been studying a group of about 1,500 uranium miners in the Colorado Plateau region. These miners are being followed carefully by physical examinations on a periodic basis to determine the extent and nature of occurrence of cancer and other diseases. Such a project has at least a threefold purpose: first, to study geographic pathology, that is, the occurrence of certain diseases in certain areas; second, to check the occupational hazards involved in uranium mining in terms of cancer-causing elements; and third, to consider means of developing and maintaining safety devices and features in hazardous occupations, in this case, uranium mining.

In a quite different approach, a study continues in New England to determine the common denominator environmental factors in the medical histories of mothers of normal healthy children, mothers of leukemic children, and mothers of children suffering from types of malignancies other than leukemia. Analysis of the histories of approximately 200 mothers has disclosed an almost 2-to-1 ratio of clinical allergic response (hives, hayfever, and the like) in mothers of leukemic children. This observation, though probably inconsequential as of the moment because of the small number of cases involved, suggests an interesting and potentially useful approach to the investigation of the effects of a variety of environmental factors in the causation of certain types of cancer. This study is necessarily slow-moving because of the small number of leukemia cases available, but may ultimately yield some very significant information.

The Institute is cooperating with county health authorities in one State to study the impact of a variety of environmental factors upon an entire community. It is believed that the distribution of cancer in a population should be studied in relation to population density, chemistry of the soil, air pollution, background radiation, and other such measurable factors. The objective is to determine what common denominators may be identified and, if possible what public health control measures might be instituted.

Another aspect of environmental cancer involves research on many chemicals and industrial mixtures which are under suspicion as being carcinogenic. It is known that cancer does not develop for a considerable period following the exposure of a person to a carcinogenic substance. Therefore, some of the studies in this area are, by their nature, long range in character and must be sufficiently comprehensive to provide numbers of human experiences and exposures adequate to furnish significant findings.

For example, the processing of asbestos, chromium ores, and nickel may be associated with cancer of the respiratory tract. A few aromatic amines—nitrogen-containing compounds—are included among the carcinogenic hazards. Such substances as beta-naphthylamine, 4-aminodiphenyl, and benzidine have been related with urinary bladder cancer found among workers in factories handling dyes and rubber antioxidants derived from coal tar products. The latent period in all these instances average about 15 years. With the passage of time, more and more data of potential significance will be accumulated and more precise relationships established.

OTHER RESEARCH ACTIVITIES

In discussing the chemotherapy program, I have mentioned that it is but one of many approaches to the study of cancer. Chemotherapy grants have a wide spectrum of coverage ranging from very basic studies to testing activities such as grants for screening. Many of the activities supported under contracts represent the applied research and testing approach.

Such work could not have been started without prior basic research. The growth of tumors in mice against which we screen chemicals was possible only after long years of basic work. Many of those most interested in chemotherapy believe we still need far better screening methods. We may not, therefore, have reached the stage of development (such as was true in the case of the first atomic bomb) where we have accumulated the basic knowledge which assures the success of an applied research-engineering attack. For these reasons, and with congressional support, we have in the past and will continue to invest a substantial proportion of available funds in grants and direct research outside the chemotherapy field. Work of this type has great promise of finding eventually the solution to the cancer problem directly or of providing the knowledge upon which to launch or modify programs such as the chemotherapy program. Work being performed in these areas is so varied I can only touch on some of the most interesting.

In a significant medical research address, Dr. Wendell Stanley, a Nobel prize winner and until last year a member of the Institute's National Advisory Cancer Council, spoke to the Third National Cancer Conference in Detroit this past June. This 3-day meeting was cosponsored by the Institute and the American Cancer Society. Dr. Stanley stated that "the experimental evidence now available is consistent with the idea that viruses are the etiological agents of most, if not all, cancer, including cancer in man."

In view of the similarity of the virus to the cell and the consideration of cancer as an abnormality of the individual cell, viruses seem to possess potential for serious and intensive investigation in two areas, cancer cause and cancer therapy. In the first case, for example, it has been fairly firmly established that a certain form of fowl leukemia or fowl leukosis has a virus origin. In terms of potential for therapy, the committee may recall references in prior years to the surprising results achieved by a study carried on by a group of scientists representing the Cancer Institute and a sister Institute. Small amounts of so-called APC viruses were injected directly into the uterine cervical tumors of patients in our Clinical Center who had received other forms of treatment for their advanced disease without any affirmative response. In all cases, although tumor damage was noticed, the effect of the viruses was transitory. The possibility of a potent therapeutic weapon against cancer via viruses continues to intrigue our researchers. Working with the National Institute of Allergies and Infectious Diseases, research is going on with "trained viruses," those grown to live in selected types of tissue.

A landmark in the study of the development of the human being has been achieved by a grantee and his associates in reporting the details of the continuous development of the fertilized human egg during the first 17 days of its existence. This is the first time this has been done, and the results contribute greatly to our knowledge of the growth of the individual.

In another study, a grantee of the Institute has reported on results of the use of vaccines made from the patient's own cancer. About 30 patients were injected subcutaneously with vaccine, with the aim of increasing natural resistance to far-advanced cancer. The vaccine could work by stimulating the formation of antibodies against the cancer and by increasing the number of healthy defensive cells that resist the spread of cancer. Although it is still too early to draw definite conclusions as to the effectiveness of this kind of treatment, there was evidence that at least one patient developed specific antibodies against her own cancer.

In still a third study, a grantee has reported on the effects of X-irradiation of mice in the presence and absence of the thymus gland. The white blood cell cancer of the thymus gland known as lymphoma is responsible for lymphatic leukemia in mice which have been subjected to whole body X-irradiation. The increased incidence in irradiated animals may be prevented by removal of the thymus gland. The grantee now finds that implantation of thymus tissue into irradiated mice whose thymuses had been previously removed partially restores the incidence of tumors. These results appear to suggest that an indirect mecha-

nism may be involved in tumor induction by radiation, since the thymus grafts had not been irradiated.

Examples of our intramural activities are equally interesting and illustrate the broad spectrum of study which the National Cancer Institute program encompasses.

We have produced in our laboratories a truly synthetic, water-soluble complete diet—a mixture of approximately 40 ingredients in the form of a white powder. Originally prepared for use in growing rats from the weanling stage, this diet has great potential for preoperative and postoperative patients and patients suffering from wasting diseases such as cancer, who need food supplied in a form that provides maximum effectiveness with minimum intake. A further potential use of this diet is its administration to patients who are denied the use and function of the lower part of the gastrointestinal tract, in view of the fact that this powder forms an already predigested food.

In recent months, Institute scientists have witnessed the marked regression of a malignant solid tumor for the first time in several patients by chemotherapy. The cancer involved is choriocarcinoma, a rare tumor of embryonic origin which occurs in the uterus of women after pregnancy and in men as a tumor of the testes. The drug administered was methotrexate, known as an antimetabolite of the vitamin folic acid. Although we believe this to be an accomplishment of great significance, it is based on data obtained from the observation and treatment of a small number of cases of a rare kind of cancer. Much more work must be done, but the potential in this line of investigation is exciting.

Mycosis fungoides is an uncommon skin lesion generally classified with lymphomas and related diseases. Conventional treatment by deep X-ray therapy normally exposes large body areas to certain undesirable radiation side effects. Recent administration of electrons emitted by the Van de Graff accelerator in our clinic presents the hopeful prospect of more effective treatment of this disease with fewer side effects, though the disease was not completely eradicated in the patients treated.

CONCLUSION

The limitation of time prevents me from bringing to your attention many other research areas and investigations and programs, all of which show promise of becoming genuinely fruitful contributions to our goal. All of the major activities noted today share two attributes: First, they could not have been expanded to the point of operational utility and research potentation without the great interest of and assistance provided by the Congress; and second, they offer more than a glimmer of real hope for the discovery and development of more effective—and possibly dramatic—means of diagnosing, treating, and preventing cancer.

The House, acting upon this appropriation, has prohibited making an increase of from 15 to 25 percent in overhead costs for research grants. Dr. Shannon, in his opening statement, has commented upon the adverse effect that this action will have upon research activities in the long run. I should like also to ask that these increases in indirect costs be allowed.

The House directed that the funds that would be saved by this action be added to the cancer chemotherapy program. As important as this program is, it is my feeling that in the long run permitting the increase in overhead allowances may have the more far-reaching beneficial effect.

I greatly appreciate this opportunity to appear before you and I will be delighted to answer any questions or to elaborate on any subject of particular interest to the committee.

NATIONAL CANCER INSTITUTE

CYTOLOGY PROGRAM

INTRODUCTORY COMMENTS

Evidence to date from the Memphis cervical cytology project indicates that aspiration of vaginal fluid and the examination of this specimen by means of the cytologic technique developed by Dr. Papanicolaou will uncover more cases of cancer of the uterine cervix than any other known procedure. In Memphis, among the first 108,000 women examined, 766 cases of carcinoma (carcinoma-in-situ and invasive cancer) were found. This is 4.8 times the rate of cases diagnosed in a study of cancer prevalence in 10 cities and 3 to 4 times the rate as

revealed in the Memphis morbidity survey performed at the beginning of this project.

In addition, this procedure is extremely valuable as a means of finding cervical cancer at a stage when it is most curable. Of the 766 cases mentioned above, 393 were carcinoma-in-situ or intraepithelial cancer, which means they are asymptomatic and have not spread, and 373 were invasive cancers. This is an indication of the value of this procedure as a method for the early detection of cancer.

This and similar investigations being carried on do appear to decrease the incidence of invasive cancer and prevent many deaths from this type of cancer.

Preliminary Memphis data

	Age adjusted case rate per 100,000	
	1st screening	2d screening
Carcinoma-in-situ.....	389	235
Invasive cancer.....	463	51

The downward trend in the invasive cancer as indicated by these case rates, and the number of cases detected in terms of absolute numbers are two of the bases for our optimism that this test should be used eventually as a fully accepted method of detecting uterine cancer at a stage when it is almost 100 percent curable. However, there are many questions in connection with this test which should be answered.

There are insufficient data presently available to indicate the exact relationship of carcinoma-in-situ to invasive cancer—that is, whether the in-situ lesion invariably progresses to invasive cancer or what percentage do so progress; the incidence of carcinoma-in-situ by age; the average duration of carcinoma-in-situ; the average age of occurrence and incidence of invasive cancer. These and other basic questions require large numbers of women to be examined at least three times. It is estimated on the basis of the Memphis experience that some 700,000 women will need to be examined initially in order to assure a statistically significant number of third examinations from which the answer to these questions can come. For this reason, additional cervical cytology investigations have been established in a number of locations with the provision of such data as one of their objectives. These investigations have not progressed to the point where sufficient data are available to make comparisons with the Memphis data. In some instances, Institute staff are operating these investigations in cooperation with local groups, in some instances grants are provided in local professional groups to operate the program, and in still other instances there is a combination of these two methods, as in Memphis.

Application of cytological method to other body sites

The information obtained in the detection of cervical cancer by the cytological method has resulted in increased interest in the application of this technique to the detection of early cancer in other body sites. Lung, gastric, intestinal, and urinary cancers appear to be most amenable to the use of the cytological technique. These studies are research in nature, requiring a great deal of original exploration. For example, there is not now available a satisfactory procedure for securing specimens from these various sites on a large number of people. Such techniques will have to be developed. Since the material obtained in specimen differs from that in cervical smears, suitable staining techniques will need to be designed. The interpretation of the specimens requires individuals with specialized training which will be provided in the respective studies.

These questions, by and large, as in the studies of cervical cancer can be answered only through investigation and research. Consequently, in the cytology projects, involving both cervical and other body sites, which have been established as direct operations, major emphasis is being placed on research components. In a limited number of the grant supported projects, less emphasis is being directed toward research elements and more toward demonstration of the screening potentials of the technique. Thus the Institute is taking advantage of the combined approach available in a direct and grant operation. In all of these

cytology investigations, both direct and grant operations, there is a tremendous need for trained personnel. This need is being met through on-the-job training and through the awarding of stipends to qualified individuals in training centers.

In addition, in the area of cytology technicians required for these investigations, it is anticipated that the large numbers required for this work may be reduced somewhat by an electronic device which will scan the specimens. The Institute has assisted through grants in the development of such a device. The Institute is to secure one of these machines in August 1957 which will be placed in Memphis for evaluation of its efficiency and usefulness in an actual operating program.

Funds

The following table shows funds for the cytological investigations supported by direct operations, grants for field investigations, and training grants budgeted under these activities.

	1956 actual		1957 estimate		1958 estimate		Change (+) or (-)	
	Posi- tions	Amount	Posi- tions	Amount	Posi- tions	Amount	Posi- tions	Amount
Financed under "Professional and technical assistance" (direct operations):								
Personal services.....	95	\$191,627	245	\$843,000	245	\$905,800	0	+\$62,800
Other objects.....		157,502		377,000		391,500		+14,500
Subtotal.....		349,129		1,220,000		1,297,300		+77,300
Financed under "Grants for field investigations".....		423,732		900,000		900,000		0
Financed under "Training grants".....		0		100,000		100,000		0
Total cytology program.....		772,861		2,220,000		2,297,300		+77,300

DESCRIPTION OF CURRENT PROGRAM

Direct operations, financed under "Professional and technical assistance" activity

1957 estimate..... \$1,220,000
1958 estimate..... \$1,297,300

Change (+) or (-)..... +\$77,300

Program plans provide for the operation of 12 cytological investigations in 1957 and 1958. Eight of these will be directed toward the study of cervical cancer and four toward the study of cancer of other body sites. Presently, there are 9 investigations underway and there are plans to establish 3 additional investigations later in 1957. These investigations are budgeted for \$1,030,000 in 1957 and \$1,098,000 in 1958, an increase of \$68,000. The increase is for annualization of positions new in 1957 and the Government's share of the civil service retirement and social security programs. In addition, supportive projects will require \$190,000 in 1957 and \$199,300 in 1958.

1. Memphis, Tenn., a cervical cancer cytological investigation

1957 estimate..... 185,000
1958 estimate..... 185,000

Change (+) or (-)..... 0

This program has been in operation since 1952, and has provided much of the information used as a starting point for other centers concerned with cancer of the uterine cervix. Over 130,000 women have participated with benefits to them and to the body of cancer knowledge. The center is an important training area for technicians necessary for the application of the technique in other communities.

2. *Columbus, Ohio, a cervical cancer cytological investigation*

1957 estimate-----	\$100, 000
1958 estimate-----	102, 000
Change (+) or (-)-----	+2, 000

A cervical screening program was started in 1956, and in many respects is similar to the pattern of the Memphis study, but in an entirely different population area. This study represents a potential of 185,000-215,000 women over 20 years of age in the Greater Columbus, Ohio area. Studies are being made to compare the results of different methods of securing the cells to be examined.

3. *Columbus, Ohio, a large bowel cancer cytological investigation*

1957 estimate-----	\$65, 000
1958 estimate-----	75, 000
Change (+) or (-)-----	+10, 000

Final negotiations are being conducted to establish a second investigation in Columbus. The objective of this study will be to obtain basic data pertaining to the occurrence of cancer of the large bowel. In the initial phases of this study, emphasis will be on the development of a practical method for the early discovery of the disease in this body site. Because of the meager knowledge available, new techniques of obtaining suitable cytologic specimens must be developed. Consequently, a relatively small number of individuals will be examined during the early phases.

4. *Louisville, Ky., a cervical cancer cytological investigation*

1957 estimate-----	\$95, 000
1958 estimate-----	97, 000
Change (+) or (-)-----	+2, 000

This investigation is proceeding along the lines of securing data on specimen collection by means of aspiration, and cervical scrapings or ttampon techniques. It is planned to obtain data related to the occurrence of cervical cancer in a potential population of 175,000 women over 20 years of age. The study is being extended to women in the 15-20 year age group which will add several thousand women to the potential of the study.

5. *Madison, Wis., a cervical cancer cytological investigation*

1957 estimate-----	\$70, 000
1958 estimate-----	72, 000
Change (+) or (-)-----	+2, 000

This investigation which was started in late 1956 is designed to explore the feasibility and practicality of bringing the cytologic procedure to women in rural areas. Approximately 135,000 women over 21 years of age will be involved. Specimens are obtained by physicians in outlying areas and mailed to a central laboratory.

6. *Washington, D. C., a cervical cancer cytological investigation*

1957 estimate-----	\$100, 000
1958 estimate-----	102, 000
Change (+) or (-)-----	+2, 000

This project on cancer of the cervix was organized during 1956. In early stages slides from Indians have been examined as a part of a cooperative program with the Division of Indian Health. Another phase of the study includes employees of the National Institutes of Health and other bureaus of the Department of Health, Education, and Welfare. A long-range study on female employees and patients in St. Elizabeths Hospital is planned and special investigation is being made of the conditions under which the test is most reliable.

Consideration is being given to screening employees of other governmental departments and also to expanding studies of variations in the occurrence of cervical cancer in different ethnic and social groups.

7. *San Diego, Calif., a cervical cancer cytological investigation*

1957 estimate-----	\$15, 000
1958 estimate-----	15, 000
Change (+) or (-)-----	0

This is a small study primarily concerned with an investigation of the possible relationship between social economic factors and the occurrence of cervical cancer. Medically indigent women in this area will be screened by means of vaginal cytology and the data on cancer occurrence correlated with a number of dimensions of socioeconomic status to evaluate the significance of such relationships.

8. *Philadelphia, Pa., a cervical cancer cytological investigation*

1957 estimate-----	\$95, 000
1958 estimate-----	105, 000
Change (+) or (-)-----	+10, 000

This project is designed to gather information by use of vaginal cytology on the occurrence, progression, and/or regression of uterine cervical metaplasia and carcinoma—in-situ. The study group will be comprised of women employed in industry, to test this source of patients because they appear to represent a stable population where repeat tests can be obtained. It is expected that this project will last between 3 and 4 years, yielding a study population of about 40,000 to 50,000 women on whom 3 cytology examinations will have been completed.

9. *Houston, Tex., a lung cancer cytological investigation*

1957 estimate-----	\$80, 000
1958 estimate-----	90, 000
Change (+) or (-)-----	+10, 000

The goal of this project is to collect basic information regarding the incidence, prevalence, and early course of development of lung cancer. The immediate objective is to determine whether a thoroughly reliable procedure exists or can be developed which will make pulmonary exfoliative cytology practical as a case-finding tool for the discovery of early lung cancer. The utilization of pulmonary cytology as a case-finding procedure is dependent upon procurement of satisfactory specimens which can be examined cytologically. With an adequate specimen, pulmonary cytologic diagnosis can be as reliable as vaginal cytologic diagnosis. One source of lung cytology specimens is sputum from the lung in adequate amounts. Consequently, early attention will be given in this investigation to the study of agents and devices which will facilitate lung sputum production. Agreement for this project was reached in late November 1956. A small number of individuals will be examined in the initial phases of this study.

10, 11, 12. *Additional investigations in the planning stage*

1957 estimate-----	\$225, 000
1958 estimate-----	255, 000
Change (+) or (-)-----	+30, 000

Negotiations are underway for establishing an additional vaginal cytology project for women members of a large labor organization during the current fiscal year. Discussions are being held with interested organizations to insure the most effective research-demonstration program.

In addition to Houston, Tex. and Columbus, Ohio, it is planned to establish two new investigations for application of the cytologic technique to other sites of the body. These investigations will concentrate on method. Consequently, the number of persons examined will be relatively few for some time to come.

Negotiations are being conducted to establish centers to study gastric cancer, and cancer of the genitourinary tract.

GRANTS FOR FIELD INVESTIGATIONS

Cytology projects

1957 estimate_____	\$900, 000
1958 estimate_____	900, 000
Change, (+) or (-)_____	0

These funds provide support for additional studies which are directed toward the development and refinement of cytologic procedures to uncover cancer in various body sites such as improvement in the cytologic test itself (better staining, improved methods of interpretation); improvement in specimen collection; development of mechanical screening devices; the studies in prognostic ability of cytology and utilization of cytology as a research tool for the study of the nature and course of cancer. Thirty-six studies are being supported in these areas at a cost of approximately \$686,000. It is planned to continue the same level of operation in 1958.

In addition, these funds provide support for three groups (Providence, R. I., Charlotte, N. C., and Detroit, Mich.) in the total amount of \$214,000. The studies carried out in these cities combine both the screening and research aspects of the program and are correlated to the total national program. Applications for the support of these and other field investigation grant projects are carefully studied by the Cancer Control Committee, are subsequently reviewed by the National Advisory Cancer Council, and if recommended, are approved by the Surgeon General. Technical advice is provided by the Institute as required.

Training grants

1957 estimate_____	\$100, 000
1958 estimate_____	100, 000
Change (+) or (-)_____	0

In the entire field of cytology there is a tremendous shortage of trained personnel (pathologists and cytology technicians). This is particularly true for the cytology technician. These are persons, usually young women, who have had sufficient training in the Papanicolaou technique under a pathologist's instruction to examine cytologic preparations microscopically and identify cancer cells. Such an interpretation of specimens requires a considerable amount of judgment and involves a certain degree of responsibility.

It has been extremely difficult to recruit and retain trained cytology technicians because of the exacting type of work involved, and the fact that trained technicians can obtain similar employment outside the Federal service at substantially higher salaries. In addition, the situation is complicated by the fact that the majority of cytology technicians are young women of marriageable age who stay in the field for only a limited period of time.

The Institute is attempting to meet this shortage in a number of ways. Some trainees are being given on-the-job technician training in the several investigations underway.

Supportive projects

1957 estimate_____	\$190, 000
1958 estimate_____	199, 300
Change (+) or (-)_____	+9, 300

There are three additional aspects to the direct operations programs. Approximately \$40,000 is required in 1957 and \$49,300 will be required in 1958 to provide professional leadership and guidance for the cytological investigations. The cytology control program designed to provide consultants to regional offices for Federal-State liaison is budgeted for \$65,000 in 1957 and 1958. The electronic device currently being developed to automatically scan cervical smears will be effective in sorting out positive and suspicious specimens from negative ones. Once the baseline level of operation is established there will be a need for further developmental research in improving the model and increasing its effectiveness. It is planned to utilize contract arrangements in the amount of

\$85,000 in 1957 and 1958 to permit the most rapid extension of developmental research in cytologic instrumentation.

A number of pathologists in various centers throughout the country conduct training courses for cytology technicians and grants are provided to a limited number of these centers to enable them to expand their enrollment beyond their own immediate needs.

In addition, a traineeship program has been instituted recently under which cytology technicians are trained in a number of recognized cytology laboratories throughout the country. Under this program, trainees are awarded stipends at the rate of \$225 per month for a maximum period of 6 months. It is estimated that 50 technicians will be trained under this program in 1957 and double this number in 1958.

An agreement was recently approved by the Civil Service Commission which provided special appointment procedures for interested individuals to trainee positions under the merit system. This training is conducted in cytology projects operated directly by the Institute. This arrangement should aid somewhat in recruiting for such projects.

Lastly, pathologists are needed to supervise the cytology technicians. The training of pathologists is supported through the grant mechanism, and approximately 26 pathologists will be trained in cytology techniques during 1957 and 1958.

*Summary of amounts available for cytology*¹

Fiscal year	Amount available	Amount obligated
1952.....	\$130,100	\$130,100
1953.....	98,200	95,200
1954.....	175,000	169,000
1955.....	245,000	238,500
1956:		
Original allocation.....	739,800	-----
Additional amount used in support of "Grants for field investigations" due to high priority grant applications requiring support in excess of original allocation.....	123,732	-----
Total, 1956.....	863,532	772,861
1957.....	2,220,000	² 1,158,378
1958 (estimate).....	2,297,300	2,297,300
Total.....	6,029,132	4,861,339

¹ Prior to fiscal year 1956, no specific accounting support exists which would reflect the cytology program appropriately documented and summarized. It was necessary to review the documents for years prior to 1956 to be able to determine availability and obligations.

² As of Mar. 31, 1957.

NATIONAL CANCER INSTITUTE

Cancer chemotherapy program

Funds	1956 actual		1957 estimate		1958 estimate		Change, increase (+) or decrease (-)	
	Posi- tions	Amount	Posi- tions	Amount	Posi- tions	Amount	Posi- tions	Amount
Financed under—								
“Grants for research projects”		\$4, 199, 415		\$10, 520, 000		\$11, 436, 000		+ \$916, 000
“Training grants”		0		700, 000		700, 000		0
Total grants		4, 199, 415		11, 220, 000		12, 136, 000		+916, 000
Financed under professional and technical assistance: Cancer chemotherapy, National Service Center:								
Personal services ¹	20	93, 848	129	572, 600	129	620, 100		+47, 500
Other objects ¹		60, 309		214, 700		177, 400		-37, 300
Contracts		651, 033		4, 323, 000		4, 323, 000		0
Total, professional and technical assistance		805, 190		5, 110, 300		5, 120, 500		+10, 200
Subtotal, chemotherapy program		5, 004, 605		16, 330, 300		17, 256, 500		+926, 200
Amount reserved for “Grants for research projects”		0		3, 267, 000		0		-3, 267, 000
Total, chemotherapy program		5, 004, 605		19, 597, 300		17, 256, 500		-2, 340, 800

¹ Includes personal services (55 positions) and other objects amounting to \$345,000 for reimbursements and other arrangements with other governmental organizations for fiscal years 1957 and 1958.

The above table shows funds for research grants, training grants, contract operations and work of the Cancer Chemotherapy National Service Center, budgeted under various activities. Grants for chemotherapy and other cancer research grants are very closely related. Classification into chemotherapy grants and nonchemotherapy grants is essentially an arbitrary decision. The same is true in training grant activities.

Cancer Chemotherapy National Service Center

The National Cancer Institute has developed a national program to search for chemotherapeutic agents which can be used in treatment of cancer. An interagency staff organization, the Cancer Chemotherapy National Service Center is now in its second year of operation as the clearinghouse, expeditor and co-ordinator of hundreds of interrelated research projects being carried on throughout the Nation in universities, hospitals, Government laboratories, and private industry.

Program objective, to find a chemical cure for cancer

These projects have one aim: the discovery of a substance which, like penicillin in bacterial disease, will stop cancer growth without seriously harming normal cells. There is abundant evidence that several different types of chemical agents are capable of causing spectacular, though temporary, regression or disappearance of widespread cancer lesions. Alkylating agents (i. e., nitrogen mustard) produce full though temporary remissions in chronic leukemia, Hodgkins' disease, and other lymphomas. Antimetabolites such as Amethopterin and 6-mercaptopurine produce spectacular temporary remissions in 30 percent of cases of acute leukemia. Steroid hormones are now standard therapy in several forms of cancer. Male hormones produce remissions in 20 percent of cases of metastatic cancer of the breast. Female hormones produce remission in 80 percent of cases of metastatic cancer of the prostate. Cortisone produces temporary remission in leukemia. Antibiotics, such as actinomycin, azaserine, and DON are extremely active in animal tumors and are under study in man.

These scientific facts encourage scientists to believe that a chemical cure may be found.

Approaches to the program

The program has two major approaches. The first is achieved by supporting, through grants the research ideas of our country's top scientists located in universities and institutions. These scientists develop the research ideas and request support for them. Out of such independently conceived research have come most of the compounds in clinical trial today.

The second approach is made by developing a coordinated program with the advice of panels composed of experts in the field. The program so developed is carried out through contracts with nonprofit and profit institutions. This approach is essentially one of engineered research and testing.

Funds for training will increase the supply of trained scientific manpower to engage in research in chemotherapy.

Program developments

The following will highlight some of the developments of the various areas of activity of the Cancer Chemotherapy National Service Center program supported through grants and contracts.

Screening

The screening activities of the Cancer Chemotherapy National Service Center have expanded rapidly during the past year. The center has now the largest screening program in the country. It consists of laboratory tests designed to evaluate the antitumor activity of synthetic chemicals and antibiotic filtrates in experimental animals against three tumors: Carcinoma 755, leukemia 1210, and sarcoma 180. At present, synthetic compounds are screened in all three tumors. Antibiotic filtrates are screened in only the sarcoma 180 tumor. As soon as we are successful in our efforts to increase the supply of inbred strains of mice required for these tests (late summer or early fall), we will undertake the screening of antibiotic beers in all three tumors. At the present time, the center is screening about 30,000 compounds and beers per year. This has been built up rapidly from the level of about 2,000 per year 12 months ago. Industry is supplying a great percentage of both chemicals and beers for screening, and it is expected that further increases in these materials will be forthcoming during the remainder of this fiscal year. There is no longer any question that we can provide large scale, high quality, routine screening. Already this program has uncovered over 50 interesting materials, and active beers are accumulating rapidly. Approximately 26 antibiotic beers and 25 chemicals have suggested activity and are now in various stages of retest.

Now, the emphasis is shifting in the direction of secondary screening. In the area of beers, the problem is one of determining the level of operations required to locate the element having antitumor activity. "Antibiotic beers" is a trade term for a fluid which is obtained by growing a microorganism, such as a mold, in a liquid culture medium and then removing the microorganism by filtration or centrifugation; the fluid remaining is a "beer" or "crude culture filtrate." When a beer shows antitumor activity, the next step is fractionation to locate the active component. This is a very expensive procedure, and the center, therefore, is concentrating on the development of secondary screening techniques which will permit us to detect duplicates, identify previously isolated substances, and select the most promising beers for intensive effort. At the same time, we are seeking shortcut tests which can be used to test fractions in the fractionation procedure in order to eliminate the necessity for running each fraction in mice, tissue culture, and microbiological techniques which show promise in this connection, and we are stimulating efforts in these areas vigorously.

Efforts to find better methods for preliminary screening continue actively. The tissue culture technique looks sufficiently promising, and contract negotiations are underway for the testing of about 5,000 materials in tissue culture as a parallel to the mouse screening program. Efforts are also underway to determine the usefulness of using microbiological systems and the evaluation of other tumor systems as screening tools.

Chemistry

By June 30, 1957, approximately 8,000 to 9,000 compounds will have been procured for screening activities. More and more arrangements have been made with pharmaceutical companies for the screening of their compounds on a confidential basis. The Center has made a number of contracts with universities, nonprofit institutions, and industrial installations during the past year to discuss cancer chemotherapy. Grant-supported efforts in synthetic chemistry are under-

way in a number of universities, but these efforts fall far short of meeting the needs. The Center is now in the process of negotiating major chemical synthesis programs at the Southern Research Institute and the Stanford Research Institute. Plans are being developed for additional large-scale pilot plant operations in this area to produce "tailor-made" chemicals related to those of known activity for large-scale screening, preclinical pharmacological studies, and clinical trials. In addition, the Center has procured chemicals of particular interest to investigators in cancer chemotherapy. These include chemicals used as intermediates for synthesis, compounds undergoing clinical trial, etc.

Steroids and hormones

At the request of Congress for such a program intensive efforts have been made to enlarge the program on steroid hormones. The following areas were selected for emphasis:

(a) Establishment of a group of hormone assay laboratories operated under contract in a manner similar to the screening contracts. Since testing of steroids in animal tumors gives such poor information as to how these materials will act against human cancers, the selection of materials for clinical trial has heretofore been based on hormone assay. Detailed specifications have now been drawn up for thirty-odd different assay procedures. Two contracts were let in November for the purpose of testing these procedures against standard hormone preparations. Tests carried out to date have resulted in a series of modifications of the tests in order to improve accuracy and reproducibility. Several of the tests are now believed ready for routine use, and the Center is now in the process of determining the level of operation necessary to meet the needs. Work in this area by pharmaceutical industry is much larger than was appreciated. It is believed that this fact will reduce the demands upon contract assay laboratories. It now appears likely that these laboratories will be used chiefly for the intensive study of materials which have gone to clinical trial and as centers for development of better assay methods.

(b) Intensification of the search for animal tumors which would be more accurate in predicting activity of steroid hormones in human cancer. The search for better animal tumors for testing steroid hormones is moving ahead slowly. The few institutions where animal tumors are present in large numbers and great variety have not generally been interested in these tumors as hormone test devices. Institutions having scientists interested in the problem have generally not had animal tumor material available to work with. Efforts to establish centers for such activity are beginning to bear fruit, but it will be some time before we may expect results.

(c) Creation of an organized clinical program for the rapid testing of steroids in various forms of human malignancy.

Pharmacology and toxicology

In addition to the workload imposed by the clinical program in steroid hormones, there is another increase in workload occasioned by the expansion of screening activities. The full impact of this increased workload remains to be determined. Several new laboratories have been activated under grant support during the year in order to keep up with the increased demand. In addition, a contract has been established with one commercial laboratory for preclinical pharmacology of steroid hormones. The Food and Drug Administration is now performing pharmacology study prior to clinical use on 14 compounds, including 1 compound developed in the screening program (CB-1348). Studies of drugs to be used in combination are also being made.

Clinical studies

During the past year there have been rapid strides in bringing new investigators and new institutions into the clinical evaluation trials of antitumor compounds. This expansion has reached the point where the number of institutions participating in cooperative study groups is constantly increasing.

A detailed tabulation of active and pending cooperative clinical studies is set forth in the accompanying table. As of the present time, there are 8 clinical groups, consisting of approximately 71 hospitals, actively engaged in clinically evaluating a number of drugs including mustards, steroids, and antibiotics. There are 8 additional groups, involving some 113 hospitals, in various stages of development.

There are now several new agents being used in clinical trials. These include several antimalarial mustards, several derivatives of uracil, several substituted

pyrimidines, several relatives of cortisone, and several halogenated steroids related to sex hormones. Pharmacology is now being carried out on the anti-malarial mustards. These compounds show definite activity in man, but their usefulness remains to be established. The uracil derivatives are also being studied, but clinical testing is still too preliminary to permit evaluation. The use of the substituted pyrimidines has been limited because of the toxic effects it has on the liver. The relatives of cortisone developed in the pharmaceutical industry are showing activity in acute leukemia and with less side effects than cortisone. The several halogenated sex hormones also originating in industry are encouraging in preliminary trials in cancer of the breast. While it is too early to predict with any degree of accuracy the ultimate usefulness of these compounds, limited clinical evidence indicates there is a good possibility that they, along with compounds already extensively studied and used, will prolong the life of patients suffering from certain cancers.

Another group of studies will involve the use of isotopes and chemotherapeutic agents as adjuncts in the definitive surgical and radiological treatment of cancer. Substantial progress has been made in establishing cooperative clinical study groups for evaluation of steroid hormones in human cancers. Protocols for these studies are now being prepared; investigators initially plan to study gastrointestinal malignancy, breast, lung, and ovarian tumors. These clinical studies are supported through the grant mechanism.

To meet the problems of central control and coordination, which are becoming increasingly difficult, there has been established through contracts a program provided for the statistical design and evaluation. Additional measures may be required later.

As a corollary to these studies, a cancer end-results committee has been organized with clinical-studies panel sponsorship, and is composed chiefly of tumor clinic registrars from State, municipal, and institutional registers. This program will have as its objective the evaluation of chemotherapy as related to the end results achieved by this and other methods of treatment, and is based on the long-term followup of cancer patients. These end-results projects are financed by contracts.

Training

In order to overcome a major shortage in trained personnel a program of research training grants was inaugurated during this year. Grants have been made to approximately 12 institutions for this purpose. It is estimated that 132 clinicians, pharmacologists, chemists, and other scientists will enter training this year. This is visualized as a temporary program for chemotherapy. When the major shortages are overcome this activity should be dropped in favor of more long-range general programs for training medical research manpower.

Industrial participation

In less than a year there has been a complete change in the prospects for industrial participation in the national cancer chemotherapy program. We are now receiving large supplies of industrial chemicals and beers. A number of firms have expressed their interest in negotiating research and development programs. Several companies are increasing the expenditures of their own funds in this area and are displaying interest in further expansion if financial and technical assistance is forthcoming.

The importance of industrial participation cannot be overlooked. This is explained by the very nature of chemotherapeutic research which is empirical, repetitive, large-scale, and, of necessity, rather highly coordinated. Research of this sort is not well suited to academic institutions where the emphasis is on original fundamental studies carried out in small individual highly independent units.

Further industrial participation in the program is anticipated during 1958. The extent of this participation is under study, and patent and financing relationships are being explored. If it is possible to undertake an industrial program next year, efforts will be made to establish contracts for chemical synthesis, greatly accelerated beer programs and the biological evaluation of compounds.

Distribution of fiscal year 1957 cancer chemotherapy research grants and contracts by type projected to June 30, 1957

Type	Grants		Contracts		Total grants and contracts
	Number	Amount	Number	Amount	
I. Synthesis or preparation of compounds.....	60	\$938,000	7	\$330,500	\$1,268,500
II. Screening of compounds.....	57	1,888,000	19	1,558,500	3,446,500
III. Endocrinology.....	87	2,139,000	4	195,600	2,334,600
IV. Pharmacology and toxicology.....	104	1,861,000	3	156,400	2,017,400
V. Clinical evaluation.....	48	2,585,000	1 21	443,200	3,028,200
VI. Large integrated programs.....	6	824,000			824,000
VII. Purchase of chemicals.....				360,000	360,000
Total.....	362	10,235,000	54	3,044,200	13,279,200

¹ Contracts for statistical coordination, design, and evaluation of clinical studies and evaluation of therapy as related to end results achieved.

Contracts

This year will see a marked expansion in the contract area. Since many contracts have and will be let during the year, the June 30, 1957, level of operations and expenditures is at a substantially higher rate than yearly totals would indicate (see table on following page for cost on annual basis).

Grants

The research grant program in chemotherapy has been sharply expanded during 1957. The studies conceived by scientists in universities and other research institutions are supported on the basis of individual merit, after review by study sections and the National Advisory Cancer Council. Since these are not directed studies and since they compete for support on basis of merit, one can predict areas of emphasis only on the basis of past experience.

Fiscal year 1957 contracts annualized

Type	Number	Amount
I. Synthesis or preparation of compounds.....	7	\$779,500
II. Screening of compounds.....	19	1,784,546
III. Endocrinology.....	4	825,000
IV. Pharmacology and toxicology.....	3	273,120
V. Clinical evaluation.....	21	597,146
VI. Large integrated programs.....		
VII. Purchase of chemicals.....		360,000
Total.....	54	4,619,312

Cooperative clinical studies

I. ACTIVE STUDIES

Name of group	Disease(s) studied	Chemotherapeutic agents used	Number of hospitals participating
Endocrine breast A.....	Advanced breast carcinoma.	Testosterone P, progesterone, and 8 experimental androgens.	15
Eastern study group.....	Breast carcinoma.....	HN ₂ versus thio-TEPA ¹	6
	Bronchogenic carcinoma.....	do. ¹	
	Hodgkin's disease.....	do. ¹	
	Melanoma.....	do. ¹	
Southeastern study group....	Multiple myeloma.....	Azaserine versus placebo.....	9
	Chronic lymphocytic leukemia.	Myleran versus CB-1348 (cross-over). ²	
	Chronic granulocytic leukemia.	do. ²	
	Multiple myeloma.....	Myleran versus CB-1348 ²	
	Breast carcinoma.....	Myleran versus CB-1348 versus thio-TEPA. ²	
	Bronchogenic carcinoma.....	do. ²	
Southwestern study group..	Chronic myelocytic leukemia.	Myleran versus 6-MP (cross-over). ³	5
	Chronic lymphocytic leukemia.	CB-1348 versus radioactive phosphorus.	
	Acute leukemia in children.	6-MP and azaserine versus amethopterin alone. ³	
	Neuroblastoma in children.	HN ₂ and amethopterin versus placebo. ¹	
Veterans study group.....	Acute leukemia.....	6-MP versus 6-chloropurine ³	11
	Solid tumors:		
	Bronchogenic carcinoma.	HN ₂ versus DON ^{1 4}	
	Melanoma.....	do ^{1 4}	
	Lymphomas:		
	Hodgkins' disease.....	do ^{1 4}	
	Lymphosarcoma.....	do ^{1 4}	
Western study group.....	Chronic lymphocytic leukemia.	TEM versus CB-1348 ^{2 5}	6
	Chronic myelocytic leukemia.	Myleran versus demecolcin.....	
	Malignant lymphomas....	CB-1348 and HN ₂ versus HN ₂ plus placebo. ^{1 2}	
	Multiple myeloma.....	Prednisone versus placebo.....	
Nonlocalized study group A.	Acute leukemia (children)	6-MP plus azaserine versus 6-MP alone. ³	14
Nonlocalized study group B.	Acute leukemia.....	6-MP and amethopterin in different dose regimens ³	5
Total (8 groups).....			71

¹ HN₂—nitrogen mustard.² CB-1348—compound developed by Chester Beatty Institute, London, England.³ 6-MP—6 mercaptopurine.⁴ DON—6 diazo-5-oxo-nor-L-leucine.⁵ TEM—triethylenemelamine.

II. GROUPS FORMULATED—STUDIES BEING DEVELOPED

Endocrine breast B.....	Advanced breast cancer.....	Standard and new estrogens.....	10
Endocrine prostate.....	Prostatic cancer.....	Estrogens and other hormones.....	10
Surgical adjuvant lung A.....	Lung cancer.....	Surgery plus Thio-TEPA.....	8
Surgical adjuvant breast C.....	Breast cancer.....	Radical mastectomy plus Thio-TEPA and/or radioactive phosphorus.	20
Surgical adjuvant rectum-colon.	Cancer of the large intestine.	Surgery plus Thio-TEPA.....	15
Surgical adjuvant stomach.....	Gastric cancer.....	Surgery plus HN ₂	10
Surgical adjuvant ovary.....	Ovarian cancer.....	Surgery plus radiogold.....	20
	Gastric carcinoma.....	Surgery plus Thio-TEPA.....	
Veterans' surgical adjuvant group.	Carcinoma of large intestine.	do.....	20
	Carcinoma of lung.....	do.....	
Total.....			113

GENERAL STATEMENT

Dr. HELLER. In a few sentences, Mr. Chairman, and gentlemen of the committee, I would like to identify some of the areas which offer promise and some of the activities which have been carried on by the National Cancer Institute.

In general, the substance of my report relates to the advances that have been made in the laboratory and clinical research, both in Bethesda and in the laboratories and institutions which are supported by grants; the expansion of training programs in which this committee has expressed so much interest in the past, the development and expansion of the cytology activities with which you are familiar and to which I testified last year, and the expansion and development of the cancer chemotherapy program, another development in which this committee has expressed so much interest.

OTHER VIRUS DISEASES

I think the advances, Mr. Chairman and gentlemen, have been steady, perhaps nothing earth-stirring or soul-shaking in a sense of dramatic events. On the other hand, there have been a number of very good and worthwhile research findings. They have been, one might say, fairly well in the area of basic research, the details of which it is not necessary to indicate here, in basic chemistry, physics, physiology, and so forth.

There have been marked advances, I think, in chemotherapy. There have been some very interesting advances in virology, both as to the study of the causes of cancer with viruses as a possible etiological agent, and the use of viruses in the possible clinical management of cancer.

Senator HILL. In that connection, could you give us for the record some of these advances to which you refer so that we might know?

Dr. HELLER. Yes, sir. In research grants, Mr. Chairman, we have just about doubled the grants to outside investigators and these advances to which I referred earlier have occurred both in our laboratories in Bethesda and in outside laboratories for which support has been awarded.

FOWL LEUCOSIS

In the field of viruses, for example, some of the most noteworthy work has been in the studies relating to the causation of certain diseases in animals, which have applicability potentially to humans. One, for example, is fowl leucosis, a disease of chickens, which has been demonstrated definitely to be viral in origin. The Sloan-Kettering Institute in New York, for example, has been working with human volunteers in Ohio and has advanced a very interesting proposition that individuals who have cancer when human tumors are transplanted in their bodies apparently have less resistance than individuals who do not have cancer. The Sloan-Kettering investigators are inclined to think there may be a virus involved in some of these transplanted cancers.

At our own place in Bethesda we are continuing the treatment of cervical cancer with the APC viruses. We have struck several snags, which is not unexpected inasmuch as it has been difficult to concentrate

virus sufficiently, but work is going ahead, I think, very well, and I hope I will be able to report many more advances next year than I can at this particular time.

MANAGEMENT OF CANCER

Incidentally, we have undertaken the use of the so-called Cocksackie virus in the management of cancer, but this approach has not been very successful.

We continue to work with the APC viruses in studies of some cervical cancers.

In chemotherapy, Mr. Chairman, advances have been in the areas of synthesis of new compounds to be used in the chemical management of cancer, in the better screening of these compounds, in the study of better systems of screening to improve upon the animal systems, such as tissue culture or bacterial systems. There have been advances in the fractionation of certain chemicals which seem to have promise, particularly from antibiotic beers, and the better application of information throughout the country from the hospitals which are cooperating in the project.

I think the most exciting antitumor agents are being obtained from the antibiotic beers which I mentioned.

ANTIBIOTIC "SOUP"

As a result of industrial activity or in industrial plants, it has been found that about 1 percent of the so-called antibiotic beers have some anticancer activity. This antibiotic beer is a very crude soup. It is necessary to go through about two-hundred-odd steps in order to separate out the component elements in this so-called soup.

Senator HILL. Soup, s-o-u-p?

Dr. HELLER. Yes, sir. It is a crude mixture containing many things. It is commonly referred to as soup in the industry, Mr. Chairman.

Senator THYE. However, outside of the industry in your own language it is a liquid, a massy substance, that has formed and gathered within what you might say is a tumorous sort of growth; is that not so?

Dr. HELLER. Various molds are gathered from earth from all parts of the world, and this is put into big caldron or fermentation pots with suitable media. Fermentation takes place. The liquid contains many substances some of what are anticancer compounds.

Senator THYE. You ferment it. You do not take it as a part of a living subject or a living being and in the form of a tumorous growth or gathering; you make the product and you call it a soup?

Dr. HELLER. That is right.

Penicillin, aureomycin, and all the other antibiotics were derived in this fashion, and we depend almost solely on the industrial corporations for the preparation of these antibiotics. We are fortunate and privileged to get this soup from them and to have the opportunity of checking it for antitumor activity.

ANTITUMOR PROPERTIES

This is a complicated industrial process, Senator, but from our point of view it is a terribly important one because the antibiotic beer gives us a greater yield of antitumor activity than other chem-

icals examined in the screen. That is why we consider it to be of so much importance.

About 1 percent of these so-called soups have antitumor activity.

Senator MAGNUSON. You mean the 1 percent you finally end up with out of the soup?

Dr. HELLER. One percent of the soups.

Senator HILL. The soups themselves?

Dr. HELLER. The soups themselves. If you take products of a hundred pots of these fermentation caldrons, as it were, 1 percent of them will have a substance in the soup which has antitumor properties. The big job obviously is to separate out this particular element which has antitumor properties, and therein is part of the problem. It takes better than 200 processes to finally end up with this active principle.

Senator MAGNUSON. How do you find it has antitumor properties? By direct application into patients?

Dr. HELLER. Into animals. There have been 2 or 3 antibiotics which have been found to be useful in the treatment of cancer. One is called azasarine, another D. O. N., and several others have been used and found to be effective in some types of cancers.

It is a quite expensive process to fractionate these various soups down to the component crystalline elements, but we believe this is one of the most exciting leads we have had. We have the cooperation of industry and are going ahead modestly in this program.

WORK OF CYTOLOGY CENTERS

In cytology we plan to establish a dozen centers, of which 10 are in operation. They are working well. We have found that physicians and patients cooperate well. We have found certain things necessary to be established epidemiologically before cytology can be applied to the population.

We have undertaken training of cytologists throughout the country in order to be able to met the demands for technically trained laboratory people.

Senator MAGNUSON. These are your field tests that you are talking about?

ADVANCES IN TRAINING

Dr. HELLER. That is correct. When one considers training in general we feel that we have made great advances in training in the several research skills about which Dr. Shannon testified. There are many other laboratory advances, Mr. Chairman. I mention these several as indicative of the sorts of things we have done.

We would be pleased, Mr. Chairman, for the record to submit to you others.

Senator HILL. I wish you would. I wish you would do that. Make that complete in detail, Doctor, will you?

Dr. HELLER. Yes, sir; I will be happy to, sir.

(The information referred to follows:)

HIGHLIGHTS OF CANCER RESEARCH PROGRESS, 1956

Items of interest on program developments and research studies conducted and supported by the National Cancer Institute

SUMMARY

In the calendar year 1956, important advances were produced along the whole broad spectrum of the activities that constitute cancer research. Clinical and nonclinical studies, searches for drugs that destroy cancer and agents that cause cancer, investigations of normal and abnormal growth, studies of the nature and properties of normal and cancer cells, research on the mechanism of the cancer-destroying and cancer-producing process—all these efforts increased the understanding of cancer, and projected research closer to the ultimate goal of controlling cancer in man.

The items presented in this report were selected as representative of the highlights of progress in research studies conducted and supported by the National Cancer Institute. They include significant advances in many areas of clinical and laboratory investigation.

Knowledge of the causes of cancer and the nature of the cancer-producing process is important in the development of practical means of preventing or controlling the disease. In studies of the causation of cancer, differences in lung cancer rates between men and women were related to differences in smoking habits; a variety of cancers were observed in laboratory animals injected with polymeric chemicals; a newly discovered virus was found to produce mouse leukemia regardless of sex or age; and a chemical combination between the carcinogen, N-2-fluorenylacetamide, or a metabolite of it, and the proteins of the liver of rats was found.

Studies of the characteristics of cancer provide information about the behavior of a cancer, its effect on the patient, and the nature of normal and malignant growth processes. The synthetic nutrient medium for the propagation of cells in tissue culture was improved; cancerous transplants were found to derive their blood vessel system solely from the host's vessels, whereas normal transplants used both the graft and the host's vessels; a new ultraviolet TV system enabled scientists to take motion pictures of activity within mouse cells and identify chemical changes within the cell; an amino acid, aspartic acid, was found in different amounts in normal and tumor tissue of mice; desoxyribonucleotides were found in extracts of cancerous but not normal rat liver tissue and may be critical building blocks in the synthesis of DNA (desoxyribonucleic acid), the genetic material of cells; and for the first time details of the consecutive development of the fertilized human egg during the first 17 days of its existence have been obtained.

Another objective in cancer research is control through the use of diagnostic procedures which enable the physician to identify cancer in its earliest and most curable stages. In studies of the diagnosis of cancer, the cell examination technique for the detection of early uterine cancer was given further trial as a mass-screening procedure. The latest report on the Memphis study summarizing the results obtained in the examination of 108,000 women clearly indicated lower case-finding rates on second examination. The study is continuing and is being expanded to other centers throughout the country.

In the field of cancer treatment, research is underway to refine and improve surgery and radiation in order to achieve prolongation of the lives of cancer patients who cannot be cured. Results of an analysis of the Connecticut State Cancer Register are interpreted as an indication of better treatment for an increasingly greater proportion of cancer patients.

In the search for drugs that will selectively destroy tumor tissue, preliminary studies of a rare type of cancer indicated for the first time marked regression of a malignant solid tumor following chemotherapy. Other studies included laboratory trials of new compounds suspected of having anticancer activity and evaluation of the action of already known antitumor drugs in both human patients and animals, in terms of dosage patterns and extent of side effects.

CAUSATION OF CANCER

Identification of substances or factors in the environment of work or daily living that may increase the risk to human cancers can permit the development

of practical means of eliminating such hazards and thereby increase the possibilities for preventing certain types of cancer. One aspect of the investigation of the environment involves epidemiological studies. These studies provide data on prevalence, incidence, distribution, and mortality of cancer, and contribute to the knowledge of the nature and extent of cancer in the population. Such knowledge is essential to developing a means of controlling or preventing the disease.

Lung cancer rates in men and women related to smoking habits

A study by the biometrics and epidemiology branch using data gathered for the National Cancer Institute by the Bureau of the Census was made to analyze smoking habits in the United States. The data were obtained from about 45,000 men and women over 18 years of age in 230 selected areas. This survey represents the first attempt to test the consistency of data found in a number of studies relating to the risk of smokers developing lung cancer, smoking habits of Americans, and the general distribution of lung cancer in the population.

The results of the study were reported by William Haenszel and show that the entire cigarette-smoking population of the United States appears to be subject to the same high risk of lung cancer that was found in earlier studies of selected groups of smokers and nonsmokers. The male-to-female ratio of lung cancer deaths, now 5 to 1, represents the highest sex ratio known for any major disease. The adjustment for smoking history brought the sex ratio for lung cancer into line with those observed for other causes of death.

The study further indicated that if smoking is, in fact, a cause of lung cancer, the following two trends should prevail: The rate of deaths from lung cancer for females will rise by 1965, in accordance with the trend to smoking at earlier ages among women; and the increasing rate of deaths from lung cancer for males will slow down by 1965.

Cancer rate in Iowa greater in urban than rural areas

A study of cancer morbidity in Iowa, reported in 1956 by William Haenszel, of the biometrics and epidemiology branch, was the first to include data for an entire State and urban-rural area. It is known that the incidence of lung cancer is higher in urban areas than in rural areas, especially for males. This study confirmed information gathered from mortality data indicating the effect of urban-rural differentials on incidence of lung cancer. It also indicates that cancer incidence rates for other primary sites, such as larynx and cervix, were also higher in urban than in rural areas.

Examination of the records of cancer patients seen in hospitals and of patients whose diagnoses were microscopically confirmed showed equally high standards of care of patients in metropolitan areas and in rural, farming areas. This high level of medical care seems to be a reflection of the organization of medical services and facilities in the State.

This urban-rural discrepancy appears to be a real difference and is probably a manifestation of a combination of environmental factors.

Cancer among minority groups studied

Studies have been made by the Biometrics and Epidemiology Branch of cancer among minority groups in the United States. An analysis of recorded mortality among Navaho Indians, reported by Dr. Robert L. Smith, has confirmed the presumed deficit of cancer as a whole and, more specifically, of cancer of the breast, prostate, and lung.

Cancer-mortality data for the Japanese indicated that as a cause of death, malignant tumors of the breast, uterus, ovary, prostate, and urinary organs are less important than among white or other nonwhites. Japanese have higher death rates than either white or other nonwhites for cancer of the esophagus and stomach.

Among the Chinese, markedly excessively mortality was attributed to cancer of the pharynx and decreased mortality rates from cancer of the prostate, as compared to white or other nonwhite rates.

Incidence of liver cancer high among Bantus

Dr. J. Higginson, of the South African Institute for Medical Research, a foreign grantee of the National Cancer Institute, has reported preliminary results obtained in a survey of the incidence of primary cancer of the liver in the southern Bantu Negroes of Johannesburg, South Africa. Cancer registrations were carefully screened and only residents of selected townships were consid-

ered; miners and visitors from elsewhere were excluded. The study covered the period from January 1, 1953, to December 31, 1954, and included 76 cases, of which 57 were male and 19 female. The number of liver cancers encountered was about 50 to 100 times higher than that which would be expected in Denmark and 5 to 10 times higher than in the United States. The incidence of this cancer increased with age, and the early age of onset was striking—34 cases were between 25 and 44 years of age.

Some substances in the environment have been found to be carcinogenic, or cancer-inducing. Laboratory investigation of substances suspected of being carcinogenic provides opportunities to establish cause and effect relationships in animals and to study the course of events from an initiating stimulus to the appearance of cancer.

Polymeric chemicals carcinogenic to laboratory animals

In studies by the Environmental Cancer Section, rats and mice were injected with large doses of 4 different polymeric chemicals known as polyvinylpyrrolidones (PVP) having average molecular weights ranging from 20,000 to 300,000. Dr. Wilhelm C. Hueper reported that the animals developed a variety of cancers including tumors of the lymphoid tissues, uterus, skin, ovary, and breast, and also various benign tumors of some of these organs. The sites of the tumors were closely related to the sites at which PVP was retained.

Synthetic petroleum products carcinogenic to laboratory animals

The carcinogenic potency of coal tar, petroleum, and petroleum derivatives in laboratory animals was established many years ago. Studies have now been made by the Environmental Cancer Section on the carcinogenic properties of synthetic petroleum oils, produced by the direct hydrogenation of coal (Bergius process) and by the hydrogenation of carbon monoxide (Fischer-Tropsch process). The results reported by Dr. W. C. Hueper showed that definite carcinogenic properties were evident in various high-boiling fractions of oils obtained by both processes. There were distinct differences in carcinogenicity for the three species of animals tested—rats, mice, and rabbits—again providing evidence to support the view that several species should be used for the screening of chemicals for carcinogenic properties. Fischer-Tropsch products were in general carcinogenically less potent than Bergius products and also appeared to have a narrower range of species and tissue susceptibility.

Carcinogenic hydrocarbons found in oysters from polluted water

Reports in the literature indicated that various complex hydrocarbons are present in certain samples of barnacles, depending on the habitat of these marine invertebrates. Benzpyrene and other known carcinogens were among the hydrocarbons identified. In view of these findings, it was of interest to determine whether certain edible marine animals are also capable of taking up such hydrocarbons from polluted surroundings. Therefore, in a study carried out by the Environmental Cancer Section, oysters were collected in a harbor area where the water is polluted with ship fuel oil and industrial sewage. Dr. H. J. Cahnmann has reported that the substances recovered from the oysters revealed the presence of a number of high-molecular-weight hydrocarbons. The amount of such hydrocarbons was considerably less than the amount present in certain batches of barnacles. Nevertheless, the presence of even small amounts of these hydrocarbons may pose a health problem under conditions of severe pollution.

Carcinogenic effect of metals in rats

To determine whether cancers could be produced in rats by metals, Dr. B. S. Oppenheimer, of the College of Physicians and Surgeons of Columbia University, a grantee of the National Cancer Institute, imbedded tiny pieces of various metal foils under the skin in the abdominal wall of Wistar rats. The materials included silver, tin, tantalum, vitallium (an alloy of chromium, cobalt, and molybdenum), and stainless steel. Cancer was observed in all cases except when tin was used.

Radiation is a known cause of certain types of cancer. Research in cancer-inducing effects of radiation includes the effects of radioactive substances.

Cancer-causing effect of radioactive substances evaluated

A National Cancer Institute grantee has evaluated the cancer-causing effects of certain radioactive substances. Dr. Jacob Furth, of the Children's Cancer Research Foundation, reported that polonium causes severe, often fatal kidney damage; thorium dioxide, given clinically to provide opaque outlines of body

organs as required in X-ray examinations, may cause cancer after a long latent period, perhaps as long as 35 years after exposure; radioactive carbon-14 does not cause cancer; in mice, phosphorus-32 is a cancer-causing stimulus comparable to X-rays; radioactive gold-198 alone has little cancer-inducing power, but when combined with a carcinogenic azo dye it enhances the cancer-causing properties of the latter; atomic fission products such as strontium-89 produce bone cancers; exposure to fallout from atomic explosions may cause a variety of cancers in laboratory animals but in man only leukemias have been observed.

Leukemia linked to intensive radioiodine therapy of thyroid cancer

Dr. S. M. Seidlin, of the Montefiore Hospital, New York, a grantee of the National Cancer Institute, has reported that 2 patients in a group of 16 developed acute leukemia after intensive and prolonged treatment of metastatic thyroid cancer with radioiodine. While a causal relationship is not definitely established by these results, the occurrence of these cases appears to establish a link between radioiodine therapy and leukemia.

Other causes of cancer may be produced by the host or have a living origin. Included in this category are viruses, which have become increasingly important as suspected causes of human cancer. Additional information on the relation of viruses to cancer has been produced by the research studies summarized in the following paragraphs.

Laboratory studies of leukemia viruses

One grantee of the National Cancer Institute, Dr. Joseph W. Beard, of Duke University, has isolated three separate viruses causing forms of leukemia in chickens and has taken pictures of these minute agents. Dr. Charlotte Friend, of Sloan-Kettering Institute for Cancer Research, another grantee, has discovered a virus that consistently causes leukemia in mice regardless of age or sex. Previously reported viruses that may be a cause of mouse leukemia induced the disease only if inoculated into newborn mice; several months later the mice developed leukemia. Mice infected with this new virus manifested the first signs of leukemia 14 to 21 days after inoculation.

Viral agent of chicken leukemia observed in electron micrographs

Particles characteristic of chicken leukemia have been observed in electron micrographs of the plasma of leukemic chicks. The findings suggest that such particles might represent the agent that causes the disease. Dr. Joseph W. Beard, of Duke University, a grantee of the National Cancer Institute, has reported on research undertaken to confirm this suggestion. On the assumption that one means of establishing the identity of the virus would be to precipitate it, if possible, with chicken immune blood serum, chickens were repeatedly injected with formalin-treated particles considered to have been the virus. The chickens developed antibodies in their blood which strongly neutralized virus infectivity. These blood antibodies were present in the serum of the chickens, which thus became an antiserum. This antiserum caused agglomeration of the particles observed in the electron micrographs. Consequently, these results were interpreted as indication that the particles actually do constitute the viral agent of chicken leukemia.

Although it cannot be stated that cancer is a disease that is inherited, the probability that an individual may develop cancer is influenced by such factors as heritable traits. The heritable traits are a result of the action of the genes found in the cell chromosomes.

Susceptibility to mouse breast cancer genetically changed

In a 10-year investigation reported this year by Dr. Walter E. Heston, of the Laboratory of Biology, the occurrence of mammary tumors in more than 4,000 female mice of various specific genotypes was studied. It was possible to change the susceptibility of certain strains of mice to breast tumors by genetically controlling the transmission of the mammary tumor agent, or milk factor. The mammary tumor agent possesses many of the attributes usually associated with filterable viruses; it occurs in the milk of lactating mice and influences strongly the occurrence of mammary cancers in their progeny some months later. In the search for the specific gene or genes responsible for the transmission of this milk factor, a susceptible strain of mice was crossed with a strain which was resistant to the agent. It was noted that, as early as the third generation, the agent was completely eliminated. The fact that the agent was eliminated so quickly suggested that the two strains differed by only a few

genes controlling the propagation and transmission of the agent, and possibly by only a single pair of genes.

In addition to searching for carcinogenic substances or factors in the environment and within the individual and studying their effects, cancer research scientists are studying the process by which carcinogens may cause cancer. One way of gaining an understanding of this process is to study the mechanism of the action of radiation.

Indirect mechanism of tumor-inducing effect of radiation suggested

Dr. Henry S. Kaplan, Stanford University School of Medicine, a grantee of the National Cancer Institute, has reported on the effects of X-irradiation of mice in the presence and absence of the thymus gland. The white blood cell cancer of the thymus gland known as lymphoma is responsible for lymphatic leukemia in mice which have been subjected to whole body X-irradiation. The increased incidence in irradiated animals may be prevented by removal of the thymus gland. The grantee now finds that implantation of thymus tissue into irradiated mice whose thymuses had been previously removed partially restores the incidence of tumors. These results appear to suggest that an indirect mechanism may be involved in tumor induction by radiation, since the thymus grafts had not been irradiated.

Another way of gaining insight into the carcinogenic process is to study the the laboratory the metabolism of known carcinogenic agents.

Urinary metabolites of N-2-fluorenylacetamide identified

Dr. John H. Weisburger, of the Laboratory of Biochemistry, has reported on the identification of two unknown hitherto urinary metabolites (breakdown products) of the carcinogen, N-2-fluorenylacetamide. This carcinogen causes in rats a variety of tumors, such as tumors of the liver, bladder, breast, and auditory canal. The number of metabolites of this carcinogen so far identified is now 10. This information provides a clue to the chemical changes that the carcinogen undergoes in the tissues of the host and hence to the actual form in which the carcinogen may exert its effect.

Study of the carcinogenic process is also carried out by chemical analysis of the tissues of laboratory animals after administration of a known chemical carcinogen. Earlier studies have suggested that chemical combination of the carcinogen with tissue protein may be an essential step in the carcinogenic process.

N-2-fluorenylacetamide combines chemically with liver proteins of rats

The results of a study by scientists of the Laboratory of Biochemistry to determine the fate of the carcinogen, N-2-fluorenylacetamide, upon administration to rats were reported by Dr. Helen M. Dyer. The data indicated that the compound, or a metabolite of it, did indeed enter into chemical combination with proteins of the liver of the rats. The next step in this work would appear to be to discover, identify, and characterize the behavior of a specific protein involved in the carcinogenic activity.

CHARACTERISTICS OF CANCER

Knowledge of the characteristics of cancer is important in providing valuable, practical information about the behavior of a cancer, its effect on the patient, and fundamental information about the nature and development of malignant neoplasms. Intensive efforts to discover important characteristics among cancers grown under controlled conditions have led to many new advances in knowledge. They have also brought to light the need for additional information about the nature and characteristics of normal growth processes. As a consequence, it has become increasingly evident that the cancerous growth processes and the normal growth processes must be studied simultaneously and that the required information can be obtained only from precise studies of the biology, biochemistry, and biophysics of these processes.

Tissue culture is a valuable tool for studying the development of malignancy and the effectiveness of antitumor drugs. Technological advances in the laboratory of biology have greatly enhanced the usefulness of this tool and it is now possible to grow relatively large quantities of cells under controlled conditions.

Synthetic nutrient medium for tissue culture improved

The chemically defined synthetic (protein-free) medium previously reported by the laboratory of biology has supported good cell growth for over a year and

is now being improved and simplified. Dr. Virginia J. Evans reported that fortification of the medium with vitamin B₁₂ resulted in increased cell growth, regardless of the amount of this vitamin used. Exploratory studies have shown that the chemically defined medium may be further improved by supplementation with whole-egg extract as a substitute for chick-embryo extract. Further work is in progress on this phase of the program.

The objective of these studies is to obtain a reproducible and adequate medium. Development of such a medium is regarded as one of the steps necessary for control of external conditions during a study of the transformation of normal to malignant cells and the screening of chemotherapeutic agents.

Cancer-produced ability decreased in tissue culture

A project was undertaken by the laboratory of biology to determine whether strain L mouse tumor cells grown for over 10 years in vitro still retained their ability to produce tumors when injected into animals of the strain from which the cells originated. The results reported by Dr. Katherine K. Sanford showed that these cells (1) exhibited a marked decrease in their ability to produce cancers, and (2) induced an immune reaction in the animals. An increasing degree of foreignness appeared to develop between tissue culture cells and the host strain of origin which prevented the cells from producing tumors. This information sheds additional light on the characteristics of tumor cells grown in tissue culture.

Cancer-cell infiltration studied by sponge-matrix technique

The sponge-matrix tissue-culture technique developed in the laboratory of pathology continues to provide important information about growing cells. In this technique, ordinary cellulose sponge is used as a support for cell and tissue growth. Cells growing from the original tissue fragment invade the sponge framework and form cell groups that often resemble the three-dimensional tissue patterns found in living organisms. Dr. Joseph Leighton has reported that it is now possible by the use of this technique to measure objectively the infiltration of human cancer cells in normal tissues and real progress is being made in studying this important problem.

Another way of studying the characteristics of cancer is by transplanting and growing bits of tumor in laboratory animals. By means of the transparent chamber technique developed a few years ago at the National Cancer Institute—a window introduced by surgery into the skin on the back of an anesthetized mouse—it is possible to observe the growth of transplanted tumors, the development of their blood supply, and their reaction to physical or chemical agents.

Blood vessel development compared in normal and cancer transplants

A study by scientists of the laboratory of biology was concerned with the development of blood vessels in normal and cancerous tissue grafts placed in transparent chambers in the skin of mice. Dr. Ruth M. Merwin has reported that development of blood vessels of normal tissue grafts appears to be a process that included proliferation of capillaries in both the graft and the host's tissues. Cancerous transplants, on the other hand, appear to derive their blood vessel system solely from the host's vessels. These studies appear to indicate a clear-cut difference between normal and cancerous tissues.

Endocrinology, or the study of the hormone-producing glands and the effect of hormones on the body as a whole, has long been recognized as a productive area of cancer research. In studies in this area, an understanding of changes that may occur during malignancy in the excretion patterns of hormones provides another means of defining the characteristics of cancer.

Urinary excretion pattern of steroid hormones in leukemic guinea pigs

Changes in the excretion pattern of corticosteroids (adrenal hormones) have been observed in the presence of cancer of hormone-dependent organs, such as the adrenals, pituitary, prostate, and breast. Dr. Eli M. Nadel has now reported on studies in the Laboratory of Pathology which indicate that the urinary excretion pattern of three of these hormones also changes in the presence of cancers of sites not directly related to the endocrine glands, such as leukemia. Similar changes are being sought in human patients.

Biochemical studies include research in the characterization and chemical reactions of proteins and nucleic acids, which are responsible in large measure for cell growth, function, and reproduction. These studies produce additional important information about the characteristics of cancer. The approach to the study of proteins and nucleic acids includes precise studies of their precursors;

amino acids and peptides and precursors of proteins, and nucleotides are precursors of nucleic acids.

Ultraviolet TV system photographs chemical activity in mouse cells

In experiments in the Laboratory of Pathology, a new ultraviolet television camera tube used with a high-power microscope and an electronic oscilloscope has enabled scientists to study the chemical activity within living normal and cancerous mouse cells. Dr. George Z. Williams has reported that the TV camera-microscope uses ultraviolet light and enlarges living cells some 2,000 times their normal size and projects their images on a TV monitor set screen. From the screen showing, the scientists can take motion pictures of cell activities or directly observe hitherto hidden changes. It is possible by this means to obtain quick and accurate measurements of ultraviolet absorption in cells and thus identify certain chemical changes within the cell. Perhaps more importantly, the studies may develop techniques for uncovering the effects of foreign chemicals on living cells, or for detecting chemical changes as they develop in disease-invaded cells. No success has been obtained to date in applying the system to human cells and the experiments must be considered as still in the development stage.

Amino acids, peptides, and proteins studied

Proteins are essential constituents of all cells. Together with amino acids (building blocks of proteins) and peptides (intermediate between amino acids and proteins), proteins are essential in growth.

Because tumors cannot be formed without a large amount of protein synthesis, studies that attempt to elucidate the process of protein formation, especially that in tumors, are of great importance. In the Laboratory of Biochemistry, scientists are actively engaged in isolating, purifying, and synthesizing the precursors of proteins—amino acids and peptides. They have also developed unique procedures for separating and purifying the proteins of normal tissues from healthy and cancerous animals, as well as from the tumors themselves, in order to distinguish the peculiar characteristics of proteins in normal and cancerous cells.

Synthetic, water-soluble diet developed

According to a report by Dr. Jesse P. Greenstein, scientists of the Laboratory of Biochemistry have developed a new synthetic, water-soluble diet, consisting entirely of chemically defined constituents. These include amino acids, organically bound phosphate, crystalline vitamins, glucose, and salts. The mixture of approximately 40 ingredients is a white powder, which produces a pale yellow liquid when dissolved in water. The diet is highly flexible, since its ingredients can be varied at will. It has been found to be completely adequate for the growth, breeding, and lactation of rats. The synthetic diet is now being evaluated to determine its suitability for feeding pre- and post-operative patients with wasting diseases, such as cancer, who need food supplied in a form that provides maximum effectiveness with minimum intake.

Arginine, ornithine, and citrulline effective against ammonia toxicity

High concentration of ammonia in the blood is characteristic of certain pathological conditions, such as liver disease. Ammonia in these great amounts is known to be highly poisonous. Scientists of the Laboratory of Biochemistry have conducted a series of studies in rats to determine how to remove this excess ammonia. Dr. Jesse P. Greenstein has reported that injections of rats with a lethal dose of ammonium acetate caused death within 30 minutes. But when ammonium acetate was injected with any of the following three amino acids—arginine, ornithine, citrulline—all the rats lived. Analysis showed that immediately after injection the ammonia concentration in the blood rose rapidly, was checked short of the toxic level, and in 15 minutes dropped to normal levels.

A mechanism known as the Krebs-Hensleit cycle normally operates within the liver to remove ammonia and render it harmless. It consists of a kind of closed-circuit system whereby ornithine picks up ammonia and carbon dioxide and is transformed into citrulline. Citrulline then picks up one molecule of ammonia and is transformed into arginine. Arginine, in turn, breaks down into urea and ornithine. In this cyclic mechanism, arginine, ornithine, and citrulline are converted into one another. Hence, they are equivalent to each other in effectiveness. Under normal conditions of operation, this mechanism is not geared to handle excessive quantities of ammonia fast enough to save the animal. The addition of arginine, ornithine, or citrulline causes the liver, by

catalytic stimulatory action, to work faster and dispose of the ammonia by the Krebs-Hensleit cycle at a rate which will save the animal. The excess ammonia is caused to combine with carbon dioxide in the blood and leave the body as urea, which is harmless.

Decrease in blood albumin studied in cancer patients

The continued growth of cancer in the human body alters the distribution of blood plasma proteins, ultimately reducing the amounts of these substances in the blood when the cancer becomes advanced and disseminated. Hypoalbuminemia—decreased amount of the blood plasma protein, albumin—is often pronounced. This phenomenon was studied by scientists of the General Medicine Branch, using albumin tagged with radioactive iodine. The results reported by Dr. Jesse L. Steinfeld indicated that the cause of hypoalbuminemia in cancer patients appears to be a defect in the rate of the production of albumin in the body.

Less aspartic acid found in mouse tumor tissue

Quantitative determination of 17 amino acids in normal and tumor tissues of tumor-bearing mice by a National Cancer Institute grantee showed significant differences in the amounts of one of the amino acids, aspartic acid. This observation was reported by Dr. M. N. Mickelson, of the Midwest Research Institute, Kansas City, Mo. Aspartic acid was present in tumor-bearing mice in significantly lower amount in tumor tissue than in other tissues. And it was higher in the tissues (except tumor) of tumor-bearing mice than in the corresponding tissues of healthy mice. These results suggest that since aspartic acid is a focal point for the synthesis of other amino acids, the abnormal amounts of this amino acid found in tumor-bearing mice may reflect an attempt in the tissues of the tumor-bearing animals to keep pace with the amino acids requirements of the rapidly growing tumor tissue. The presence of a lower amount of aspartic acid in tumor tissue than in other tissues may make this amino acid susceptible to attack by a chemotherapeutic drug.

Nucleic acids studied

Not so well known as the proteins, but equally important, are the nucleic acids. It is believed that they are vital to the processes of cellular growth and division and to the synthesis of proteins. They are so named because they were discovered in the nucleus of cells. Like proteins, they are essential constituents of cells, are large, extremely complex molecules, and contain nitrogen atoms. In addition, they contain sugar components.

Nucleic acid research is increasingly important because (1) nucleic acids are thought to be closely associated with genetic material and hence vitally concerned with the inherited traits of the organism, and (2) the biological characteristics of cancer cells are thought to result from a fundamental difference between the nucleic acid composition of normal and cancerous units, thus leading to the assumption that some therapeutically effective anticancer agents act through interference with the production of nucleic acids.

Desoxyribonucleotides found in rat liver tumors

Progress has been made by scientists in the Laboratory of Biology in the study of the mechanism of the synthesis of DNA (desoxyribonucleic acid). DNA is a major component of the chromosomes, which carry the inherited traits of the organism and is present in constant amount in chromosomes of all cells. The assumption is that DNA must be synthesized more quickly in tumor cells than in normal ones, since tumor cells grow more rapidly. Hence, it is essential to learn how this substance is produced.

Dr. Walter C. Schneider has reported on a study of DNA precursor compounds present in acid-soluble extracts of normal, normal regenerating, and cancerous rat liver tissue. The results showed that desoxyribonucleotides were present in tumor and normal regenerating tissue extracts but not in the normal tissue extracts. This finding suggests that these substances are critical in growing tissue and therefore may be building blocks in the synthesis of DNA. The isolation and identification of these substances are in progress.

First few days of development of human embryo studied

A milestone in the study of normal growth has been achieved by Dr. Arthur T. Hertig, Harvard Medical School, Boston, a grantee of the National Cancer Institute. For the first time the details of the consecutive development of the fertilized human egg during the first 17 days of its existence have been

obtained and the results contribute greatly to the existing knowledge of the growth of the individual. During the 16-year period from July 1938 to July 1954 surgically removed female reproductive organs (uterus and tubes) from 211 patients were searched for the presence of developing embryos of an age up to 17 days. Thirty-four specimens were found ranging from 2-day, 2-cell egg to a 17-day, well-implanted embryo. Twenty-one specimens were normal and 13 were abnormal in 1 or more ways. The changes in the tissue of the womb wherein the embryo was implanted were first apparent in the 8-day specimen and increased progressively with the development of the early embryonic membranes.

DIAGNOSIS

Cancer research has as its ultimate goal the control of cancer in man. Control through prevention is one objective and it is expected that research in the causes of cancer will lead to development of preventive measures. Another objective is control through the use of diagnostic procedures which enable the physician to identify cancer in its earliest and most curable stages. The progress made during 1956 in research on the diagnosis of cancer is illustrated by the following.

Cytologic test for uterine cancer

The cytologic test involves the microscopic examination of a smear containing cells shed from the internal organs and collected from the various openings of the body. This procedure was developed by Papanicolaou and modifications of it have been devised as aids in the diagnosis of cancer of the uterus, bronchus, and stomach.

The first application of the test as a mass-screening procedure for the detection of early uterine cancer in large populations of women was undertaken in Memphis and surrounding Shelby County about 4 years ago. (Uterine cancer is the second leading cause of death from cancer in women.) The project is a joint effort of the University of Tennessee and the Field Investigations and Demonstrations Branch of the National Cancer Institute.

The latest report made by Dr. Cyrus C. Erickson on this study summarized the results obtained in the first examination of 108,000 women and the second testing of 33,000 women. Analysis of the data from the third testing of some 8,000 women is not yet complete. The first examination of 108,000 women led to the discovery of about 800 cases of cancer, equally divided between early stage cervical cancer and advanced uterine cancer. Of the early stage cancers, fully 90 percent were totally unsuspected; of the advanced cancers, about 30 percent were unsuspected. The second screening of 33,000 women has led to the diagnosis of 83 cases of cancer, of which 72 were early-stage cervical cancer and 11 were advanced uterine cancer.

Comparison of the case-finding rates for the second screening with those of the first showed the following results: Of each 1,000 women examined in the first screening, 3.6 were found to have early-stage cancer and 3.1 advanced cancer; of each 1,000 women examined in the second screening, 2.2 had early-stage cancer and 0.3 advanced cancer. The significantly lowered values on second examination clearly indicate the value of the cell-examination test as a method for the early detection of cancer and as a case-finding procedure in large populations. The study is continuing and is being expanded to other centers throughout the country.

Cytologic test for abdominal and thoracic tumors

Examination of cells found in the body fluids of the abdominal and thoracic cavities of 2,029 patients was reported by Dr. J. Seybolt, Cornell University Medical College, a grantee of the National Cancer Institute, in order to evaluate the percentage of accuracy in diagnosis of cancer as made from the microscopic study of cell smears. This examination was found to be of distinct value in confirming or ruling out suspicions of tumor. Of 610 positive diagnoses, 71 percent were confirmed by clinical evidence. The test did not assist in the early detection of malignant growths since these are already far advanced when cells are shed into these body fluids.

Tubeless gastric analysis technique simplified

Previous experience has shown that a tubeless gastric-analysis technique developed to detect gastric achlorhydria (absence of hydrochloric acid in the stomach) was an encouraging mass-screening procedure. This method gives promise of being a potential aid in attacking the difficult problem of early discovery of gastric cancer, because this disease is frequently found in stomachs

having low acid content. In the test, an indicator compound is given by mouth and the urine is then checked for color to determine the degree of stomach acidity. An improvement in this technique using a new indicator compound (azure dye) was developed by Dr. H. L. Segal, a grantee of the National Cancer Institute. Results of an evaluation of this modified procedure reported by Dr. Maurice L. Sievers, of the Field Investigations and Demonstrations Branch, showed that it is simple, safe, and reliable.

Ultrasound technique under development

Progress toward perfection of an ultrasound technique to diagnose cancer in soft tissue structures is reported by Dr. D. H. Howry, University of Colorado, a grantee of the National Cancer Institute. An improved somascope which transforms sound waves into visual images has been completed. The tumor may be detected by the fact that it reflects sound waves abnormally and also displaces the normal sound outline as a result of tumorous tissue overrunning normal tissue. Many tumors can be outlined by this procedure, although, for example, techniques for visualizing brain structures remain to be developed.

Photographic recorder aids cancer detection

One of the ways in which tumors may be located in the body is by injection of a radioactive compound which becomes localized in the tumor. Dr. David E. Kuhl, of University of Pennsylvania, a grantee of the National Cancer Institute, has perfected a high-contrast photographic recorder for radioactive scanning which facilitates the detection of cancer in patients who were given radioactive test compounds. High contrast images are produced on X-ray film by scanning light beam, the brightness of which increases with the intensity of radiation recorded. Clinical trial has confirmed the usefulness of the new recording system in visualization of body radioactive isotope distribution.

Radioactive sulfur aids colon and breast surgery

Radioactive sulfur-35 was reported by a grantee of the National Cancer Institute, Dr. Raymond G. Gottschalk, of George Washington School of Medicine, to be preferentially located in cancers of the colon and the breast. Tracer amounts of radioactive sulfate were administered intravenously to 6 patients with cancer of the colon or rectum and to 3 patients with breast cancer. Specimens obtained during surgery 14 to 66 hours later were analyzed for total radioactive sulfur-35 content and used for radioautographic recording on photographic plates. In each patient the uptake of the radioactive compound in the cancer exceeded that in normal tissue. This selective concentration of the radioactive compound in the tumor may be of help during surgery to ensure complete removal of the cancer.

Acid phosphatase diagnostic technique improved

Human blood serum contains a mixture of enzymes which spur chemical reactions in the body. Increased amounts of the enzyme, acid phosphatase, have been observed in the presence of advanced cancer of the prostate, and the availability of a simple, fairly accurate technique for measuring this enzyme has contributed materially to diagnosis and treatment of this type of cancer. Dr. Henry M. Lemon, of Boston University, a grantee of the National Cancer Institute, has reported an improvement in the technique so that more exact determinations of acid phosphatase in serum are possible.

TREATMENT

Surgery and radiation remain the two most effective means of treating cancer. Research in these procedures is concerned with continuous efforts to refine and improve them in order to achieve ever-increasing prolongation of the lives of cancer patients.

Connecticut Cancer Register shows increased survival

In cooperation with the Connecticut State Cancer Register, the biometrics and epidemiology branch analyzed the medical records of some 75,000 cancer patients, 95 percent of whom were successfully followed for 5 years or more. The register data cover a span of approximately 20 years.

The data indicated that the 5-year survival rate for cancer patients is improving significantly. In the 20-year period, the survival rates for all cancers combined rose from 19 to 25 percent for males and from 29 to 38 percent for females. The average for all cancer patients is 32 percent. Marked increases in the 5-

year survival rates were noted for cancer of the large intestine, uterine cervix, and rectum; and noteworthy improvement in cancer of the uterus and prostate.

The results of the analysis of these data are interpreted as an indication of the increasingly better treatment of an increasingly greater proportion of cancer patients. A report of the study was published by the Connecticut State Department of Health under the title "Cancer in Connecticut, 1935-1951."

Radioactive gold aids in inoperable prostatic cancer

A National Cancer Institute grantee, Dr. R. H. Flocks, State University of Iowa College of Medicine, has reported the effectiveness of radioactive gold-198 in the treatment of selected cases of inoperable prostatic cancer. Since March 1951, approximately 400 patients with inoperable cancer of the prostate but without distant metastasis have been treated by injection of gold-198 into the cancer and have shown significant palliative results.

New radiation treatment for lung cancer

Among the most recently developed weapons against lung cancer, supervoltage (1,000 to 4,000 kilovolts) therapy stands out. In a research project reported by Dr. Ruth J. Guttman, Columbia University, a National Cancer Institute grantee, a group of 100 patients with advanced inoperable lung cancer were irradiated with dosages to the tumor of 4,000 to 6,000 roentgens from a 2,000-kilovolt machine. Eighty-four of these patients were followed for more than 3 months, and 63 of them showed definite benefit from the radiation therapy. Twenty-seven patients lived longer than 1 year, and of these 17 survived 2 years or more. All of the patients who lived longer than 18 months received a tumor dosage of at least 5,000 roentgens in 5 weeks' time. Age, sex, and location of tumor did not seem to have had any effect upon success or failure of therapy. At the time of reporting, 24 patients were alive, the elapsed time since completion of their treatment averaging more than 12 months, and 19 patients were completely free from symptoms.

Midget accelerator used in cancer treatment

Dr. Henry S. Kaplan, of Stanford School of Medicine, a grantee of the National Cancer Institute, has reported that a small reproduction of a billion-volt linear electron accelerator is now being used in the treatment of cancer patients. While the original accelerator is 220 feet long, its midget counterpart is a 6-foot-long high-vacuum copper tube. Coming down this tube, a 6-million volt electron beam smashes against a gold disk and is converted into a high energy X-ray beam with an intensity of 100 roentgens per minute. This X-ray beam can be adjusted to a pinpoint or to a spread of 400 square inches, and 80 percent of its output can penetrate to the body's deepest point. Yet these rays are less damaging to intervening tissues than the standard softer X-rays.

Surgery of secondary cancer of the liver sometimes beneficial

Dr. George T. Pack, of Sloan-Kettering Institute for Cancer Research, a grantee of the National Cancer Institute, has reported on surgery in selected cancer patients who had metastasis to the liver. Rewarding palliative results were produced in the two cases reported. In one, a metastatic ocular (eye) melanoma was removed from the liver of a 40-year-old patient, who then had relief for 18 months before a terminal recurrence. In the second case, a metastasis from the intestine to the liver was removed, with continuing beneficial results.

Chemotherapy has become established as a value adjunct to surgery and radiation in the past decade because of its effectiveness in temporarily halting the progress of certain cancers and in increasing the well-being of cancer patients. The hope of many scientists is eventually to find compounds or drugs that will selectively seek out and destroy cancer cells and tissues without harming the surrounding normal, healthy cells. Research toward this goal is proceeding simultaneously along several lines. These include, for example, the search for new compounds, study of the mode of action of tumor-damaging compounds on the metabolism of the tumor cell, screening of compounds in experimental animals for antitumor activity, and the evaluation of the action of already known anti-tumor drugs on human patients in terms of dosage patterns and extent of side effects.

Chemical behavior of a tumor-damaging agent studied

In the search for new agents that damage cancers in the living animal, scientists of the Laboratory of Chemical Pharmacology have been studying certain dyes

which are used as stains for living cells. Experiments were reported by Donald L. Vivian on the nature of one dye, neutral red, belonging to a class of compounds known as phenazines. A number of phenazines are known to produce damage in experimental cancers. The results of the present study indicated that neutral red exists in 3 different forms, only 1 of which stains living cells. Further investigation is being undertaken to determine the nature of the structural differences among the three forms. These studies may permit acquisition of important knowledge on the mode of action of phenazines.

Three new anticancer compounds tested in laboratory animals

Dr. Boland Hughes, of the Wistar Institute of Anatomy and Biology, a National Cancer Institute grantee, has found that injection of a derivative of quinoline-4 (para-diethylaminostyryl) quinoline dihydrochloride—caused complete remission of the blood cancer lymphoma in 11 out of 12 treated rats, and the recovering animals regained lost weight. In another experiment using the same compound on 300 rats, this grantee observed that lymphomas disappeared within 5 to 12 days in all of the tumor-bearing animals. Another variety of cancer, an adenocarcinoma, regressed within 18 to 30 days in the majority of 16 treated rats, but sarcomas did not respond.

In another grantee research project, Dr. C. P. Dagg, of the Sloan-Kettering Institute for Cancer Research, has reported that the compound, 3,3-dimethyl-1-phenyltriazeno, was tested for anticancer activity. This compound significantly inhibited growth of sarcoma 180 in mice, and damaged mouse and human tumors explained to egg membranes of the developing chick. These results suggest that clinical trial be given to this compound.

Another grantee, Dr. R. K. Robins, New Mexico Highlands University, has found a new compound which selectively damages cancers in tissue culture. This compound, known as 4-aminopyrazolo (3,4-d) pyrimidine, destroyed several types of cancer cells, but had no effect on normal cells.

Amphenone a possible substitute for adrenal surgery

Further clinical evaluation has been made of amphenone, a drug developed by scientists of the Endocrinology Branch. According to a report by Dr. Roy Hertz, data obtained from administration of the drug to more than 20 patients confirmed the observation that amphenone suppresses the hormone production of the adrenal glands and has the potential of providing an effective substitute for surgical removal of the adrenals. Such surgery often has a palliative effect in certain advanced cancers, such as that of the breast. There is no evidence that the growth of the cancer has been retarded by amphenone.

Amphenone is limited in its usefulness because of the toxic side effects that it produces, but it is extremely important as a prototype of future drugs with similar chemotherapeutic properties. The development of such a drug or drugs is underway.

Choriocarcinoma suppressed with methotrexate

Scientists of the Endocrinology Branch have for the first time produced marked regression of a malignant solid tumor in several patients by chemotherapy. The results of this investigation were reported by Dr. Min C. Li. The cancer is choriocarcinoma, a rare type of tumor of embryonic origin that occurs in the uterus of women after pregnancy and as a tumor of the testes in men. It produces a hormone—chorionic gonadotropin—which is excreted in the urine and provides a means of measuring the progress of treatment. Measurements of palpable tumors and roentgenograms were also used as indexes of tumor response to treatment. The drug used was methotrexate, known as an antimetabolite, and it was given in a newly devised intensive dosage regimen.

Following the administration of methotrexate to three women patients, the amount of the hormone was reduced to normal levels, the tumors decrease in size, and secondary lesions in the lungs healed. Because of the marked variability in the spontaneous clinical course of such tumors, it is difficult to evaluate therapy. However, the data constitute unequivocal evidence that these tumors are susceptible to the antimetabolite used.

New studies with Myleran reported

Dr. George A. Hyman, of College of Physicians and Surgeons, Columbia University, a National Cancer Institute grantee, has reported the results of treating a human blood cancer, chronic granulocytic leukemia, with the antitumor drug, Myleran (1,4-dimethanesulfonyloxybutane). Significant remissions for periods up to 48 months were obtained in 14 out of 21 patients, with restoration of the

number of white blood cells to normal. Enlarged spleens were reduced in 9 patients.

Similar results were obtained by another grantee, Dr. John Lewis, of the University of Illinois, who treated and evaluated 24 patients suffering from the same type of leukemia over 14 months. Reduction in white cells to normal was observed; the rate and magnitude of reduction depended on the dose and the sensitivity of the cancer.

New drug aids human chronic leukemia patients

In still another grantee research projects, Dr. R. H. Follis, University of Utah College of Medicine, found that a new compound known as CB-1348—para-(N,N-di-2-Chloroethyl) aminophenylbutyric acid—was beneficial in treatment of chronic lymphocytic leukemia in human patients. Six male and two female patients received oral courses of therapy with this agent, and in every case the excess white blood cell count decreased. The drug was found to be effective, well tolerated, and safe for short periods.

Selenium cystine temporarily aids leukemia patients

A grantee of the National Cancer Institute, Dr. Austin S. Weisburger, of the Western Reserve University, has reported that selenium cystine produced temporary remissions in a few leukemia patients. Selenium cystine is an anti-metabolite for the naturally occurring, sulfur-containing amino acids, cystine and cysteine, which are important in the functioning of white blood cells in both normal and leukemic subjects. In one patient selenium cystine appeared to neutralize the resistance that he had acquired to another drug, 6-mercaptopurine. The occurrence of disagreeable side effects indicates the need for further study.

Vaccine from patient's own cancer studied

In a report by Dr. John B. Graham, Vincent Memorial Hospital, Boston, a grantee of the National Cancer Institute, results of the use of vaccines made from the patient's own cancer were disclosed. About 30 patients were injected subcutaneously with vaccine, with the aim of increasing natural resistance to far-advanced cancer. The vaccine could work by stimulating the formation of antibodies against the cancer and by increasing the number of healthy defensive cells that resist the spread of cancer. Although it is still too early to draw definite conclusions as to the effectiveness of this kind of treatment, there was evidence that at least one patient developed specific antibodies against her own cancer.

Mode of action of tumor-damaging compounds studied

In research aimed at understanding how tumor-damaging compounds affect the metabolism of tumor cells, scientists of the Laboratory of Chemical Pharmacology are studying the capacity of tumor tissue of mice to synthesize an important substance necessary for cell respiration and growth. The substance is diphosphopyridine nucleotide (DPN), known as a coenzyme. If a tumor-damaging compound inhibits the synthesis of this substance, tumor cell growth is inhibited. According to a report of Dr. Vaman S. Waravdekar, results of one project in these studies showed that a single injection of an antitumor compound identified as NCI-3022 into mice bearing Sarcoma 37 induced marked damage in tumors and resulted in marked decrease in the capacity of the damaged tumors to synthesize DPN. At the same time, the livers of the tumor-bearing animals exhibited an increased ability to synthesize DPN.

In an extension of these studies concerned with the DPN-synthetic capacity of livers from animals bearing a variety of transplanted tumors, the following results were reported: (1) liver tissue from mice-bearing transplanted tumors showed up to a 50 percent drop in capacity to synthesize DPN; (2) surgical removal of the tumor restored the DPN-synthesizing capacity of the livers to the level of livers from normal, control mice; (3) within 1 day after inoculation of the tumor into mice, ability of the blood to synthesize DPN dropped about 50 percent.

Experimental design of clinical tests of drugs described

In order to evaluate the action of antitumor drugs in humans, in terms of dosage pattern and extent of side effects, clinical tests of the drugs must be designed according to statistically determined criteria. The experimental design of such clinical trials was described by Dr. Charles G. Zubrod, of the General Medicine Branch, and included the following five principles: cooperation of investigators with appropriate skills at all levels of planning and execution, such as clinician,

biostatistician, and pharmacologist; systematic selection of patients; elimination of personal bias in interpreting results by use of objective criteria in judging drug effectiveness; statistical treatment of data; and cautious generalization. Three large cooperative study groups have been set up and four others will soon begin their trials.

Methotrexate dosage schedule in advance mouse leukemia given

Statistically designed tests were carried out in a cooperative study by scientists of the Laboratory of Chemical Pharmacology and the Biometry and Epidemiology Branch to determine the optimum schedule for treating advanced mouse leukemia with methotrexate (formerly known as amethopterin). Results of the study, reported by Dr. Abraham Goldin, showed that when therapy is initiated late, the optimum dosage schedule is one in which very light doses of methotrexate are administered rather frequently. This schedule is in contrast to the heavier and less frequent dosage pattern that gives significant increases in survival time of mice bearing early-stage leukemia.

Combination of drugs for advanced mouse leukemia studied

Another experiment by the same group of scientists of the Laboratory of Chemical Pharmacology and Biometry and Epidemiology Branch compared the influence on advanced mouse leukemia of two types of multiple-treatment schedules employing methotrexate and 6-mercaptopurine, alone and in combination. The results of this experiment showed that when both drugs were administered daily, the most effective level of the combined treatment was inferior to the most effective level of methotrexate alone in increasing the survival time of the mice. When methotrexate was given every third day and 6-MP daily, the combined treatment was more effective at several dose levels than the most effective level of either drug alone on the same schedule.

This combined treatment, however, was less effective than optimal treatment with methotrexate alone administered daily. The results suggest that the relative effectiveness of combined treatment is not a fixed property of the drug or drugs alone, but is dependent on factors that tend to alter the host-tumor-drug relationship.

Antileukemic agents statistically studied in human patients

A study of the chemotherapy of acute leukemia in human patients was undertaken by scientists of the General Medicine Branch to determine the influence of varying dosage schedules on the relative therapeutic and toxic effects of methotrexate and to evaluate the effect of methotrexate and 6-mercaptopurine given simultaneously. The results reported by Dr. Emil Frei showed that under the conditions of the study, large infrequent doses of methotrexate did not produce significantly different effects from daily administration of the drug in comparable total doses. Administration of methotrexate and 6-MP concomitantly produced no improvement in therapeutic response over that reported from either drug alone.

COST-TYPE CONTRACTS ON CANCER CHEMOTHERAPY

Senator HILL. Proceed, Doctor.

Dr. HELLER. In general, Mr. Chairman, the report which I have submitted for the record contains many advances including these which I have discussed. I will be very happy to answer any questions which you or the other gentlemen of the committee may have.

Senator HILL. I have that question I asked Dr. Shannon about, why the NIH is not using the authority provided in the Cancer Institute appropriations to negotiate cost-type contracts for cancer chemotherapy. What is the answer to that? Do you want to address yourself to that, Mr. Siepert?

Mr. SIEPERT. That has been an area of very expensive study by I believe every administrative level of the Department. The question of how to handle cost-type contracts administratively is a completely new problem to the Department.

If we go back and reflect a moment on the particular competence that the Department has developed in dealing with outside groups, its pro-

grams have been characterized largely by a grant type of relationship such as the Federal-State grant mechanism, whereas the Department of Defense in the procurement of hardware items for national defense has carried out its work essentially through a contract arrangement with industry or universities. When we faced the problem of chemotherapy where we needed to procure certain types of services and certain kinds of research tailored to our own specifications, it was apparent that the grant mechanism would not do the job.

SPECIFIC AUTHORITY TO NEGOTIATE CONTRACTS

As a result 2 years ago the Congress placed in the cancer appropriation act specific authority which would permit us to negotiate contracts in the chemotherapy area rather than having to use grants or competitive bid contracts when these would not meet the problem.

Where we stand is that we used this authority to negotiate fixed-price contracts suitable for the chemical screening program. We found that when we wanted to make cost-plus-fixed fee contracts, our legal adviser initially told us that the authority was not adequate to permit us to go out and negotiate cost-type contracts.

DELEGATION OF GSA CONTRACT FUNCTIONS

The only way that we could do this was for the Department to seek authority from the General Services Administration, which has Public Law 152, giving it authority to make cost-type contracts and giving it authority to delegate that function to the various departments under such reservations as GSA determines.

When this decision was made to go to the GSA, cost contracts for the chemotherapy program needed to wait until this delegation could come through. The delegation as requested was extended to include not only cancer chemotherapy, but also to include authority to make cost-type contracts in three other areas of concern to this committee. Air pollution is one of them. The water-pollution program and the National Health Survey have this same problem.

Where we now stand is this: that an authority did come through to the Department from GSA in November 1956. The necessary initial delegations were made to the Department to negotiate cost-type contracts, and the Department redelegated to various officials in the Office of the Surgeon General of the Public Health Service. They did not give the Public Health Service authority to redelegate to the NIH. For any extended period of operations this poses a fairly serious administrative problem as we see it, in that the negotiation of these contracts with research institutions is an extremely complicated arrangement.

We are negotiating for services and research work in which there are a great many unknowns. As Dr. Heller can tell you, we cannot be too specific of the exact test that needs to be employed in determining anti-cancer activity or the exact chemical agents which must be synthesized. Therefore, we have to have a very close physical relationship between Dr. Heller's program people and the experts in contract negotiations. Because there was no experience at our level, no experience at the Public Health Service, and no experience at the departmental level in negotiating these contracts, we needed to re-

cruit qualified staff from the Department of Defense, I think it is quite understandable why the Department and the Public Health Service were reluctant to turn the National Institutes of Health loose to go out and make a series of contracts without close supervision in the early stages.

POLICY GUIDELINES

I am happy to say that we now have acquired sufficient understanding of the policy guidelines to be followed on these contracts that the Public Health Service has now informed us it is requesting the Department to make a delegation of contract authority to the National Institutes of Health and that this delegation will encompass two individuals at the NIH. One will be the Director, Dr. Shannon. The other will be the Chief of the Research Contracts Section. The use of cost contracts is an extremely difficult area in which there are any number of administrative problems that need to be settled as you move into a new program. I believe, however, that if the Department will make these delegations as proposed now by the Public Health Service, this question of authority for us to negotiate cost-type contracts will be settled quite satisfactorily.

Senator HILL. Are there any questions on this matter?

Senator THYE. I have no questions.

Senator HILL. Dr. Heller, you did not invest—and I use that word “invest” advisedly—all the funds that the Congress gave you for this fiscal year, did you?

Dr. HELLER. That is correct, sir.

Senator HILL. Why did you not?

Dr. HELLER. Mr. Chairman, as Dr. Shannon indicated earlier this morning, there is a certain programing necessary. Our funds were practically doubled. There was not only programing necessary, but retooling.

We adhered and our council and study panels adhered scrupulously to the proposition that because there was adequate money sufficient to meet anticipated needs, we would not lower the standards of awarding grants. Due to the fact that it was October or thereabouts before some of the programs could get underway, and this has special reference to the contracts, there was a certain amount of money which had piled up in the first quarter which was available. We could not at that time spend at an advanced rate and in excess of the funds which might be available in 1958. We are rather proud, Mr. Chairman, of the fact that we did not depart from careful methods of expenditure and good administrative practices. We are turning back to the Treasury something in excess of \$5 million.

I am happy to say that as far as contracts are concerned we will in 1958 be utilizing every penny of our contract funds.

Senator HILL. That is because you have had time now to make your plans; and you do have your plans?

Dr. HELLER. Yes, sir.

Senator HILL. You would be ready then to move forward advisedly and economically and according to the highest standards with the funds as now carried in the bill and as recommended by the budget and passed by the House of Representatives?

Dr. HELLER. That is correct, sir. We are geared to do that, sir, as are the scientists in the rest of the Nation.

Our training programs are working well. Scientists are coming off the academic lines and we are geared to do the sort of job in this area that I am sure the Congress wishes us to do.

Senator HILL. Doctor, of course, you do not issue any separate annual report of your Institute, do you?

Dr. HELLER. No sir, not in the formal sense, sir.

SUMMARY OF EXPENDITURES

Senator HILL. I have here the document, Justifications of Appropriation Estimates for Committee on Appropriations, Fiscal Year 1958, volume 6, Public Health Service, National Institutes of Health.

This volume summarizes how you spend the money in the Institute? It is all set out in here, is it?

Dr. HELLER. Yes, sir.

Dr. SHANNON. Senator Hill, you may have reference to a report which was prepared at the request of this committee that specifically describes the total program of the National Institutes of Health.

Senator MAGNUSON. It is right in this book?

Dr. SHANNON. Yes, sir.

Senator HILL. That report you referred to in your testimony; is that right, Doctor?

Dr. SHANNON. Yes, sir. I think in response to the request by the Senate we have for the first time a very thoughtful presentation of our activities during the past year. This has never been available before.

Senator HILL. Does that give some evaluation of your progress, Doctor?

Dr. SHANNON. Yes, sir.

Senator HILL. In other words, it shows how you have expended your money in the different fields of research and also some evaluation of progress that you have made in these different fields; is that right?

Dr. SHANNON. Yes, sir.

Senator HILL. That is in this report to which you alluded in your testimony and which the committee has before it?

Dr. SHANNON. Yes, Senator Hill.

Senator HILL. You advised us, I believe, that the House committee included this report in its hearings?

Dr. SHANNON. No, sir; they did not. If it would not be presumptuous on my part, I would suggest that a report such as this is sufficiently informative to be given very serious consideration to the possibility of publication as a committee print.

Senator HILL. We could have this converted into a committee print.

Dr. SHANNON. I really think that program with its impact as broad as it is, were it possible to have it available for distribution to interested parties, is probably a better exposition of our policies, our problems, our plans, than anything we have ever prepared before.

PROGRESS IN CHEMOTHERAPY PROGRAM

Senator MAGNUSON. The House in its report suggests that they were disappointed that more progress had not been shown in the chemotherapy program and it is convinced that industry could assist greatly in screening the multitude of chemical substances that you talked about.

Then they go on to say:

Apparently there are only administrative difficulties in the way of a program of contracting with industry to help with this screening.

That is what you are talking about?

Mr. SIEPERT. Yes.

REDUCTION IN ADMINISTRATIVE FUNDS

Senator MAGNUSON. Then they go ahead further and they take out \$1,616,000 of the administrative costs and turn it over to research. You suggest that that might have a very adverse effect upon the long-run activities of this research department?

Dr. HELLER. I think, Senator Magnuson, that that \$1.6 million happens to be the amount of money that would be required to——

Senator MAGNUSON. You say, as important as this program is, it is your feeling in the long run that permitting the increase in overhead allowances will have far more reaching and beneficial effects. That is the same general thing as you described?

Dr. SHANNON. Yes.

Dr. HELLER. Yes, sir.

PRINTING OF REPORT

Senator HILL. I hope the members of the committee will examine this report with the thought in mind that it might be wise for the report to be printed as a committee document, which would make it available to members of the full committee, and Members of the Senate, and anyone else that might be interested.

Senator THYE. Mr. Chairman, I believe that it should be printed for reasons that we are only three right here at this subcommittee hearing at this moment and unless this is printed your full senatorial body will not have access to it, nor will those that call for this committee report have access to it, and I think for the sake of our colleges and our universities, and research centers that call for this committee report, it should be printed, because that is the only way you are going to get the information to them.

Senator HILL. I am glad to hear what the Senator says because I agree with him wholeheartedly and unless there is some objection, we will have this document printed as a committee report.

Senator MAGNUSON. And I want Dr. Heller's full statement in.

Senator HILL. The doctor's full statement will be in the record.

Is there anything else you would like to add, Dr. Heller?

Dr. HELLER. I think not, Mr. Chairman.

MANPOWER PROBLEMS

Senator MAGNUSON. Doctor, you have some problems on manpower and is that a money problem, or just a problem of getting the right

individuals? I mean getting the trained individuals, particularly in your field tests.

Dr. HELLER. We have had a problem, Senator, in the cytology area, particularly as the individuals whom we have been able to interest in coming in the program are disappointed because the salary ranges which we are able to offer are not high enough.

Senator MAGNUSON. There have been some grants approved for institutions to train these individuals.

What institutions would that be?

Dr. HELLER. Those would be primarily those centers which now are operating cytology programs.

Senator MAGNUSON. Educational institutions, or private clinics?

Dr. HELLER. Educational institutions for the most part.

Senator MAGNUSON. You have Columbia, Yale, Sloan-Kettering, and Roswell Park Memorial Institute. Where is that?

Dr. SHANNON. New York State Cancer Institute.

Senator MAGNUSON. Then you have general research grants to Wisconsin, Maine, Kansas, Brown, and Washington University. What Washington is that?

Dr. HELLER. I think that is Washington University of St. Louis. There are others, I may say.

Senator MAGNUSON. And 2 hospitals, or 1 laboratory and 1 hospital.

Dr. HELLER. I do not recall offhand what that hospital is.

Senator MAGNUSON. Massachusetts General.

Dr. HELLER. In addition, I might say, Senator, that at the last meeting of our council, additional training institutions grants have been recommended which were not incorporated in this particular list, but that is because it is a recent development.

Senator MAGNUSON. These would not be highly skilled people. They would be people who would be trained to adequately do the type of work that you are trying to do in the field problems?

Dr. HELLER. That is correct, sir.

TOTAL FELLOWSHIPS

Senator MAGNUSON. Then you have awarded fellowships of about 400. Those would be highly specialized, would they not?

Dr. HELLER. Highly specialized men who are destined to perform research in various institutions throughout the country in the several disciplines which we have mentioned previously.

IMPROVEMENT OF TEACHING AT UNDERGRADUATE LEVEL

Senator MAGNUSON. Here is something that interests me.

We discussed this program I think even 2 years ago. You have 133 schools, medical, osteopathic, and dental, which you will aid in grants to improve the teaching at the undergraduate levels.

Dr. HELLER. Yes, sir.

Senator MAGNUSON. How is that done? By adding to the professors or to the teachers that are there, or just having a grant to interest teachers to teach more about this?

GRANTS TO SCHOOLS

Dr. HELLER. It is made to the school in amounts not to exceed \$25,000 in the instance of 4-year schools, and not to exceed \$5,000 in the instance of 2-year schools and dental schools. The grant is made to the school and administered by a cancer coordinator who usually is appointed by the dean for that purpose.

Senator MAGNUSON. Then he would go out and add to the staff a separate individual who might be qualified to teach? Is that the way it works?

Dr. HELLER. That is correct, sir. He may do that, or he may buy equipment or other teaching aids.

Senator MAGNUSON. Or set up a department?

Dr. HELLER. Or set up a department. It varies with the school and the needs of the individual school. We have observed many different administrative approaches in strengthening the teaching of cancer in undergraduate schools.

VA RESEARCH

Senator MAGNUSON. One other thing along the same research lines. Senator Hill, Senator Thye, and myself last year on the floor added some \$10 million to the VA for research, of which we specified cancer and NP cases and heart. Most of the work, I think, is being done in neuropsychiatric cases, but do they cooperate with you people on the results of what they do and take advantage of your research?

Dr. SHANNON. Yes, sir. I think Dr. Heller might speak to cancer research.

Senator MAGNUSON. I suppose cancer would be similar to what they do in the other fields.

Dr. SHANNON. There is very close collaboration in a number of our problems, cancer, heart, and neuropsychiatry. I think the formalization of the laboratory research of cancer is even more precise and more elaborate than in the other programs and I think you might be interested, if Dr. Heller would talk about that.

Senator MAGNUSON. The reason I asked this is because this program was put in after we got through with your budget and it was a little bit toward the end of the session. It was right after the end.

Senator HILL. It was at the end that you put it in.

COOPERATION OF VETERANS' ADMINISTRATION

Dr. HELLER. It is a very good thing. The Veterans' Administration has been a very fine partner. I refer particularly to the cancer activities. They have very fine hospitals with excellent staffs and close affiliation with medical schools, in the programs with which you are familiar. They have made available and pooled their resources in our chemotherapy program by bringing together the types of patients that the groups wish to study. There are common protocols and chemical compounds, agreed upon by this same group which have been getting information. Such data are similar to that gathered at Bethesda, other places, and so forth, and add to the pool of information concerning a particular disease or a particular compound.

In this way we achieve what we started out to do in chemotherapy; that is, to accelerate the rate at which we obtain information about a given drug or drugs. Dr. Middleton and his staff of the Veterans'

Administration have been unusually cooperative and very helpful and we cannot say too much about their splendid cooperation.

Such cooperation is accelerating remarkably this program in chemotherapy, I may say.

PROVING GROUNDS IN VETERANS' ADMINISTRATION HOSPITALS

Senator MAGNUSON. Senator Hill and all of us thought there would be a proving ground in the VA hospitals for all these things.

I just finished a hearing with them and the same amount will be, I am sure, available this year.

Senator HILL. You put it in last year.

Senator MAGNUSON. The House agreed to it and last year we had quite a conference with the House over that \$10 million.

Senator HILL. However, you won out.

Dr. HELLER. I might say, Mr. Chairman and gentlemen, that the representatives of the VA sit in on our planning council of chemotherapy. We work closely with them and they are greatly interested in this program. It affords the country a real cooperative effort by bringing in their tremendous resources along with those from universities and other educational institutions.

COOPERATION OF INDUSTRY

Senator MAGNUSON. I know that Dr. Heller and none of you want to commit yourselves to any field in this research, that one thing is better than the other, but apparently from your testimony and what was given in the House, and what all of you feel in the field of chemotherapy, particularly in the soups that you are talking about or the antibiotic field, this is one of great promise, but the success of that program, or at least the goal of that program, requires a great deal of cooperation with industry itself.

Dr. HELLER. We are completely dependent upon industry.

Senator MAGNUSON. I think the record should show the extent of the cooperation of industry in this matter so there will be no question about it if anyone asks us some questions.

Dr. SHANNON. Could I comment on that just a moment?

Senator MAGNUSON. Yes, and I wanted to add the second one, one of the problems which you mentioned about the contracts. That would help clear up some of that; would it not?

Dr. HELLER. Yes, sir.

Dr. SHANNON. This I told Senator Hill when I had the pleasure of talking to him the other day. The potential of this field is tremendous, to such an extent that one could not conceive of simple dollars holding it back, but I would also say that this is a terrifically expensive program. It is also one that we may look back on after a period of 5 years and after a very broad effort and feel we have accomplished much less than we had looked forward to; but even in retrospect some 5 years from now I think we would be completely convinced that had we not embarked upon this program on a very wide scale, we would have been extremely shortsighted. I say that because I do not want to hold out false hope of certain results, that even if it turned out 5 years from now, that we had done nothing except accumulate knowledge that was not directly applicable to the diseases, we could not have

afforded to have held back one bit of our effort with the facts available to us today.

Senator MAGNUSON. And this trial and error that you must do in this field is so great that you never know what you might find.

Dr. SHANNON. Yes, sir.

Dr. HELLER. Industry is very cooperative, Mr. Chairman. We have resources here that if we had to duplicate would require tremendous amounts of money. We are anxious to continue cooperating with industry.

Senator HILL. However, you do get the fullest cooperation from industry?

Dr. HELLER. Yes, we have had our problems, but we do get cooperation from industry.

Senator HILL. Today you are getting your cooperation; is that right?

Dr. HELLER. Yes, sir.

FIELD OF RADIATION

Senator MAGNUSON. You also point out that we appropriated a great deal of money for your radiation field. You are still working on that too?

Dr. HELLER. Very hard, sir.

Senator HILL. Are there any other questions, Senator?

Senator MAGNUSON. No, sir; that is all.

Senator HILL. Dr. Heller, we thank you very much, sir.

The committee will now stand in recess until 2 o'clock.

(Thereupon, at 12:40 p. m., the committee recessed to reconvene at 2 p. m. of the same day.)

AFTER RECESS, 2 P. M. THURSDAY, MAY 2, 1957

PUBLIC HEALTH SERVICE

MENTAL HEALTH ACTIVITIES

STATEMENTS OF DR. ROBERT H. FELIX, DIRECTOR, NATIONAL INSTITUTE OF MENTAL HEALTH; ACCOMPANIED BY DR. JAMES A. SHANNON, DIRECTOR, NATIONAL INSTITUTES OF HEALTH; DR. LEROY E. BURNEY, SURGEON GENERAL; DR. W. PALMER DEARING, DEPUTY SURGEON GENERAL; ROY L. HARLOW, CHIEF FINANCE OFFICER; AND JAMES F. KELLY, DEPARTMENT BUDGET OFFICER

APPROPRIATION ESTIMATE

"Mental health activities: For expenses necessary for carrying out the provisions of sections 301, 302, 303, 304, 311, 312, and 314 (c) of the Act with respect to mental diseases, [and including erection of temporary structures, \$35,197,000] \$35,217,000."

Amounts available for obligation

	1957 appro- piation	1958 budget estimate	1958 House allowance
Appropriation or estimate.....	\$35,197,000	\$35,217,000	\$35,217,000
Additions: Comparative transfer from "General research and services, National Institutes of Health".....	54,000	0	0
Deductions: Unobligated balance, estimated savings.....	2,919,000	0	0
Total obligations.....	32,332,000	35,217,000	35,217,000

Obligations by activities

Description	1957 appropriation		1958 budget esti- mate		1958 House allow- ance	
	Posi- tions	Amount	Posi- tions	Amount	Posi- tions	Amount
Grants:						
Grants for research projects.....		\$8,572,000		\$10,902,000		\$10,902,000
Research fellowships.....		647,000		647,000		647,000
Training grants.....		12,000,000		12,000,000		12,000,000
Grants for detection, diagnosis, and other preventive and control services.....		4,000,000		4,000,000		4,000,000
Direct operations:						
Research.....	412	4,896,000	412	5,324,000	412	5,324,000
Review and approval of grants.....	45	516,000	45	541,000	45	541,000
Training activities.....	8	76,000	8	78,000	8	78,000
Professional and technical assistance.....	129	1,227,000	129	1,273,000	129	1,273,000
Administration.....	40	398,000	40	452,000	40	452,000
Total obligations.....	634	32,332,000	634	35,217,000	634	35,217,000

Obligations by objects

	1957 appro- piation	1958 budget estimate	1958 House allowance
Total number of permanent positions.....	634	634	634
Full-time equivalent of all other positions.....	17	15	12
Average number of all employees.....	345	563	599
Number of employees at end of year.....	641	660	660
01 Personal services.....	\$3,602,600	\$3,845,100	\$3,845,100
02 Travel.....	309,100	305,100	305,100
03 Transportation of things.....	15,700	15,700	15,700
04 Communication services.....	36,000	39,500	39,500
05 Rents and utility services.....	41,900	51,300	51,300
06 Printing and reproduction.....	49,000	54,000	54,000
07 Other contractual services.....	298,900	198,900	198,900
Reimbursements to "General research and services, National Institutes of Health, Public Health Service".....	2,219,000	2,511,000	2,511,000
08 Supplies and materials.....	202,900	220,100	220,100
09 Equipment.....	332,400	226,700	226,700
11 Grants, subsidies, and contributions.....	25,219,000	27,549,000	27,549,000
Contribution to retirement fund.....		191,000	191,000
15 Taxes and assessments.....	10,500	14,600	14,600
Subtotal.....	32,337,000	35,222,000	35,222,000
Deduct charges for quarters and subsistence.....	5,000	5,000	5,000
Total obligations.....	32,332,000	35,217,000	35,217,000

Summary of changes

1957 actual appropriation.....	\$35,197,000
Transfers: Comparative transfer from "General research and services, NIH".....	+54,000
Estimated savings.....	-2,919,000
Adjusted 1957 appropriation.....	32,332,000
1958 appropriation request.....	35,217,000
Net change requested.....	2,885,000

	Posi- tions	Estimate	Posi- tions	House allowance
For mandatory items:				
Annualization.....		\$117,400		\$117,400
Retirement.....		287,600		287,600
Social Security.....		5,500		5,500
Pay in excess of 52-week base.....		16,600		16,600
Wage Board.....		29,000		29,000
Total.....		456,100		456,100
For program items:				
Increased overhead costs.....	0	\$30,000	0	0
Expansion of research grant program.....	0	0	0	\$30,000
Special project grants.....	0	1,500,000	0	1,500,000
Expansion of services furnished centrally.....	0	98,900	0	98,900
Total change requested.....	0	2,885,000	0	2,885,000

NOTE.—Additional mandatory items of \$237,000 will be absorbed by nonrecurring items.

PREPARED STATEMENT

Senator HILL. The committee will come to order.

Dr. Felix, we are very happy to have you here, sir, and will be glad to have you proceed now in your own way.

You filed your statement, I am sure, for the record.

Dr. FELIX. That is right, sir.

(The statement referred to follows:)

STATEMENT OF THE DIRECTOR, NATIONAL INSTITUTE OF MENTAL HEALTH
PUBLIC HEALTH SERVICE

Mr. Chairman and members of the committee, progress and new developments in many different areas of the mental health field have brought important advances during the past year. This year has seen the rapid expansion of a program aimed at integrating activities in the field of psychopharmacology, the study of the effect of chemical substance on mental and nervous processes. Significant steps have been taken toward furthering our knowledge and developing improved techniques for applying this knowledge in such special problem areas as juvenile delinquency, drug addiction, mental retardation, rehabilitation of mental hospital patients, and the emotional disorders of later life. Advances in basic research are bringing us closer to the goal of understanding the biochemical as well as neurophysiological mechanisms of the brain and central nervous system. The training efforts of the past several years show results in increases in the reservoir of trained manpower available to do research, to train new mental health personnel, and to provide needed services. The interest of the States in developing mental health programs continues to expand, and their requests for technical assistance reveal a broader base of approach to mental health problems as well as a numerical increase in program activities. The quality, quantity, and scope of research investigations supported by the National Institute of Mental Health show noteworthy advances. In these and other vital areas the progress that has been made and the new steps taken to date show an emerging pattern in which each phase of the coordinated attack on mental illness strengthens and reinforces other phases, a pattern aimed at gradual encirclement of the problem.

These proposals support the intentions of the President in continuing the Nation's attack upon disease through expanding medical research. The House of Representatives, in the passage of this appropriation bill, took action to change some of the premises upon which these proposals as submitted by the President were based. I will comment directly upon those later in the statement.

To carry on the work of the National Institute of Mental Health, a total of \$35,217,000 is requested for fiscal year 1958. Of this amount, \$27,549,000 is for grants and \$7,668,000 for direct operations. \$16,226,000 is requested for support of the vitally needed research in the field of mental health and mental illness, \$10,902,000 of which is for grants in support of research projects by non-Government investigators and \$5,324,000 for the basic laboratory and clinical investigations conducted by the Institute itself. In addition, \$647,000 is included in the budget for continuation of the research fellowship program designed to help increase the reservoir of research manpower in the United States. The sum of \$12 million is included for training grants to develop the trained mental health personnel that are still in short supply and will continue to be so for a number of years. For grants to the States for detection, diagnosis, and other preventive and control services, the sum of \$4 million is requested. For professional and technical assistance activities of the Institute, \$1,273,000 is included in the budget: this will cover, among other activities, the work of the Psychopharmacology Service Center, assistance given the States in carrying on their mental health programs, and consultation on the development of improved methods and facilities for the treatment and rehabilitation of mental patients.

PSYCHOPHARMACOLOGY AND THE TRANQUILIZERS

Psychopharmacology Service Center

The establishment of a Psychopharmacology Service Center in the National Institute of Mental Health has stimulated an expanded program of research activity on the tranquilizing and other drugs which affect psychological function. This field, which holds much promise for the future, is much broader than the tranquilizing agents alone, and embraces all of the drugs that act on the central nervous system. Guidance for a program in this area was provided in part by a national conference on the evaluation of pharmacotherapy in mental illness, sponsored by the National Institute of Mental Health in conjunction with the American Psychiatric Association and the National Academy of Sciences-National Research Council. Out of the deliberations of these experts, including psychiatrists, physiologists, pharmacologists and other interested persons, came a statement of research problems and needs which highlighted the desirability of preclinical studies of psychopharmacological agents. There are many gaps in our understanding of how these agents act on the brain and how they influence behavior. Currently available methods are inadequate and new drug study methods must be developed in order to conduct scientifically valid assessments of the benefits and limitations of the tranquilizing and other new psychopharmacological agents.

Supporting research in psychopharmacology

The needed work has begun. There is now increased support of research stimulated by the staff of the Psychopharmacology Service Center, which also serves as a clearinghouse of information on psychopharmacology and provides consultative assistance to investigators. In addition, the Center is working closely with the Veterans' Administration which is carrying on a large-scale psychopharmacology research program.

As of January 1, 1957, a total of 47 grants on psychopharmacologic research were being supported by the Institute, and another 22 applications for grants in this field had been received and were awaiting study section and advisory council action. Two mental health career investigators are working on long-term studies that are setting patterns of research techniques valuable in tranquilizing drug research. Within the Institute's own basic and clinical research program 23 separate studies are devoted to psychopharmacologic investigations. In all, as of the beginning of this calendar year, a total of \$1,300,000 was being expended by the Institute for research in this field.

Among the investigations being supported by the Institute are studies of the basic pharmacological and psychological mechanisms of drug action, preclinical screenings of drug efficacy and toxicity, controlled clinical studies of the effects of tranquilizers on mental patients, and studies of the effects of drugs on behavior,

on the central nervous system, and on metabolic balance in the body. Radioactively tagged chlorpromazine, one of the tranquilizing agents, is being used by one grantee to discover the regions of the brain where the drug is distributed and on which it may act. Psychological tests of brain-damaged subjects are being compared with those of subjects receiving tranquilizers in another attempt to pinpoint the locus of drug action.

Institute research in psychopharmacology

One Institute investigator at the Clinical Center is assessing the effects of these tranquilizing agents on the course of psychotherapy. Other investigators are tracing the metabolism of meprobamate and other neuropharmacologic agents in man in an attempt to discover the physiological basis for the psychological effects of these drugs. Additional Institute investigators are examining the effects of psychopharmacologic agents on behavior and performance.

In still other studies the tranquilizers are being combined with other psychopharmacologic agents, such as lysergic acid (LSD), one of the psychotomimetic drugs. These are drugs which produce psychosis-like symptoms in normal individuals. One Institute scientist is studying the effects of various centrally acting drugs on intellectual, motor, and perceptual behavior. Similar studies are going on at the Addiction Research Center in Lexington, Ky., where work done so far has demonstrated that reserpine aggravates rather than alleviates the psychosis induced by LSD.

Investigations of the psychotomimetic drugs are continuing in an attempt to discover whether biochemical abnormalities are involved in mental illness and, if so, what processes are involved. Work is going forward on the relation of LSD symptoms to an excess or deficiency of serotonin, and on the relations of visual hallucinations to drug effects on the lateral geniculate body, a relay station in the visual system in the brain. Institute scientists are studying the neurophysiological action of these drugs, using intact conscious animals with implanted electrodes to correlate electrophysiological effects with changes in behavior induced by the drugs. In still another study, using rats of various ages, the changes in rate at which the body detoxifies neuropharmacologic agents are being measured to learn more about the proper application of neuropharmacology in treating emotional illnesses of the aged.

All of these studies and others that are now in process of being stimulated by the Psychopharmacology Service Center will help to answer basic questions about the tranquilizers and other psychopharmacologic agents. Much work remains to be done, of course. We do not know, for example, whether the improvement in mental hospital patients under drug therapy is due solely to the drugs or to what extent it is assisted by the more hopeful and therefore encouraging attitude of hospital staff. How lasting are the effects of the drugs? Can toxic side effects be eliminated? Is there any chemical difference in tissues or cells between schizophrenics and normals to account for the wide differences in their reactions to the tranquilizers? We need to know more about the probable effects of widespread use of the tranquilizers with normal individuals—what effect the drugs may have on industrial accidents and motor vehicle accidents, and whether they will interfere with the ability of children to learn by experience. A good beginning has been made by the center's staff, however, in organizing and mobilizing the research forces for psychopharmacologic studies that promise to bring us vital new knowledge.

MENTAL HEALTH PROBLEMS OF AGING

Many of the problems in this field stem from a basic lack of knowledge about the psychological and physiological processes of aging and about the kinds and preventive and corrective programs needed for older people. These processes are fundamental to life itself, and various aspects of them are being investigated by several of the National Institutes of Health, working singly and together. A Center for Research in Aging has been established within the National Institutes of Health to encourage and support additional research into the mechanisms of aging. The National Institute of Mental Health is cooperating in the work of this center. To assist in plotting a course for action, this Institute, after careful study of the problems, has prepared a program development document entitled "Research and Development in Mental Health and the Process of Aging." It assesses the present state of the field and indicates necessary future developments. Another broad planning effort, being sponsored by the Institute jointly with the University of Chicago's Committee on Human

Development, is a study aimed at discovering why some older people adjust to the stresses that come with aging, while others seem unable to do so. Findings will enable us to help older people with their problems by enlarging our knowledge of the process of aging and of how people meet old age successfully.

Grants-in-aid to the States for mental health programs, and technical consultation provided by Institute staff at headquarters and in the departmental regional offices are strengthening State and local activities in the field of aging. Although there is increased concern for the aged and some States have very active and extensive programs for the aged, these advances are not yet widespread and more needs to be done. The State mental hospitals provide care for the aged mentally ill, and about half of the States have special services such as geriatric wards or buildings in their mental hospitals. However, relatively few persons aged 65 and over are served by mental health clinics, although some are undertaking active preventive and rehabilitation programs to keep non-psychotic aged persons out of mental hospitals.

Studies of aging

Numerous studies of the biological, psychological, and sociological aspects of aging are being conducted by investigators assisted by research grants from the Institute. As of the end of 1956, 14 separate projects in this field were being supported for a total of about \$300,000. Among them, biological studies are attempting to assess the normal and pathological effects of aging on the nervous system. One investigator is making a comparative analysis of cerebral blood flow in normal and psychotic aged persons. Others are studying electroencephalographic changes in age, and the role of heredity in mental health or mental disease in later life.

Psychologists are seeking accurate measures of the differential decline that comes with age of such functions and abilities as perception and learning. This type of knowledge is essential for effective planning of services for the aged. Many other such psychological studies are needed, and are discussed in *Psychological Aspects of Aging*, published in 1956, which is the report of a research conference on aging sponsored and supported by the Institute in 1955.

Sociological studies on aging supported by research grants included investigation of the problems that arise when retired persons migrate from their homes to other parts of the country. The whole problem of what retirement from work means in terms of changes in family living is also under study. Other workers are evaluating the relative effectiveness of inpatient and outpatient psychiatric rehabilitation of older persons. In the same general area, the collection and analysis, by the Institute's biometrics staff, of basic data on mental hospitalization of the elderly are providing valuable guidelines for further investigation. The rapid increase of first admissions of persons aged 65 and over to State mental hospitals in the past 2 decades, from 156.6 per 100,000 civilian population in 1933 to 203.6 in 1950, raises important questions to which we must seek answers: Are more older people becoming mentally ill or is there better diagnosis of mental illness? Is there greater acceptance of hospitalization for mental illness or are there fewer other facilities for caring for the aged? Another biometrics investigation has revealed that rates of release of elderly patients from mental hospitals have remained constant during the past four decades. Does this mean that the prognosis for senile dementia will remain poor, that the various therapies used are unsuccessful, that custodial care is as effective as active therapy, or that the hospital is the only facility available to meet the needs of these older people?

A coordinated research effort

In the meantime, intensive anatomical, biochemical, physiological, and psychological studies of aging are being conducted by Institute scientists at Bethesda. The Institute's Section on Aging is conducting an integrated research program on aging of the nervous system, covering a wide range of biological and social science studies and using both human and animal experimentation. Studies range from electron microscopy of cellular constituents to observation of human behavior in the aged. Among significant recent findings by this group of scientists is that the slowing of responses with increased age is primarily a property of the central nervous system. In addition, investigators in the Section on Aging are studying age changes in perception and motor responses, and are engaged in basic biochemical studies of cellular energy production and protein synthesis.

Another broad research undertaking in the field of aging is the Institute's interdisciplinary study of mental health in the elderly. A group of healthy elderly men, who have volunteered for a study at the Clinical Center, are being given more than 40 separate examinations by psychiatrists, psychologists, social scientists, biochemists, neurophysiologists, internists, and many other specialists. Age changes in cerebral metabolism and blood flow are being studied by Institute neurophysiologists, and an intensive psychiatric assessment of these aged subjects is being made with psychiatrists as interviewers and observers. A comprehensive profile of normal age changes, uncomplicated by the common diseases of old age, is thus being assembled, which can be used as a yardstick to assess abnormal mental, physical and social changes. Data already collected indicate correlations between altered self-perception and declining physical condition and the presence of depressions in older people.

Besides these activities, the Institute makes available a wide variety of information and educational materials on the subject of aging, and participates actively in departmental programs in this field. Institute staff assisted in the planning and conduct of the Federal-State conference on aging, held in June 1956, at which a comprehensive statement of needs and plans was developed.

JUVENILE DELINQUENCY

In addition to basic research on child development, which many scientists feel holds the best answers to the major social problem of juvenile delinquency, the Institute is supporting and sponsoring a great deal of applied research in this field.

As of the end of 1956, there were 16 grants for delinquency studies and the total amount of grant support in this area was \$350,000. One investigator is studying the efficacy of special school curricula for delinquents. Another is making a long-term analysis of children classified as psychopathic personalities. Still another is examining aggressive behavior patterns of delinquent street-corner gangs.

A broad study of community, interpersonal, and personality factors in juvenile delinquency, supported by the Institute, is being conducted by a midwestern research center with unusual skills and experience in conducting social research. Also with Institute support, the head of a famous east coast child guidance clinic is doing a pilot study of families of antisocial children. Still another project is combining investigation with delinquency prevention, using mental health resources to deal with and reduce the incidence of juvenile delinquency while learning more about the problem.

In the Institute's own research program, work with antisocial, hyperaggressive children continues. Extensive data are being compiled on the establishment of therapeutic relations with these children who commonly resist all attempts to form close relationship. Investigators in the Child Research Branch are analyzing learning disturbances and studying the use of effective teaching programs as part of therapy. In this same general area, a survey of reading disability is being conducted by the Institute's Mental Health Study Center in Prince Georges County, Md., as the first step in a major study of the relation between faulty reading skills and childhood behavior disorders or later maladjustments. These and other long-term studies which are described below under the heading of child development hold great promise for enlarging our basic knowledge and providing a scientific framework within which, hopefully, we can cope with juvenile delinquency more successfully.

CHILD DEVELOPMENT

Within the Institute's own research program a long-term study on the physical and emotional development of infants and children is now well underway. We are seeking to determine the factors in early infancy and childhood, among them family relationships and parental attitudes and practices, which lead to adjusted or maladjusted behavior in later life. Another goal of these studies is to differentiate between the roles that heredity and early environmental influences play in producing maladjustment. We are trying, for example, to determine whether behavior difficulties are produced by faulty parental attitudes, or whether difficulties arise because the parents are unable to cope with unusual problems presented by the child.

In addition to these investigations, the Institute is supporting major research in this field through its grants program. One grant is for an extended inter-

disciplinary study on child development, combining physiological, psychological, and sociological approaches. We expect to get vital baseline data from this study that will help to establish norms for various phases of child development. Another grant-supported project is for a longitudinal study on the ways different children develop to cope with life's difficulties. Increased knowledge of how and why children develop different patterns of behavior is essential for full understanding of deviant, antisocial behavior, and the development of effective corrective action.

MENTAL RETARDATION

During the past fiscal year the Institute has continued to expand its program of planning, research, and training activities in the field of mental retardation. Altogether it is expected that approximately \$1,200,000 will be expended in this area during fiscal year 1957.

A search for leads related to the etiology of mental retardation, being conducted by the National Association for Retarded Children with partial support from the Institute, is serving collaterally to develop widespread interest in work on this subject. The American Association of Mental Deficiency, which is the professional society in this field, is developing guidelines, under a grant awarded by the Institute in 1956, for research, training of personnel, and program planning.

In addition to this developmental work, the Institute is supporting a total of 18 research studies on causes of retardation, and on improved methods of treatment and care for retarded children; 8 new grants on retardation were made during calendar year 1956. One investigator being assisted by an Institute grant is studying the use of phenylalanine-free diet for children afflicted with a metabolic disorder which results in mental deficiency. Another investigator is developing more accurate diagnostic tools for differentiating retardation from other childhood disorders. A third is devising methods for more accurate assessment of psychological capacities, such as perception, reasoning and memory, in retarded children. Other researchers are working on genetic and hereditary aspects of retardation, and on metabolic aspects of the problem.

Through its training grants, the Institute is bringing the new knowledge we already have about effective care and treatment to pediatricians, psychiatrists, clinical psychologists, social workers, and others who work with the mentally retarded. In addition, the mental health professional consultants on the Institute's staff and in the Department's regional offices are providing increased assistance to States and local communities that are carrying on services for the mentally retarded. It is expected that this heightened activity will further be stimulated by the grants to State training schools for the mentally retarded under the Health Amendments Act of 1956.

DRUG ADDICTION

The most extensive program of research on drug addiction is the one carried out by the Institute itself, particularly at the Addiction Research Center in Lexington, Ky. There is, however, increasing interest in the subject by outside investigators, evidenced by more applications for grant-supported research on drug addiction. The Institute has, as part of its program planning and development work, acted to stimulate such interest. The Institute's consultant on drug addiction participated in a special international study of drug addiction for the World Health Organization. Surveys of facilities for care and treatment of addicts were made for three large cities on the east coast and in the Midwest. In addition, the Institute is conducting negotiations to set up a demonstration project aimed at utilizing effective and economical procedures for postinstitutional care of drug addicts.

At the Addiction Research Center, the past year has brought much progress. Fourteen new analgesics were tested for addictive properties as part of the center's continuing responsibility for protecting the public against uncontrolled clinical use of potentially addicting substances. Eleven of these new analgesics proved to have some degree of addiction liability. In the meantime, the center continues its search for synthetic drugs to replace morphine and related agents, the goals being to provide a secure domestic supply and eventually to find a nonaddicting analgesic.

Studies on intoxication caused by barbiturates, alcohol, and other drugs such as the psychotomimetics and the tranquilizers are uncovering promising new

research leads. Because there is some evidence that continued use of meprobamate may produce physical dependence on this drug, the center is planning clinical and animal studies on this substance. The center is conducting experiments with other related substances in the hope of shedding light on how they act in the body and thus gaining some insight into the etiology of psychoses.

Biochemical, neurophysiological, neuropharmacological, and psychological investigations are slowly building our basic understanding of the mechanisms of drug addiction. These studies range from the effects of chronic drug intoxication on the cellular chemistry of the nervous system to the relationship between personality characteristics and proneness to addiction.

A major contribution during the year, made by the Institute scientist in charge of the drug addiction center's neuropharmacological studies, was the preparation of a comprehensive review on "the Relation of Psychiatry To Pharmacology," probably the most definitive analysis of the literature in the field that has been made to date.

SPEEDING DISCHARGE OF MENTAL HOSPITAL PATIENTS

The rehabilitation of mental hospital patients, with particular emphasis on the effects of hospital staffing and ward administration, has continued to be a major concern of the Institute. A significant report on the "Socio-Environmental Aspects of Patient Treatment in Mental Hospitals," embodying the results of a research conference sponsored by the Institute late in 1955, is now in preparation. The charting of the areas for needed study will help to integrate and direct such work.

Within the Institute's own research program, pioneering work on the study of the mental hospital as a social system is going forward. Psychiatrists and social scientists are investigating the ways in which patients adapt to the hospital and the contributions to therapy made by various staffing arrangements. One such study is exploring the avenues to the creation of an effective therapeutic environment through various nursing techniques. Other clinical studies, being pursued with adult schizophrenic patients as well as with disturbed, hyper-aggressive children, are concerned with techniques of intervening when patients exhibit gross signs of behavior disorder.

A number of Institute research grants have gone to support studies on hospital staff and administration, and their effect on patient care and rehabilitation. In addition, the Institute's Hospital Consultation Service staff has drafted guidelines for policies and procedures to implement mental health project grants in this general area that will be made possible under title V of Public Law 911 (84th Cong.).

BIOCHEMICAL AND PSYCHIATRIC RESEARCH

The past year has witnessed an intensification of basic biochemical and psychiatric research activities, in the light of mounting evidence that disturbed metabolism may be involved in some types of mental disorder.

In the Institute's laboratories, basic studies are being conducted on amino acid metabolism, and on transmethylation, a mechanism for conversion of drugs in the body. Detailed knowledge of where and how the psychotomimetics and other psychopharmacologic agents act in the body will add to our knowledge of the relation of central nervous system structures and processes to psychological functioning. Such knowledge is the prerequisite to an understanding of the biological bases of behavior in general and disturbed behavior in particular. Still other studies are focused on the action of drugs and hormones at the cellular level in man and in experimental animals; this basic research is concentrated on those drugs that simulate or alleviate mental illness. New biochemical tools, refined methods for physiological measurements, and the use of tranquilizing and hallucinogenic drugs as experimental variables are spurring concerted efforts by Institute scientists and research grantees to correlate physiological and metabolic processes with observable data about normal and disturbed behavior.

The unique facilities of the Clinical Center at Bethesda have enable the Institute to engage in a large program of such broad-based and multidisciplined research into mental illness. Correlated studies of the psychiatric, psychological, biological, and pharmacological aspects of mental illness are supplementing investigations into improved treatment methods for schizophrenia and other psychoses. Institute investigators also are conducting basic research to develop theoretical frameworks for understanding normal behavior and personal-

ity development. Psychosocial studies are being aimed at increasing our understanding of the psychological and social determinants of behavior, and give promise of basic knowledge parallel to the knowledge we seek about biological bases of behavior. Mental illnesses, as disorders in behavior, need to be understood in terms of all the elements that comprise and influence behavior. Psychiatric studies at the Clinical Center, employing both experimental animals and humans of all ages, are utilizing contributions from psychiatry, internal medicine, various branches of psychology, sociology and anthropology, physiology, biochemistry, and pharmacology.

In a unique group of studies on the dynamic forces within the families of mentally ill patients, the Institute's Child Research and Adult Psychiatry Branches are studying the families of hyperaggressive children and of adult schizophrenics. Some parents are receiving individual or group psychotherapy; others are living with their schizophrenic child. Extensive studies of families are being conducted in connection with the Institute's child development work; physiological and biochemical studies are being made of parents and their schizophrenic children who are patients at the Clinical Center; and the Laboratory of Socio-Environmental Studies has carried out several studies of the families of schizophrenic patients, in the community and at St. Elizabeths Hospital. These investigations have uncovered important new data about the effect of family relations and attitudes on the response of the patient to treatment, and his reintegration into the family and the community.

OTHER BASIC RESEARCH

Fundamental studies on the structure, function, and metabolism of the nervous system in health and in disease are going forward at the Institute and in research laboratories throughout the country. Already promising results are beginning to appear. As an example, a number of neurophysiologists, working independently of one another, have arrived at a remarkable conclusion about the mechanism of neural impulse. Hitherto, it had been supposed that nerve cells worked on an "all-or-none" basis: given a sufficient stimulus, a uniform impulse was transmitted; if the stimulus was insufficient, no impulse was transmitted. It has now been ascertained that there are graded response mechanisms at both ends of the nerve cell—at the neuron receptor endings and dendrites and at the axon terminations—which permit the accumulation of a variety of weak stimuli that later lead to impulse transmission when the threshold is reached. This mechanism allows for graded neuronal responses—and allows neuronal junctions to perform complex integrations. This discovery helps to explain a great many complicated cerebral activities which could not be accounted for by previous theories.

Important pioneering research in neurochemistry is also going forward in the Institute's laboratories. Our investigators have recently determined the structure of a synthetic analogue of ribonucleic acid which gives important information concerning the structure of this naturally occurring substance, believed to be a template for the manufacture of highly complex protein molecules so vital to growth, function, and repair of the nervous system. By analyzing behavior mechanisms in a variety of experimental animals in relation to local brain stimulation or destruction, with or without drug intervention it has been possible to learn more about the functions of the brain, in health and in disease. Utilizing special techniques for the measurement of circulation and oxygen consumption in the human brain, investigators are studying the effects of anxiety and of a number of psychopharmacologic agents on brain metabolism. Preliminary findings indicate that anxiety is associated with an increased energy utilization by the brain.

SUPPORT OF RESEARCH

During the past few years, there has been an increase in the number of trained mental-health research workers. Besides, research scientists of many different disciplines have become more interested in mental health research. These increases are reflected in the increased quantity grant applications for support of meritorious research projects.

The number of research applications received during the second quarter of fiscal year 1957 reached an unprecedented high. The number of applications considered at the November meeting of the National Advisory Mental Health Council was 100 percent greater than for comparable periods during the past 2 years. Investigators of proven competence are proposing program research

on a broader, long-term basis, and institutions not previously represented among Institute grantees are proposing worthwhile studies. As investigators acquire more skill in mental-health research, and as methodology and research design in this field become perfected, a higher proportion of applications received will be able to pass the requirements for grants.

New trends

The trend in grants awarded during the past year has been toward larger amounts and longer periods of support. During fiscal year 1957, 374 grants will have been supported at an average of \$19,000 per grant. In addition, approximately 20 large-scale grants in excess of \$20,000 are being supported for studies in psychopharmacology, aging, and other special areas. This development is consonant with the advice of research strategists that the wisest investment is in large-scale, long-term, stable support to able investigators who are allowed freedom to follow the most promising leads.

Another new program, originated by the National Institute of Mental Health, is the awarding of small grants (under \$2,000) to support pilot or exploratory studies and promising young investigators, and to stimulate research interest in small institutions. Indications are that this program is filling a definite need. Some 125 small-grant requests in the field of mental health have been received, and about 60 percent of these have been approved.

Other significant trends in grant-supported projects are the increased emphasis on biologically and physiologically oriented research in mental illness, and the broadening base of scientific research disciplines involved in mental-health research. These trends are being strengthened by the Institute's career investigator program which provides psychiatrists and scientists of other disciplines an opportunity to acquire training in disciplines other than their own.

INCREASING THE RESERVOIR OF TRAINED MANPOWER

The Institute's program of training to produce the vitally needed mental-health personnel was stepped up sharply during the past year. The amount expended for teaching grants was almost doubled over what it had been during fiscal year 1956. At present, 241 schools are receiving support for mental-health training programs. The number of schools receiving support for instruction in graduate psychiatry and clinical psychology increased considerably, and the amount of the grants for instruction in all of the mental-health professions has been raised so that more training can be supplied.

The number of trainees jumped from 863 to 1,872 this year, an increase of 116 percent. The amount of the stipends was increased to attract more able young persons to this field.

The Institute's career-teacher program, designed to develop a reservoir of educators to train in the mental-health disciplines, is now supporting the development of 28 such specialized individuals, a 75-percent increase over last year. The demand for such educators will continue to increase as new mental-health programs are developed.

Research manpower

Our program of assisting in the effort to increase manpower to keep pace with the increased range of mental-health research has likewise expanded. This year we will be supporting an estimated 180 research fellows. The fellowships, which encourage research in various scientific specialties and in critical areas of mental-health need, have already paid off in terms of available manpower. A great majority of former fellows are now in full or part-time research; 20 percent are now recipients of research grants or are on the National Institutes of Health research staff. It is encouraging to note, also, that there has been a sharp increase in the demand for research fellowships this year, indicating increased interest in mental-health research on the part of promising young scientists.

New trends in training

A number of important trends in the Institute's training activities should be noted. One is the inception of a training program in the basic sciences such as neurochemistry, neurophysiology, and psychopharmacology, which are becoming more and more important in mental-health research. Another trend is toward the training of workers to provide services in especially critical areas, such as aging, retardation, delinquency, alcoholism, and childhood psychoses.

In the support of undergraduate psychiatric training in the medical schools, the tendency is toward the development of preclinical departments of medical psychology as a means of giving the medical student more information about the society in which his future patients live and in which he will be treating them. At present, grants of about \$23,000 each are made to 86 medical training centers.

The National Advisory Mental Health Council has recommended that psychiatric education in nursing schools be placed on the same basis as in medical schools. The psychiatric education of the nurse is about 40 years behind that of the medical student, and the need is for psychiatric education integrated with obstetric, medical, surgical, and public-health training of the nurse. Of the 141 collegiate or 4-year schools of nursing, it is estimated that about 80 are ready to develop a program on psychiatric aspects of nursing. The Institute is providing grants, in amounts up to \$15,000, to 40 of these collegiate schools of nursing.

Special pilot projects and evaluation studies are being conducted to assess present training methods and to develop new ways of incorporating the latest research findings into the training of mental-health personnel. Small grants to universities and State mental-health programs are enabling practicing mental-health workers to receive up-to-date information about rehabilitation of the mentally ill, care and training of mentally retarded children, prevention of juvenile delinquency, and similar important fields. In addition, basic concepts from the behavioral sciences are being incorporated into the training of key professional people, such as lawyers, ministers, and teachers, who deal with important aspects of human behavior.

Training pays off

Letters written to the Institute by recipients of traineeships and training grants attest to the great need that these grants are filling. Trainee after trainee has told us that without support provided by Congress he or she could not have entered one of the mental-health disciplines, and all express satisfaction with their choice of career.

An unsolicited letter from the head of one department of psychiatry of a large-city medical school illustrates the benefits that training programs and entire communities can derive from the Institute's training grants. In this case, the medical school's department of psychiatry set up a full teaching and training program in the psychiatric division of the city's general hospital. In addition to providing training for medical students and residents in inpatient psychiatry, the program offers significantly improved services to the patients. Because the general hospital is now able to provide short-term psychiatric treatment, the admissions to the local, publicly supported mental hospital have decreased sharply, with an estimated saving to the taxpayers of at least \$200,000 in 1 year. The medical school feels that this whole program could not have been possible without the gradual development of its department of psychiatry, aided by Institute grants over a period of 7 years. News such as this is a sign that we are proceeding along lines that are productive and that will, eventually, help create the reservoir of mental-health manpower needed to cope with the problems of mental illness and related disorders.

COMMUNITY SERVICE ACTIVITIES

The increase in funds available for grants to States for community mental-health programs has made it possible to increase the minimum Federal allotment from \$19,000 to \$25,000. Eighteen States receive this minimum. The States themselves have, in the meantime, been increasing their own expenditures for these purposes and, in some cases, are expanding their efforts into training and research as well as service programs. To date, however, 23 States are attempting to operate mental-health programs on funds totaling less than \$50,000 per year, which is the amount estimated to be required for a small State staff or 1 average-sized mental health center.

Nevertheless, there is widespread improvement in the coverage and quality of State and local mental health programs. More clinics have been established, and preventive programs involving education of and consultation to nonpsychiatric agencies have been instituted. Special mental health services in connection with aging, mental retardation, alcoholism, juvenile delinquency, and other problem areas are being given increased attention. As of the end of fiscal year 1956, Federal funds accounted for only 12 percent of the \$26 million budgeted by the

States for community mental health services. Current State plans indicate an increase to \$28 million for fiscal year 1957.

Federal grant money is being used to excellent advantage for all types of community mental-health services. In addition, the amount budgeted by the States for training has increased to more than \$700,000 this fiscal year, an increase of almost 100 percent in the past 2 years.

The Institute's staff of professional community mental-health consultants has been expanded to meet the increasing demands for assistance from the States. During 1956, technical-assistance projects were added to the Institute's techniques for supplying this assistance. These projects, which utilize conferences to present new knowledge and improved methods, are designed to help the States move into frontier areas. Six such projects were completed, covering such areas as aftercare of mental patients, organization and administration of State mental health programs, and public-school approaches to the problems of emotionally disturbed children. In addition to these projects, the Institute is initiating field demonstrations to illustrate successful ways of providing services in connection with mental-health education, drug addiction, and posthospital services for mental patients.

The Institute's Hospital Consultation Service staff surveyed the need for mental-health facilities in Alaska, provided consultation to a number of State hospitals, and surveyed the facilities for the mentally retarded of one State on request of the Governor. Guidelines for evaluating community mental-health programs are being set up by the Institute's professional staff in this area, and assistance was provided to a wide range of regional, national, and international organizations operating in areas pertinent to mental-health concerns. At the Institute's Mental Health Study Center in Prince Georges County, Md., community mental-health studies are continuing on reading disability as a symptom of actual or incipient emotional disorder, and on types of community services needed by former mental-hospital patients.

BIOMETRICS RESEARCH

During the year, one additional State joined the model reporting area, which has as its objective the provision of data on mental-hospital populations that will make meaningful comparisons possible. The 18 States now cooperating in this project care for about two-thirds of the patients resident in State mental hospitals in the United States. In addition, eight of these States are contributing analytical data on specific groups of patients, following their first admission to a mental hospital.

The Institute is sponsoring a special study, by one of the outstanding schools of public health in the country, of the admission patterns of an entire State mental-hospital system over a period of 50 years, from 1900 to 1950. This study will provide information that will enable us to correlate data on movement in and out of hospitals with information on outcome of treatment. Another study sponsored by the Institute will provide data on patients admitted to a State hospital over a period of 40 years. The objective here is to relate patient movement in and out of the hospital with social and environmental factors.

There is similar expansion in the Institute's activities in the collection and analysis of data on persons treated in outpatient psychiatric facilities. The Directory of Outpatient Psychiatric Clinics, published last year in cooperation with the National Association for Mental Health, compiles information received from 95 percent of the 1,234 clinics in the Nation. The Institute's biometrics staff has also provided the States with consultation on methods and techniques for collection of data about recipients of psychiatric aid.

SUMMARY

Altogether, the prospect for the future in mental health is beginning to be more hopeful. The inception of new programs and the steady advances on almost all fronts are building up a store of knowledge and an armamentarium of tools and personnel which should lead to effective prevention, treatment, and control of mental illnesses.

The House, acting upon this appropriation, has prohibited making an increase of from 15 to 25 percent in overhead costs for research grants. Dr. Shannon, in his opening statement, has commented upon the adverse effect that this action will have upon research activities in the long run. I should like also to ask that these increases in indirect costs be allowed.

GENERAL STATEMENT

Senator HILL. All right, Doctor, you may proceed.

Dr. FELIX. Thank you very much.

There are just a very few remarks I might make to lead into whatever questions you may have to ask me.

Thanks to the support of the Congress this last year, fiscal year 1957 has been by far, I think, the biggest year and the greatest year for mental health since the passage of the Mental Health Act.

I think it is a rather interesting coincidence that this week, by both congressional resolution and Presidential proclamation, is National Mental Health Week. I think it is a coincidence that I should be testifying before you this week when this is of such national interest.

There have been a number of advances. I will pick out only a very few and spend a minute or two telling you something about them.

APPLICATIONS FOR RESEARCH GRANTS

There has been a great increase in this past year, 1957, in the number of applications received for review for research grants. As a matter of fact the number that the Council has reviewed is about 100 percent more than it was in the last fiscal year, and they have approved about 100 percent more, which means their approval rate remained about the same.

A great majority of our former research fellows of the National Institute of Mental Health are now in full- or part-time research. About 20 percent of these, I might say, are on the staff of the National Institute as investigators. Many more people are receiving training in mental health professions than in the past.

TOTAL SCHOOLS RECEIVING SUPPORT

Now, 241 schools in the United States are receiving support from us for graduate training. This is a 20 percent increase over last year, the number of trainees being supported on stipends—

Senator HILL. 241 Schools, did you say?

Dr. FELIX. Yes, sir; all receiving support in the training program. This is in psychiatry, psychology, social work, nursing, public health and in some of the basic sciences, like pharmacology and neurophysiology.

Senator HILL. Yes.

TOTAL DIRECT TRAINEES

Dr. FELIX. The number of direct trainees has jumped from 863 last fiscal year to 1812 this year. This is a 110 percent increase over last year.

Senator HILL. Of course, in that connection I think it ought to be made clear there has been a definite shortage of doctors and psychiatrists and men in this field of mental health, isn't that true?

Dr. FELIX. That is very true, Senator.

Senator HILL. One reason you take pride in giving us these figures is because the testimony in past years before this committee has shown what a shortage there has been, what a really desperate shortage there has been in so many of these different categories, is that right?

Dr. FELIX. That is correct, sir. As you will remember, Senator, when I had the pleasure of serving together with you on the Commission on Mental Illness of the Southern Regional Educational Board, a survey was made of that area, which is illustrative of the United States as a whole, in which there was about a 50-percent shortage of professional people in these categories, which we think is going to be——

Senator PASTORE. On that same point, Doctor, does your full statement indicate of the 241 schools, the number of people that were trained, and in what categories? I mean psychiatrists, as distinguished from social workers, let us say. I mean, where has the heavy concentration been—in the top people or in the social workers?

Dr. FELIX. Well, the larger number have been among psychologists, social workers, and nurses, numerically speaking.

Senator PASTORE. Which is to be expected.

Dr. FELIX. Yes, sir.

Senator PASTORE. But I mean the comparative figures are what I was interested in.

Dr. FELIX. My statement does not contain that, but I will be very happy, if you like to have it for the record.

Senator PASTORE. I think it would be very interesting for the record to show how this money is allocated, and it would help.

Dr. FELIX. Very well, sir.

Senator HILL. I am glad you asked that, Senator. It is a good question, and the record ought to show. It is very interesting to the committee to see what we are doing.

(The information referred to appears on p. 791.)

TRAINING OF SOCIAL WORKERS AND PSYCHIATRISTS

Senator PASTORE. We are not training a lot of social workers, but a lot of psychiatrists, too?

Dr. FELIX. That is true, sir—as well as making grants to medical schools, as are Cancer and Heart, to improve the psychiatric training of all doctors. I will try to relate this in what I submit for the record. There are two ways they get trained. In addition to those trained on stipends, we are making grants to departments of psychology, psychiatry, et cetera, where many people are being trained who are not recipients of our stipend but whose training is much enriched and made possible in many cases because of the grant made to the teaching institution. I think it is to the credit of the Congress that this is so, and I would like, if you would agree, to show this in terms of total number of people who are receiving training as a result of your efforts.

Senator PASTORE. It would be most interesting.

Senator HILL. You do that. That will be very fine, Doctor.

Here are some figures.

Dr. SHANNON. Round figures.

Dr. FELIX. Those are round figures, that show the number of people receiving stipends.

Senator PASTORE. I think that we should have something like this in the record.

Dr. FELIX. A larger number of people.

Senator HILL. That is not in the statement that you filed?

Dr. FELIX. No, sir.

Senator HILL. I think that is important, and Senator Pastore suggested that go in the record. The fact of the matter is I suggest you look that over carefully. If it can be broken down in any more detail, you do that.

Dr. FELIX. We will be happy to do so, sir.

Senator HILL. Give us the picture.

(The information referred to follows:)

National Institute of Mental Health training grant program, fiscal year 1957

Discipline	Number of graduate traineeships	Estimated total number receiving instruction ¹
Psychiatry.....	495	1,600
Psychology.....	364	1,800
Social work.....	516	3,200
Nursing.....	356	² 8,000
Public health, mental health.....	11	30
Preclinical sciences.....	70	70
Medical and osteopathy students.....		30,500
Total.....	1,812	45,200

¹ Estimated number of persons receiving instruction in both the graduate and undergraduate mental health training grant program.

² Includes undergraduates in schools where no traineeships are awarded.

SHORTAGE IN FIELD PSYCHIATRY

Senator HILL. I have the recollection that there has been such a shortage, particularly in the field of psychiatry.

Dr. FELIX. That is correct.

Senator HILL. And you feel we have made some progress in that direction.

Dr. FELIX. Oh, yes, sir.

Senator HILL. Definitely.

Dr. FELIX. In the time since the Mental Health Act has been in operation, the number of members of the American Psychiatric Association, which is a rough index because I would say 95 to 98 percent of the psychiatrists of the country belong to the American Psychiatric Association, has jumped from 4,600 to nearly 9,300, so there has been a significant increase. Of course, the same thing is true here as in the case of any valuable product when it comes on the market in greater amount. There is a greater demand and so the relative shortage still exists.

Senator HILL. Off the record.

(Discussion off the record.)

Senator HILL. Back on the record.

In that connection, I do not know if you will be expected to have those figures today, but I am sure they will be available. If you would relate these increases in psychiatrists to the increase in the number of doctors, generally, physicians, M. D.'s generally?

Dr. FELIX. All right, sir.

Senator HILL. In other words, over a period of time you had this increase in number of psychiatrists. What has been the increase in the number of doctors in that same period of time?

Dr. FELIX. I am sure we can get that for you.

Senator HILL. If you can get that without too much trouble, I think that might be interesting.

Dr. FELIX. We certainly will try to get that for you, Senator.

Senator HILL. Thank you, sir.

(The information referred to follows:)

Increase in number of psychiatrists as compared to all physicians from 1948 to 1956¹

	Total number of physicians in United States	Total number of psychiatrists in United States ¹	Ratio of psychiatrists to all physicians		Total number of physicians in United States	Total number of psychiatrists in United States ¹	Ratio of psychiatrists to all physicians
1948----	(²)	4, 678	-----	1953----	⁴ 218, 522	7, 608	1:29
1949----	(²)	5, 276	-----	1954----	⁴ 221, 779	8, 347	1:27
1950----	³ 202, 683	5, 856	1:35	1955----	(²)	8, 534	-----
1951----	⁴ 211, 680	6, 481	1:33	1956----	³ 218, 061	9, 295	1:24
1952----	⁴ 214, 667	7, 125	1:30				

¹ Total number of psychiatrists in United States as represented by membership in the American Psychiatric Association, and as listed in the Directory of the American Psychiatric Association, 1956-57.

² No figures available.

³ Total number of physicians in United States as represented by membership in the American Medical Association, and as listed in the Directory of the American Medical Association, 1950 and 1956.

⁴ Total number of physicians in United States as reported by the Statistical Abstract of the U. S. Department of Commerce, 1956, p. 78.

RESEARCH HIGHLIGHTS

Dr. FELIX. There has been or if not there will be immediately submitted for the record a copy of our Research Highlights, if you wish that for the record?

Senator HILL. We want that, by all means. When you say "Research Highlights," explain that word "highlights" a little more.

Dr. FELIX. That is a rather summary statement. Is that what was presented to them this morning, Dr. Shannon?

Senator HILL. Is that in this report?

Dr. SHANNON. No, sir. This has been published completely in the House hearing, but this was passed on to the members of the committee this morning.

Senator HILL. This is complete in the House hearings?

Senator PASTORE. Is it?

Senator HILL. It is a little different. It is a different document.

Senator PASTORE. I see.

Dr. FELIX. This is a summary statement, rather brief, of the various research advances that have been made in this case in the field of mental health.

Senator HILL. In that connection, I do not want to interrupt your orderly procedure, but I think it would be interesting to the members of the committee that are here now—and for the record at this point—if you would briefly summarize, and I do not necessarily mean to read this whole document—but just briefly summarize what you feel has been done in progress in the field of mental health.

Dr. FELIX. Tell you here or submit it for the record?

Senator HILL. Just briefly summarize it in layman's language, so to speak.

PROGRESS IN MENTAL HEALTH

Dr. FELIX. There have been several quite significant advances this year, which I think are of considerable importance, one of them is a finding which was made in our own laboratories, which is to the effect that contrary to what had been thought before, intellectual abilities do not cease to develop in later years.

It has been found, for instance, that the intellectual capacities and abilities to learn, if I could put it in a crude sense, continue to increase well up over 50 years of age. It used to be thought that when one reached about 25 to 30, there was a leveling off of this development.

Senator HILL. That is very encouraging to some of us.

Senator PASTORE. There is a little hope for me but not for too long. Have you gone over the hump?

Senator HILL. I thought that might soften you up a little.

Dr. FELIX. There are one or two interesting sidelights on this, Mr. Chairman and gentlemen.

GIFTED INDIVIDUALS' CAPACITY TO LEARN

It was found that gifted individuals, that is, these exceptionally brilliant people, tend to retain this capacity to learn well beyond the average person. This is of considerable significance to all of us, I think, in the field of science, because of the need to discover and nurture this kind of person because of what they can produce for our society through their mental capacity.

Also, it has been found that those who are engaged in intellectual pursuits, college professors, scientists, lawyers, doctors, and similar people, tend to retain this ability, to continue to increase their intellectual capacities longer than those who cease to use them at a younger age. The latter group tend to atrophy, perhaps, a bit. That is, they do not slip back, but they are not so able to increase their intellectual capacity.

Senator PASTORE. Before you get off that, how come most prodigies peter out after a while? How do you explain that?

Dr. FELIX. I cannot, Senator. I really cannot. There has been some consideration of it but, as a matter of fact, many of them do not peter out. A lot of them do, but a lot of the really outstanding brains do not.

Senator PASTORE. Would you say it is an exception to the general rule or what?

Dr. FELIX. I really do not have data on which to state it one way or the other. But I was thinking of some of the great minds of the world, who were great minds when they were quite young, recognized as such. These, of course, one remembers because they continue to be great. One reason why some of these brilliant children do not develop into brilliant adults, may be because of a lack of opportunity to develop themselves and to develop the skills that go with it.

Senator PASTORE. Off the record.

(Discussion off the record.)

Senator HILL. Back on the record.

STUDY OF MENTALLY RETARDED

Dr. SHANNON. One of the important programs of Dr. Felix's Institute is the study of the mentally retarded. Now, on serious inquiry into these children who have deficiencies, and in an attempt to develop a spectrum of the total child, it turns out that we are no more capable of taking advantage of the very bright than we are of remedying the very dull.

One of the difficulties of the total educational resources at the present time is our complete inability to handle the very bright individual and to attune him to his environment, so that he becomes useful.

Many of them are rejected by society as being queer and rejected by their classmates.

In answer to your original question, so many prodigies go sour because of this concept of rejection that they meet very early in life that they are completely incapable of functioning as a social being on the same level that they can function as an intellectual being. This puts the child apart.

Dr. FELIX. This is very true. In fact, in examining some of these very brilliant children you sometimes find they have actually tried to hold back. They feel they are sort of irritating to their classmates because they see things so much more quickly, and sometimes get impatient because the others cannot see through things as rapidly. They become irritating to their fellows, and the way they can avoid this and be good fellows with their companions is not to be so smart. As a result they do not really exercise their capacities to the optimum level, with the result that perhaps they do not develop as rapidly as they otherwise would.

If you throw these youngsters in with their peers intellectually, they will rub off on one another and they will keep sharp. This, then, shows a different kind of picture.

Senator PASTORE. Off the record.

(Discussion off the record.)

Senator HILL. Back on the record.

WORK WITH MENTALLY ILL

Senator MAGNUSON. Is not a large part of your work that of working with the mentally ill?

Dr. FELIX. To answer your question, Senator Magnuson, the principal proportion of our work is dealing with the problems of mental illness, how it comes about and how to treat it. We have, however, one laboratory of child development studying how children develop psychologically, how they learn, and so forth, since knowledge of these phenomena is necessary better to understand how mental illness occurs.

We have another laboratory engaged in other programs dealing with problems of children and how they live with one another, and what this influence may mean to their future mental health or lack of it.

It is my conception that, since this is an arm of the Public Health Service, we are interested in health as well as illness. We are interested in disease because disease is the absence of health. We have to treat disease, but we, ideally, would like to work ourselves out

of jobs by making everyone healthy, and then we would not have to treat disease.

Senator MAGNUSON. Naturally, you have to do these things and from them you learn what you might do for those who are mental patients. But your main objective is to do what you can to cure the patients that we call mental cases.

Dr. FELIX. That is our main objective. But as you say, in order to do this you have to know the background.

Senator MAGNUSON. And within the limits of what you can do, that is a small part of the program but it may be a necessary part.

Dr. FELIX. A necessary part and an important byproduct, if you will.

Senator MAGNUSON. Yes, sir.

Dr. FELIX. Yes, sir.

Senator MAGNUSON. I would not want you to think we are appropriating money to see which child was bright and which was not, unless it was some means towards an end, some objective.

Senator HILL. You may go ahead, Dr. Felix.

PHENYLPYRUVIC OLIGOPHRENA

Dr. FELIX. To mention one or two other recent research accomplishments, which might be interesting to you, moving from the field of high intellect to low intellect, there has been one type of mental retardation which has been of considerable interest, known as, I will use the long term, phenylpyruvic oligophrena, which is—

Senator HILL. Excuse me—you said you were going to tell us what it is?

Dr. FELIX. This is a type of mental retardation brought about by a metabolic defect in the body in which a substance known as phenylalanine, which is a constituent of our food, is not broken down to its proper end product known as tyrosine. Instead there is developed a substance known as phenylpyruvic acid. This is apparently toxic to the individual with the result that these people become retarded mentally. This has puzzled us for years. The way to prevent it is put a person on a diet free of this phenylalanine. This is an unpleasant kind of diet. There are lots of things you cannot eat because they contain this particular substance.

We have in the last year been able to discover the steps in this breakdown and to isolate two of the enzymes which facilitate this breakdown.

Now we are able to attack this thing from the point of view of supplying intermediate substances that may facilitate the metabolism of this substance to the end product.

Senator PASTORE. Once the damage has been done, can it be rehabilitated, once you have made your discovery, or do you prevent it in other cases where it might perhaps be susceptible?

Dr. FELIX. You can prevent it. If you get it early enough there may be a reversal.

Senator PASTORE. Once the damage has been done and if you find the cause and remedy it, the rehabilitation is pretty difficult?

Dr. FELIX. That is true. It depends on what the damage is, of course.

BRAIN DAMAGE BY LEAD POISONING

Senator PASTORE. I heard of an extraordinary case of a child of a friend of mine, without mentioning names, and I understand part of the condition there was some zinc or lead poisoning.

Dr. FELIX. That is correct. There is a type of brain damage caused by lead poisoning, which comes about in a very interesting way.

Little children always like to chew on things. If you put youngsters in cribs or playpens, they are just high enough that their mouth comes up even with the bars and they will chew on them, and they would develop lead poisoning from the paint. One of the symptoms of lead poisoning is involvement of the brain, with the result these children are unable to learn and acquire new knowledge as well as normal children did.

Senator PASTORE. Has any research or any education been done to convince the manufacturers not to do such a thing?

Dr. FELIX. I believe there has. I believe now that most of these children's cribs and playpens are treated with a lacquer rather than a paint.

Dr. SHANNON. There is an industrywide code right now.

Senator PASTORE. It is an industrywide code?

Dr. FELIX. It is a leadfree type of lacquer or something.

Dr. SHANNON. It also has to do with toys.

FLAKING HOUSE-PAINT PROBLEM IN BALTIMORE

Dr. DEARING. The problem still exists to some extent, and there were some problems in Baltimore, from flaking house paint. Some children were injured by that, and the Baltimore Health Department has been working especially to eliminate this hazard. We are not completely out of the woods, although the putting of lead in paint where children are exposed to it has been pretty well eliminated.

Senator PASTORE. Have we developed any data or statistics on how many young people we have that have been retarded because of lead poisoning, and whether or not there is a program on a national scale, or a national program, to give proper education to parents or to pediatricians that are dealing with cases of this kind? Are we in that at all?

Dr. FELIX. I cannot answer that, sir.

Dr. SHANNON. I would say the pediatricians are very aware of it. I think if you notice most of the advertising that has to do with infants' toys and things that infants have contact with that the public knows about this hazard because it is specifically labeled "lacquer or paint does not contain lead," or something of that sort, and I think there is a very good awareness of this.

As Dr. Dearing pointed out, the problem is still with us because lead has been so commonly used in this, that, or the other thing, and we do not know actually whether they are substituting titanium now for lead. We have not had enough experience with titanium to know all the long-term effects of that.

There is no national program, as such, nor would there be a national roster where one could look at and find out, because mental retardation is something that is, at the present time, in a similar position to the situation in the neurological disease 5 to 10 years ago. It is some-

thing that families still tend to be ashamed of and conceal to protect the child.

So, there are many people who are mentally retarded for one reason or another that would never be put on a roster.

Dr. FELIX. In fact, it would probably be more proper to speak of mental retardation as a class of conditions——

Dr. SHANNON. The Doctor points out that there is no evidence that titanium can cause these mental illnesses.

Senator HILL. Does the paint have to be taken orally, in the mouth of the child?

Dr. FELIX. That is the common avenue. I do not believe that there is any other way.

Dr. SHANNON. You can absorb it extensively through the skin.

DANGER OF SPRAYING PAINT

Dr. DEARING. Painters have to protect both the skin and mouth. When paint is used in spray guns, one can inhale it, and the accompanying hazards are known and there are measures to protect against them although every once in a while someone gets off base. The problem of accident prevention was explained to you by the Bureau of State Services. The Children's Bureau had an interest in this for a long time with public and professional information as to protecting children from this hazard.

Dr. FELIX. I might mention 1 or 2 others. I know your time is pressing and I do not want to utilize too much of your time.

TRANQUILIZING DRUGS

You might be interested in some of the new knowledge about some of the tranquilizing drugs, as to what we have been doing in the last year.

Our addiction research center at Lexington, Ky., which is one of the laboratories in the Institute, is studying these drugs, and found that at least two of them, chlorpromazine and reserpine, are not addictives. They will not cause addiction. This is a question that has been raised.

Senator MAGNUSON. Doctor, maybe you would not want to give an expert opinion on this, so it can be off the record.

(Discussion off the record.)

Senator HILL. Back on the record.

Senator MAGNUSON. In your work, when you speak of tranquilizers, that it is new and it is something people are vitally interested in, there are two types, the word "tranquilizer" is being used quite loosely today.

A doctor does prescribe tranquilizers of which there are some common names, but there are others that are being advertised all over the radio now, and television, that you can get without a doctor's prescription.

Now, the Federal Trade Commission is starting a drive on that, because we gave them some extra money to do it.

What I want to say is this: When you speak of tranquilizers, in relation to mental patients, you are talking only about those drugs that would necessarily have to have a doctor's prescription?

Dr. FELIX. That is correct, Senator. I am speaking about those drugs.

Senator MAGNUSON. A lot of people do not know that.

Dr. FELIX. I am speaking about those drugs which have an action on the brain, causing the brain or some part of it to function differently, and the result of it is the patient is more calm.

There are many other substances——

Senator MAGNUSON. The only thing I ever have known about was bromides.

Dr. FELIX. That is right. It is a popular term that the public has applied to several kinds of substances.

Senator MAGNUSON. That does not act on the brain particularly; does it?

Dr. FELIX. Not particularly.

Senator MAGNUSON. It calms you down.

Dr. FELIX. It calms you down.

ANTI-HISTAMINES

Many of these drugs you are speaking about now are some of the old remedies, the old sedatives, and so forth. Another group of drugs that has somewhat this effect are the antihistamines. You may remember when people started taking antihistamines for colds, that it was found unwise for some people to drive a car after they had taken them, particularly if they took too much because they would get drowsy, and did not seem to be so alert.

I cannot speak with certainty on this point, but I have been given to understand by some people whom I think should know that some of these drugs that are called tranquilizers that can be taken without a doctor's prescription fall into the antihistamine series. As I say, this is not a statement that I can make factually.

Senator MAGNUSON. We understand.

Dr. FELIX. This is my understanding in the matter.

HABIT-FORMING ASPECTS OF TRANQUILIZERS

Senator MAGNUSON. Would you care to make a statement as to the habit-forming aspect of these tranquilizers, because this involves this whole problem of Government regulations in some of these fields.

Are the tranquilizers prescribed by doctors habit forming?

Dr. FELIX. As I said a moment ago, Senator, we know now that two classes of these drugs—a group known as chlorpromazine, and a group known as reserpine, the first is known by several trade names, one of which is thorazine; reserpine is known under such names as serpasil. These two classes of drugs are not addictives.

There is a new class with the technical name of meprobamate: one trade name is miltown—we do not know whether it is addictive or not. We do not know because we have not had time to study it. We do not mean by this to imply in any way that it is. I cannot at this time say with certainty that it is not. We know the first two are not, as a result of our study.

Senator MAGNUSON. So, if the public were asking of Government involved in this research, such as you are in your division, "What about these new tranquilizers?" you would suggest that they not only have a doctor's prescription, but they be taken with care?

NONREFILLABLE PRESCRIPTIONS

Dr. FELIX. I would suggest they not only have a doctor's prescription and be taken with care, but I would suggest further that they be taken on what is known as a nonrefillable prescription; that is, in order to get a refill you have to get a new prescription. This would prevent long-term use without the person checking back to see what his condition is.

Senator HILL. Dr. Dearing?

Dr. DEARING. I would like to add to what Dr. Felix said about addiction, and point out that addiction, used in a fairly technical sense, is that there are certain qualifications. It means physical dependence, it means the dose has to be increased. Those are two requirements in an addiction drug. That does not take account of psychological dependence, and as to these tranquilizers, you do not require tolerance, and you do not have to increase the dose and do not get physically sick if the drugs are taken away.

People may become psychologically dependent on them.

Senator MAGNUSON. Like smoking or drinking coffee.

Dr. DEARING. So there is a tendency for people to lean on that crutch sometime although it is not addicting in the medical sense.

Senator MAGNUSON. Yes.

Senator PASTORE. Not to belabor this subject, but you said two did not lead to addiction in the sense Dr. Dearing said. Would you need a prescription on that?

Dr. FELIX. Yes, sir. You would need a prescription on any of the tranquilizing drugs, truly tranquilizing in the sense that I tried to describe a moment ago.

Senator HILL. You say you need a prescription. You mean refill, too, as well as for the original package or bottle or whatever it is.

Dr. FELIX. I cannot speak with certainty about that in all States, Mr. Chairman. In many States this is true. I am not sure about all. I think that it is probably true, but I cannot say with certainty—I am not sure.

FORUM MAGAZINE ARTICLE ON TRANQUILIZERS

Senator HILL. Before you move on, I might say Dr. Van Slyke kindly brought to our attention there is an excellent review article on tranquilizers in Fortune magazine for May. He feels we would find it interesting to read.

Dr. FELIX. I might mention one other development in this field.

Senator PASTORE. Who wrote it?

Senator HILL. Dr. Reed wrote it, I believe.

Dr. VAN SLYKE. I am not sure about the author.

Senator MAGNUSON. The reason I pose these questions, is that the Government does have, whether you like it or not, a great responsibility in this particular field.

Dr. FELIX. That is correct, Senator.

Senator MAGNUSON. Both running from false advertising to the effect upon people.

Dr. FELIX. That is correct, sir; that is right.

DISCOVERIES ON CHLORPROMAZINE

One other finding, and then I will not belabor this point any more. With chlorpromazine we have found something very interesting, which may lead us to some other work which may be quite important. We have found that chlorpromazine acts differently in schizophrenics, one kind of mental illness, sometimes called dementia praecox, than in so-called normals.

In schizophrenics, both motor performance, skills with your hands, and psychological performance, is improved under chlorpromazine. In normal individuals both of these types of performance are impaired, although the motor is impaired more than the psychological. This is an entirely different set of phenomena in the sick person than in the well person, which leads us to look further into what can be physiologically or chemically different in the schizophrenic than in the normal. And this is an exciting finding, which we want to follow up on.

Senator PASTORE. This question I should like to ask you, Doctor: Now, does it mean that this remedy is temporary—only as long as the drug lasts in the individual—or does it have a permanent effect?

USE OF TRANQUILIZERS IN MENTAL HOSPITALS

Dr. FELIX. So far as we know, at the present time, Senator Pastore, these drugs do not cure the basic illness. The drugs may get the patients over into a more quiet situation, or the drugs may produce at least temporarily, less disturbed manifestations of illness, so that the patients are more amenable to treatment. But the drugs do not cure or alter the fundamental disorder, whatever it is. This is not to say that these are not extremely valuable drugs. They have really revolutionized the care of patients in our mental hospitals.

Senator PASTORE. But you have to keep prescribing them in order to keep the condition and the improvement that you achieve?

Dr. FELIX. Yes, sir.

Dr. SHANNON. Dr. Felix did not understand the point I wanted him to make. That is that in schizophrenia, and Dr. Felix can correct me if I get wrong in my mental-health phase, there are very acute episodes that are impossible to touch by ordinary means of treatment, and with heavy utilization for relatively short periods of time it is possible to get some of these people over their acute hump and return them to society without further use of the drug. And the general feeling is, I believe, that the termination of the acute illness in a short period of time is one of the very beneficial things that is so highly desirable.

Dr. FELIX. That is very true. I have seen this happen many times, in which they are acutely ill, and you get them over this particular hump, and they go on very well.

And in some cases I have seen this work to the point where they do not need hospitalization at all.

Mr. Chairman, there are many other developments that are in the highlights. I can touch on them if you wish.

Senator HILL. You are putting those in the record, are you not?

Dr. FELIX. That is right.

Senator HILL. All right. Put them all in, Doctor.

(The material referred to follows:)

HIGHLIGHTS OF MENTAL HEALTH RESEARCH, 1956

Items of interest on program developments and research studies conducted and supported by the National Institute of Mental Health

NEUROPHYSIOLOGY

Significance of "graded response mechanism"

Recently several neurophysiologists, working independently of one another, have determined hitherto-unrecognized aspects of nerve-cell performance. Their findings are basic to interpretation of all brain function, from the simplest to the most complex. Until recently, it had been supposed that nerve cells transmitted impulses on an all-or-nothing basis; a stimulus, or preceding nerve impulse, either yielded a standard nerve response or nothing.

Now it is recognized that graded responses occur at each end of a nerve cell, where it acts as a receiver and where it acts as a transmitter of messages. These responses are local and cumulative, accurately grading impinging stimuli which they code into all-or-nothing impulses for long-distance transmission. At the other end of the same cell, these signals are decoded into graded responses which converge upon the next group of cells along with messages from still other remote parts of the brain.

Certain integrative aspects of the nervous system now known to be produced by the graded response tissue at each end of the nerve cell had previously been ascribed to the narrow junctional zone lying between cells. It is now recognized for the first time that the living, working membranes of a given cell are substantially different according to whether they function like complex computing machines (at the cell's ends) or reliable distance conductors (from one end of the cell to the other).

The importance of this discovery lies in the fact that it is the neural endings, containing the graded mechanism, which are apparently the seat of our most complex mental activity and which are the areas affected by drugs. A great deal of cerebral and neural activity, too complicated to be explained by the all-or-none theory of transmittal, can be much more clearly understood in the light of this new insight into a basic mechanism of neurophysiology.

New tools of neurophysiological research

In connection with this investigation of the individual nerve cell's activity, an Institute engineer has developed an improved high impedance amplifier, a superior tool for the sensitive job of studying individual neuronal activity in basic neurophysiological studies.

Another improvement in research methods lies in the development of new means of recording and using the large amounts of information involved in the correlation of behavior with physical and physiological states of animal subjects. This correlation is a necessary part of the project of brain-mapping by electrical stimulation and recording which is in progress at the Institute, as scientists continue to find and investigate the regions of the brain involved in fright, rage, pleasure, compulsive anxiety, sleep and other psychological states. One tentative conclusion which has been drawn from this exploration of the geography of the brain is that there appear to be no sharp distinctions between sensory (impression-receiving) areas of the brain and motor (movement-controlling) areas. The entire cerebral cortex appears to be sensorimotor in nature; every area of the cortex seems to be capable of receiving impressions and moving at least small groups of muscles. Each new finding of investigators in this field brings us a step closer to knowing just how and where in the brain our perceptions are registered and our actions motivated. This information is essential if we are to understand what happens physiologically when drugs, biochemical faults, or environmental stress cause misperceptions or abnormal actions.

Cerebral blood flow and metabolism

Work has continued during the past year on studies of blood flow through the brain and brain utilization of blood-borne oxygen and glucose. In these studies, cerebral blood flow and metabolism have been measured as they vary with increasing age, with anxiety and other emotional changes, and with physiological alterations and the introduction of various drugs into the body.

Studies are underway to attempt to quantify anxiety and emotional states so that significant correlations can be made between these states and alterations in blood flow and metabolism in the brain. Through these studies, scientists hope to learn more about the physical and metabolic changes which accompany changes in mental activity and behavior.

Local blood flow in the brain

The validity of a recently developed technique for measuring blood circulation in 28 separate structures of brain and spinal cord has been demonstrated during the past year by a series of experimental studies on cats. The changes in quantity of blood flowing to various local areas in the cats' brains have been shown to bear a direct relationship to stimulation of those areas. With this correlation established, the door has been opened to further study of the relationship between overt behavior and emotional states and the physiology and metabolism of the brain.

This technique of measurement of local blood flow in the brain has particular experimental significance since it may show widely varied distributions of blood in the brain in two different behavioral or emotional situations even though the total amount of blood flowing through the brain may be identical.

PSYCHOPHARMACOLOGY

Scientists in the field of mental health are devoting more of their attention to drugs—used both as therapeutic agents and as tools for research. Within the past year a psychopharmacology service center has been established within the research grants and fellowships branch of the National Institute of Health to administer a \$2 million congressional appropriation for drug research. Personnel of this center are already at work screening applications for research grants, reviewing the entire field of drug research in order to single out areas needing special attention, giving technical assistance and advice to scientists engaged in drug research, developing plans for intensive and extensive clinical tests of psychopharmacologic agents, and establishing a file of information covering past and on-going research and future drug research plans.

Tranquilizing drugs

A great deal more work, including both detailed studies of small groups of patients and larger clinical trials will be needed to achieve a real understanding of modes of action and the assets and liabilities of the tranquilizing agents, together with a more detailed knowledge of their specific therapeutic indications. It is expected that broadly based, definitive, and well-controlled clinical tests will be launched in the near future.

The results of the many separate investigations of the tranquilizers that have been made to date are not always in agreement. The reason for this may be that many of these studies, because of situations beyond the control of individual investigators, have been carried out in a great variety of situations, involving noncomparable patient populations, and using widely differing experimental designs.

Some experimenters report remarkable improvement in the condition of patients under tranquilizing drug therapy. Others report that many of the psychotic symptoms are eased, but that the basic pathology remains unchanged.

There were an estimated 7,000 fewer mental patients in the public hospitals of the Nation at the end of fiscal year 1956 than at the end of fiscal year 1955. This is encouraging. We are in the process of developing projects to determine the basis and significance of this decrease.

Widespread popular use of tranquilizers

The extent to which tranquilizing drugs are being prescribed for the tensions and anxieties of everyday life calls for extended research into the effects of the drugs on normally functioning people. Of a number of different types of drugs so far tested, one Institute scientist has found chlorpromazine, a popular tranquilizer, to be the only one which seriously interferes with performance on a specially designed continuous performance test. Another investigator has concluded that chlorpromazine has approximately the same effect as an equivalent therapeutic dosage of secobarbital (a widely used barbiturate) in impairing the performance of normal subjects on a number of psychological tests. Motor tasks are the ones in which performance is most severely impaired, while simple intellectual and perceptual tasks show relatively little performance impairment. An important study performed by an Institute grantee has investigated the ef-

fects of brain lesions and drugs on normal and neurotic cats and monkeys. One conclusion of this study is that it is extremely difficult and frequently misleading to state or predict the effects of any drug on any organism without considering the organism's genetic characteristics, past experience, biologic status, and current physical and social milieu.

Drug research as a tool of investigation

Perhaps the greatest value of drug research in the field of mental health will ultimately lie in the ability of drugs to reveal to us more about the basic causes and mechanisms of mental illness. Evidence mounts that some biochemical fault or metabolic or physiological error is involved in predisposing people to or precipitating them into psychotic states. If chemical agents can initiate or alleviate psychoses, it is possible that chemical faults or imbalances in the body may be implicated in producing them.

Continued LSD research

The search continues for a physiological root of mental illness. One of the more promising avenues of investigation involves the continued study of LSD (lysergic acid diethylamide), a drug which produces psychoticlike symptoms in normal people. The advantage of this drug is that individuals who take it are able to remember and describe their feelings when the effects of LSD are dissipated. Experiments attempting to demonstrate the efficacy of the tranquilizers in treating LSD-induced psychosis have proved inconclusive. Volunteers were given small amounts of LSD and the two tranquilizers, chlorpromazine and reserpine, at different times. The chlorpromazine reduced the intensity of the LSD reaction, whereas reserpine seemed to enhance the LSD psychosis. Another drug, whose value in treating psychotic patients is still under study, had no effect on the LSD reaction. It was hoped that the LSD volunteers would react to these drugs in the manner that mentally ill individuals appear to react to them.

The site of the action of LSD in the nervous system is still to be determined. Institute scientists have demonstrated during the past year, however, that, contrary to earlier belief, the LSD effect cannot satisfactorily be explained by its antagonistic effects on blood levels of serotonin, a vasoconstrictor substance found in the brain. Also demonstrated during the past year was that dosages of LSD sufficient to produce hallucinations and other mental symptoms do not produce consistently demonstrable changes in the electrical activity of the brain. With each elimination of possible sites and mechanisms of the drug's action we come closer to definitive knowledge of the complex physiology of the nervous system and an understanding of its disorders. An Institute scientist is currently investigating the strong presumption that LSD acts by stimulating the hypothalamus, a subdivision of the forebrain.

Possible biochemistry of mental illness

Since several of the drugs which produce psychoticlike symptoms have in their molecular structure certain methyl groups linked to a nitrogen, sulphur, or oxygen atom, some Institute investigators are studying the biologic methylations occurring naturally in the body, in order to discover whether an abnormally functioning body can produce nitrogen, sulfur, or oxygen-linked methyl compounds, similar to those existing in the psychotomimetic drugs, which may be at the root of some mental illness. A number of similar investigations of possible biochemical factors in mental illness are being pursued by grantees in institutions across the country.

In another investigation of the basic chemistry of the body, a broadly organized program of study of the polyribonucleitides—basic proteins of living tissue—is being carried on by Institute researchers. For any well-based and meaningful conclusions to be reached in the future about the role of the body's biochemistry in mental illness, an understanding of the structure and function of the polyribonucleitides will be extremely useful, if not indispensable. These complex proteins are thought to be central agents in the genetic process. Since they are basic components of the cells of the nervous system, any knowledge of the part they play in the physiological process will not only greatly illuminate our knowledge of the normal functioning of the nerve cell and the mechanism of cell heredity, but will also help us to understand the hereditary aspects of such disorders of the nervous system as mental retardation and various psychotic states.

DRUG ADDICTION

Testing drugs

The addiction research center in the Public Health Service hospital at Lexington has continued its program of determining the addicting properties of pain-relieving drugs as they are developed. During the year 14 new pain-relieving drugs were tested, 11 of which had some addicting liability.

Preliminary research being conducted to determine the effects of acute and chronic administrations, as well as abrupt withdrawal of drugs upon the functioning of the central nervous system, provide some evidence that meprobamate has addicting qualities. One patient (out of three) had a convulsion after withdrawal of the drug. This substantiates occasional clinical reports of seizures when patients were taken off this drug. Monkeys who were withdrawn from chlorpromazine suffered grand mal-type seizures and behavior very suggestive of hallucinations.

Barbiturate addiction levels

Basic research on barbiturates provided evidence that volunteers on a daily dose of 6 grains of Seconal or Nembutal for several weeks showed no signs of physical dependence following withdrawal of the drugs. Psychological dependence on barbiturates at this level does occur and may lead individuals to take physically addicting quantities daily.

Chronic barbiturate and alcoholic intoxication

Preliminary findings indicate a physiological relationship between chronic barbiturate and chronic alcoholic intoxication. Dogs intoxicated with barbiturates were given alcohol for 2 weeks or more as a substitute for the barbiturate; when the alcohol was withdrawn, none of the dogs had convulsions and only one suffered from abstinence syndrome. Since the alcohol partially suppressed the expected abstinence syndrome, it can be concluded that the two drugs are physiologically related.

SPEEDING DISCHARGE FROM MENTAL HOSPITALS THROUGH IMPROVED STAFFING

As a result of revealing exploratory work in the field, great interest has recently been generated in the study of how improved staff and more effective administration can speed the rate of discharge from mental hospitals.

Under study by a number of investigators are such staff and administrative problems as the effects on patients of the total hospital environment, the roles of hospital personnel in psychotherapy, and the statistics of admission, discharge, and readmission in mental hospitals and of posthospital treatment of mental patients.

Statistical studies of mental hospitals

In one of a number of statistical and epidemiological studies it is carrying on with the cooperation of State mental health authorities in hospitals and institutions, the Biometrics Branch of the National Institute of Mental Health is establishing a breakdown of length of stay in a hospital for the mentally deficient by age group, diagnosis group and I. Q. group of patients. Differences in median length of stay by various categories may well lead to more efficient administrative handling of patients by these categories.

Two other projects are underway in which the patterns of admission, discharge, and readmission in State mental hospitals will be tabulated and analyzed. The aim of both these studies is to relate these patterns of hospital populations with patients' age, sex, urban-rural residence, usual and last occupation, marital status, diagnosis, changes in diagnosis following hospitalization, therapies used, and a number of other variables, over a long period of time. The results of these statistical studies should give us great insight into the relationships between patient and socioenvironmental factors and the movement of patients into and out of mental hospitals, and will undoubtedly influence future administrative techniques and admission and discharge policies in mental hospitals. Combined with its other advisory, consultative, and statistical services, these Biometrics Branch activities will have the effect of giving a much clearer and more uniform picture of mental illness in the Nation, and will provide guidelines in the evaluation of mental hospital operations and point up problems of hospital staffing and administration which require intensified study.

Studies of ward environment

Within the clinical investigations program of the Institute a number of interdisciplinary studies of the effects of hospital milieu on patients are being carried on, both at the clinical center and at St. Elizabeths Hospital. One such study involves the relationship of the patient's family with the patient and with the program of hospital treatment. Others are concerned with such problems as the structure of the hospital ward and its effects on patients, and the social life of the hospital patient. One investigator is studying the way in which patients adapt to hospital wards and the consequences of this adaptation to the rehabilitation process. Another is relating the perceptions and attitudes of nurses and aids concerning given psychiatric patients with the quality of their functioning with these patients. Such introspective studies of the attitudes of hospital personnel have extremely significant implications for the establishment of the hospital ward as a therapeutic community.

Rehabilitation study

In the Professional Services Branch of the National Institute of Mental Health a major study of the use of rehabilitation and rehabilitation personnel in a large State mental hospital has moved into the stage of data analysis. The conclusions of this study, too, should have important effects in increasing the quality and speed of hospital treatment of the mentally ill.

A number of research grantees are also attacking the problems involved in improving mental hospital staffing and administrative techniques.

A test for therapists

In one study, investigators have established a test which classifies therapeutic workers with disturbed children into three groups, and on the basis of this classification shows promise of being able to predict the success of individuals in doing this work. Any improvement in means of predicting the probable success of staff members in mental hospitals and clinics will naturally facilitate and improve treatment of the mentally disturbed.

Another investigation concerns itself with the functions of all the members of the mental hospital staff. From this project have come studies of basic hospital philosophies and policies of patient treatment and care, and searching analyses of the roles of the psychiatrist, the psychiatric nurse, the psychiatric aid, and the patient's family in the treatment process. Included in these studies are recommendations for choice and training of staff members which will be most effective in transforming what is too often a custodial institution into a healing community with a vastly increased rate of patient discharge.

TRAINING

Studies of staffing patterns and attitudes will have practical results, however, only insofar as well-trained and competent people are available to staff the mental hospitals of the Nation. At this moment, our ability to produce these personnel is far outstripped by the demands being made for their services.

Increase in training grants

In its training program, the Training and Standards Branch of the National Institute of Mental Health is attempting to alleviate the critical shortages of trained therapists, teachers, and research workers. The past year has seen a great increase in the number, extent of support, and geographical distribution of grants approved by the Training and Standards Branch. There has been a 116 percent increase in the number of traineeships in fiscal year 1957, from 863 to 1,872. Career teaching grants have increased from 16 to 28, and the number of schools receiving support for mental health training increased from 200 to 241 over fiscal year 1956. Almost twice as much money is being devoted to training mental health personnel during fiscal year 1957 as during 1956. In every area of training 1957 is marking new highs in achievement.

New areas in training

Until this year, training grants have been concentrated almost exclusively in the vitally important areas of psychiatry, clinical psychology, psychiatric nursing, psychiatric social work, and public health mental health. Now, in addition to expanded aid in these areas, new fields of study are receiving mental health training support.

This year has been the start of a program to train scientists in disciplines equipping them for careers of basic research in mental health—disciplines like neurochemistry, neurophysiology, and psychopharmacology.

Another significant trend is the extension of support for psychiatric training of undergraduates in medical and nursing schools. In the nursing schools especially there is an urgent need for course work in some basic psychiatric principles. The profound psychological implications of general medical and nursing care are becoming increasingly apparent; too few of the Nation's physicians and nurses are able to cope adequately with the psychological accompaniments and consequences of physical illness. A program of training like that being supported will add an often desperately needed dimension of normal medical care.

Pilot studies are being undertaken in yet another area of mental health training. The Training and Standards Branch has instituted a series of investigatory studies to discover the best methods of incorporating significant mental health concepts and information into the curricula of teachers colleges and law schools in the belief that teachers and lawyers will by this means both deepen their understanding of and ability to help the people with whom they deal and exert a powerful pressure in the direction of community mental health.

MENTAL RETARDATION

Metabolic studies

Scientists at NIMH working in the area of amino-acid metabolism have been able to separate into two components the enzymes which convert phenylalanine to tyrosine. This discovery is of unique interest because it is thought that imperfections in this conversion are involved in phenylpyruvic oligophrenia, a disease which causes severe mental retardation. Knowledge of the chemical constituents of these enzymes will give us a greater understanding of their mechanism of action. With this understanding, it is conceivable that we will be able to prevent phenylpyruvic oligophrenia by dietary means or enzyme therapy if the condition is detected before irreversible brain damage has been done. These preventive measures will aid the body in the normal carrying out of the phenylalanine to tyrosine conversion.

There is also considerable evidence that unbalance in the metabolism of amino acids occurs in a number of mental and neurological diseases. In another type of metabolic study being supported by a research grant preliminary findings indicate the presence of metabolites in the urine of many mentally deficient persons that are not found in the urine of normal persons. Work on the identification of these unknown compounds is now in process.

Diagnostic tool

A new technique, the continuous performance test (CPT) has been developed at NIMH which may permit differentiation of brain-damaged individuals from those whose behavior is disturbed due to other causes.

The CPT requires the person being tested to perform simple visual recognition tasks for a limited time. It requires a minimal motor response (depressing a key—no verbal response). Although the tasks are relatively simple the person tested must be constantly alert in order to avoid errors in performance.

When tested on the CPT, those with known brain damage performed more poorly than defectives diagnosed as familial, even though both samples were matched in terms of overall intelligence and age. The second group consisted of children of normal intelligence. In this group, children with brain damage (cerebral palsy) performed more poorly on the test than children without brain damage. Finally, in the third group, comprising adults of normal intelligence, those with brain damage performed more poorly than those without brain damage.

While scientists have just begun to work with the CPT, there are some practical applications of their work. The CPT may serve as a clinical instrument for aiding in the diagnosis of between 20 and 25 percent of the institutionalized mental defectives about whom little is known.

Children with cerebral palsy, it is generally agreed, suffer from damage in those areas of the brain that serve motor abilities. It has been difficult to ascertain whether these children were suffering from damage in other areas of the brain.

The fact that these children performed more poorly on the CPT than normal children suggests that brain damage is not confined to the motor areas of the

brain. These factors, if confirmed and amplified, could alter present treatment and rehabilitation programs for such children.

New areas of research

Among the research grants relating to mental retardation awarded in the past year, four are pioneering new approaches to the problem:

(1) A diagnostic study of the play behavior of retarded, normal, and schizophrenic children is being conducted in an attempt to provide for more accurate differential diagnosis of childhood disorders.

(2) A research project is assessing the psychological functioning of mentally retarded children along a number of dimensions, including sensory and motor process, perceptual functioning, reasoning and memory. Such data will be of inestimable value in developing effective training programs.

(3) Another research project relates to the hereditary aspects of mental retardation. It utilizes a unique collection of intelligence tests on individual families for a period of three generations, the most comprehensive data of its kind available today.

(4) In another study, a group of normal, retarded, and superior children will be observed in an effort to determine the learning processes employed by each group.

Preliminary report on NARC research survey

The long-range research survey of the causes of mental retardation undertaken by the National Association of Retarded Children, with partial support from NIMH, has progressed more rapidly than was anticipated. Dr. Richard Masland, whose main concern is the biological aspects of mental retardation, has visited a number of research centers in the United States and foreign countries to review the research being done, to see how much of it is either directly or indirectly concerned with the problems of mental retardation, to find promising new areas for research, and to determine how the NARC can promote greater activity in these fields.

In his preliminary report he outlines three important areas in which research developments can be anticipated: The recognition and evaluation of the genetic or constitutional forms of mental retardation; detection of factors interfering with normal prenatal development; and development of techniques for the prevention and treatment of the complications of delivery including prematurity, jaundice, asphyxia, and birth injury.

For some time there has been the suspicion that proper nutrition was an important etiological factor in intelligence. Although there has been no direct proof of this hypothesis, a number of different studies which Dr. Masland reported on do provide supporting evidence of the pathological effects of deficient diet on development of intellect. Controlled studies on socioeconomically deprived segments of the population have shown that dietary supplements of vitamins and calcium for pregnant women resulted in a significant increase in the I. Q. of the children they subsequently bore. Surveys have shown that English children born during World War II when mothers were given balanced diets under rationing, were, healthier, physically and mentally, than English children born at other times or children born in other countries during the war. There is a substantial body of research in the United States also that gives evidence of the importance of adequate nutrition in order to avoid deleterious pathological effects on intellect.

The second phase of this survey dealing with the psychological and social aspects of mental retardation being undertaken by Dr. Seymour B. Sarasan will be completed in the spring.

Technical planning in mental retardation

The American Association on Mental Deficiency, in its report on the NIMH long-term grant supported project on technical planning in mental retardation, indicates substantial progress during the past year. Project activities, concerned with research, training, and program development on State and local levels in the field of retardation, have been defined. There is close cooperation between the AAMD and the NARC so both national organizations are aware of the activities and progress underway.

DELINQUENCY AND CHILDHOOD DISTURBANCES

Research into juvenile delinquency and childhood disturbances by National Institute of Mental Health investigators and grantees has continued to produce significant results during the past year.

The roots of delinquency

One investigator has been probing beyond the depressed environmental conditions popularly thought to be instrumental in producing delinquency in a search for personal predisposing factors in the individual child. He reasons that since most children reared in underprivileged environments do not become delinquent, these environments cannot be looked upon as the primary causal factors in delinquency. He theorizes further that the child who turns to delinquency must possess certain personal susceptibilities upon which the environment acts.

Proceeding along this line of thought, he singles out lack of impulse control appropriate to his age group as the characteristic which almost invariably causes a child to be rejected by his equals and by society in general. The child who is unable to control his impulsive actions sufficiently to participate in the games, sports, school, and social activities of his age group is simply ostracized by his more emotionally controlled contemporaries. Eventually, after repeated experiences of being rejected by holders of more conventional social attitudes, the child discovers a group which not only accepts but approves and encourages his abnormal conduct—the delinquent group. The criminal value system, it appears, wins by default.

If we were able to recognize the personality characteristics which predispose a child to delinquency before he is completely abandoned to criminal life, we would be able to provide him with preventive therapeutic treatment. On the basis of comparative testing of groups of normal and delinquent boys, this investigator has developed a series of 12 psychological tests which he feels furnish sufficient information to predict the possibility of future delinquency.

This series tests the youngsters' power of discrimination, ability to coordinate motor response with perception, ability to make judgments on the basis of ambiguous and conflicting clues, ability to evaluate their own past performance and predict the quality of their future performance, and a number of other variables.

If this testing procedure or a similar one can gain widespread acceptance as an evaluator of the personal characteristics which tend to identify future delinquents, we will have at our disposal a powerful preventive weapon in the fight against delinquency.

Hostile-aggressive children

Research continues on the group of hostile-aggressive boys in residence at the Clinical Center of the National Institutes of Health. Experimental therapies used with these boys have been so successful that they are ready to be transferred to Halfway House, the next step in their rehabilitation to normal home and school life.

A number of significant conclusions have emerged from the Institute's long-range program of research on these children. Links between delinquent behavior and severe learning disabilities have been discovered, and improved methods of coordinating teaching and therapy developed. The life-space interview—a technique by which the therapist discusses and explores with the child his uncontrolled and aggressive behavior in the place and at the time it occurs—has been widely used, and researchers are now in the process of devising categories and coding data on over 100 such interviews on which records have been kept in order to come to statistically significant conclusions about the techniques used.

The same process of statistical evaluation is underway in a study of anger in interpersonal situations among these disturbed boys. More than 300 anger episodes have been recorded and are being studied and analyzed in an attempt to deepen our understanding of the anatomy of anger and the external and internal conditions which trigger it in hostile and assaultive children.

School phobia

In another area of research on disturbed children, a research grantee has been working on a study of school phobia, an unreasoning fear of the school situation usually observed in younger children. The research indicates that the

roots of school phobia lie in the child's relationship with a strongly over-protective mother, whose attitudes—frequently unconscious—make it impossible for the child to accept the normal emotional stresses of school life without her support. Psychotherapy involving both mother and child appears to effect cures in most children, who by this means develop sufficient self-mastery to face the problems of school life independently.

Reading disabilities and mental health

As part of the overall program to determine and understand the complex and multiple origins of antisocial behavior in adolescents, the Institute's Mental Health Study Center instituted an epidemiological study among schoolchildren in Prince Georges County, Md. The purpose of this study, which is in its third year, is to see whether reading disability among schoolchildren constitutes a reservoir of psychopathology from which a variety of disorders may emerge.

There is considerable evidence indicating that reading disability is frequently a trait of adolescents who exhibit chronic antisocial behavior. Preliminary information indicates that reading disabilities among children who were patients in the Mental Health Study Center were $1\frac{1}{2}$ times greater than among those in the general school population. In addition, of all children, age 7 through 17, examined at the Mental Health Study Center since 1948, 27 percent had some reading disorder. A greater proportion of boys than girls show evidence of reading disability.

The next steps in this study will be the gathering of information about the effects of environment on reading disability and the development of screening devices for determining a public-health approach to this pressing mental-health problem.

Child development

A true understanding of childhood aberrations and abnormalities, however, can be achieved only through the accurate knowledge of the nature and characteristics of normal children's growth and development. The section on child development of the Laboratory of Psychology is accumulating information on this vital subject.

A number of long-range studies by institute scientists are beginning to yield information on the psychological development of the infant in relation to his family, utilizing data on parents, their children, and interactions between them. Preliminary data obtained from the Berkeley Growth Study, in which characteristics of the mothers' personalities are related to the personality and behavior development of their children (on whom records are available from birth to age 18–25 years), have been useful in designing procedures for new longitudinal studies in this field. Evidence already available indicates that higher intelligence scores during the first year of life are earned by babies whose mothers are dominating and punitive. By the time the children reach school age, the reverse is true, and the high scorers' mothers are characterized as cooperative, positive, affectionate, and more permissive.

AGING

The need for increased knowledge about the physiological and psychological aspects of aging and the treatment of the physical and mental ailments of the aged becomes more apparent every year. In 1900 4 percent of all Americans were over 65. It is estimated that in 1975 more than 10 percent of our population will be over 65. This remarkable change in the age distribution of our population creates tremendous and urgent problems concerning the physical, mental, social and economic well-being of the aged.

Study of aging in normal human beings

In part of the Institute's study of the aging of the nervous system, 33 elderly volunteers have already undergone a searching battery of physical, physiological, and psychological tests and participated in psychiatric and sociopsychological interviews. The aim of this study is to arrive at a total picture of the normal aging process in man, and to intercorrelate social adjustment, personality, perceptual and learning ability, and physiological function in the normal aged in order to discover the pattern in which all these factors relate to one another. The results of this study may well tell us, for example, the extent to which the mental health of the elderly is dependent upon physical factors or, conversely, to what extent physical debility in the retired aged may result from the psychological de-

pression which frequently accompanies the loss of an active and productive role in society.

The psychoses of age

Two National Institute of Mental Health grantees are correlating the electroencephalograms of a cross-section of elderly people with the overt personalities and behavior of the subjects. Most sufferers from senile psychoses, they discover, show abnormal EEG's while many normally functioning aged, as would be expected, have normal EEG's. Significant numbers of both groups, however, depart from this anticipated pattern. About 20 percent of the senile psychotics in one study show no EEG abnormality, while a phenomenal 56 percent of the adequately functioning aged have abnormal EEG's. The researchers conclude on the basis of these results that many more factors than simply the physiological functioning of the cerebral cortex are involved in determining whether an older person functions normally or deteriorates into a senile psychosis. The indication is that social and environmental conditions exercise considerable influence over the mental health of the aged.

This indication is reinforced by another finding that elderly persons who continue to work regularly beyond the usual age of retirement tend to have higher intellectual and psychological capacities than those who do not. Another conclusion of this study is that the adequacy of adjustment in the aged appears to be largely determined by the intellectual and emotional strengths and weaknesses which are developed much earlier in life.

Twin study

Related to this belief are the results of a study being pursued by an Institute grantee involving the influence of genetic factors on the mental disorders of later life. Through a long-range study of aged twins, this investigator has concluded that greater knowledge of involutional, arteriosclerotic and senile psychoses in the aged may well have to come out of intensified study of inherited psychological susceptibilities and biochemical phenomena which control the processes of growth and decline.

Age changes and intellectual abilities

The process of aging is, however, not necessarily one of unqualified decline. Based on tests given to the same persons as they grow older, there is evidence that some intellectual abilities may continue to increase slowly up to 50 years of age or more. The newer results contradict the hitherto generally accepted belief that intelligence increases up to about 21 years of age and then declines. The approach in the recent studies has resulted in a longitudinal curve of intelligence, a curve that shows how the intelligence of the same group of persons varies with age. This is opposed to the older cross-sectional curve which plotted the results of intelligence tests given to different persons in various age groups. Among the factors that may explain the differences between the 2 curves of intelligence are improvements in the physical and psychological environment during the past 20 years—better schooling, more available knowledge, more opportunities for broader experience, and improved general health. One of the significant lessons learned from this new research is that the environment in which any one generation develops is likely to be so different from that of the next generation, that persons of different generations should not be used, as they formerly have been to construct a curve of intelligence. From a practical point of view, the evidence that an individual's capacities continue to grow at least in some respects until age 50 or over has broad implications in relation to employment of older people.

The physiology of age

On a more purely physiological level, another Institute project involves the study of brain electrolytes—elements like sodium, potassium, magnesium, calcium—and the changes in their concentration in brain tissue which occur with advancing age. Studies so far indicate that the concentration of magnesium remains relatively constant throughout life, and that, therefore, it plays no active role in the aging of the nervous system. The relative concentration of calcium in nerve tissue at various ages is currently the subject of this study.

Other Institute scientists are continuing studies of age changes in the reaction of animals to various drugs, age changes in the anatomy and physiology of nerve tissue as explored by electron microscopy, and age changes in nerve-cell metabolism. Other recent experimental work tends to confirm earlier evidence

that the characteristic slowing which accompanies age is caused by changes in the central nervous system rather than in the peripheral nervous system or the muscular system.

The totality of National Institute of Mental Health work on aging represents one of science's most concerted attempts to find out, in terms of the nervous system, just what aging is and how and why we grow old.

COOPERATION WITH VETERANS' ADMINISTRATION

Senator HILL. Are you through?

Dr. FELIX. That is all I have.

Senator HILL. Any questions? Senator Magnuson?

Senator MAGNUSON. I want to ask the other question in connection with the Veterans' Administration. Do you have the same cooperation there that was experienced in connection with cancer?

Dr. FELIX. That is correct, Senator Magnuson. It has been one of the most rewarding arrangements we have worked out. They have a large-scale program of clinical testing of the tranquilizing drugs going in some 30 of their hospitals. We are working closely with them.

Senator MAGNUSON. They are a good laboratory for you, a good clinic for you.

Dr. FELIX. They are that. Not only that, but I think that in some ways we serve as a reservoir of information for them. What we are arranging now will be a series of conferences, which will be held twice a year, between those people who are carrying on research in this area on our research grants, and this group from the Veterans' Administration, so that they can get together and exchange ideas. Some of our people are working on a fundamental type of research, about what happens in various parts of the brain, let us say, with these drugs. They are working on: What does the patient show that is different? And we think by getting these together we can effect a very good marriage of two different points of view.

INCREASE IN NP PATIENTS

Senator MAGNUSON. Because their charts, which I suppose you know as well as I do, show the decrease of a lot of the normal requirements in VA hospitals, like, say, TB, which is gradually moving away; but there is a sharp almost alarming increase of what they call NP patients.

Dr. FELIX. That is correct, sir.

Senator MAGNUSON. And the big bulk of the tremendous cost that we have no VA hospitals, on treatment proper, is on these so-called mental patients. And I suppose as the veteran gets older, there is more of it.

Dr. FELIX. That is true. That is very true.

RELATION BETWEEN ALCOHOLISM AND MENTAL PATIENTS

Senator MAGNUSON. Now, they posed a question which I want to ask you, too. They did not have any particular formula for it. But they indicated there was some relation between alcoholism and their mental patients; that most of the veterans that end up at some of these VA hospitals have usually been on a good long binge some place, and they are treated usually not for alcoholism but because they are mental

cases. In other words, the alcoholism did not cause the mental situation, but a mental patient would take to alcoholism as an escape.

Dr. FELIX. That is right. I would agree with that. I misunderstood you at first. I thought you meant that they became mentally ill as a result of the alcoholism. There are certain types, like delirium tremens, where this is true. But many mental patients take alcohol, and you might say it is a symptom of their mental illness.

MENTALLY ILL VETERANS IN JAILS

Senator MAGNUSON. And that study, they told me—and I did mention the work of the Health Institute—they thought that might be well worth examining, because we did find, for the record, upon making a spot check in the State of Michigan alone, on 1 given month there were over 600 veterans in jails that should have been treated in VA hospitals. And a lot of them were in there that were picked up drunk or disorderly or at least in that respect.

Now there the Institute, working in cooperation, could do a great deal for us, because this is costing us a tremendous amount of money. Their budget this year was close; the total budget was \$5 billion, but close to \$750 million are hospitals, hospitalization. And that saving alone would pay for the cost of the whole National Health Institute, if we could work something out there.

Dr. FELIX. We would be most delighted to work with them on it, in this or any other area in which we have competence or information.

Senator MAGNUSON. And then I wanted the record to show, too, and you can answer if I am correct, that there has been a sharp increase in the grants-in-aid to States under this program.

Dr. FELIX. I would not say a sharp increase, Senator.

Senator MAGNUSON. But an increase.

Dr. FELIX. There has been an increase. Last year, the Congress appropriated a million dollars more for the formula grants to States in the mental health area.

Senator MAGNUSON. I am speaking of the mental-health area alone.

Dr. FELIX. Yes, sir. That brings the total up—and we have the same amount in our budget this year—to \$4 million, grants to States on a formula basis.

LACK OF TRAINED PEOPLE

Senator MAGNUSON. And you mentioned here—it will be in the record—a number of States that have programs, but there is still a significant lack of trained people in these State institutions, is there not?

Dr. FELIX. That is true.

Senator MAGNUSON. And that would come under your jurisdiction, because you would be granting fellowships, and the trainees, that jumped almost 100 percent, would know how to handle it. In my State they found an almost alarming thing last fall. I think they had 1 doctor or 1 trained person for, say, 1,000, or some figure as high as that, patients.

Dr. FELIX. You are not being extravagant. That is about right.

PROBLEMS OF THE AGED

Senator MAGNUSON. And, of course, your program is directed to some enlightenment, I think, in the State programs, that are getting away from the idea of keeping grandma in her rocking chair and are trying to do something to get her out.

Dr. FELIX. That is correct. Part of our program on aging is directed toward that.

Senator MAGNUSON. The VA have some sort of a program that is a 6-week or 7-week program or something. Is that working fairly successfully, where they bring them in, and they give them the treatment, and out they go?

Dr. FELIX. I cannot give you any late information.

Senator MAGNUSON. But there is that program?

Dr. FELIX. There is that program, and I understand they are quite satisfied with it, Senator. I cannot give you any detail on it.

Senator MAGNUSON. And then I suppose that your statement will show that you do have some planning for the even more difficult problem of the aged people that usually just become senile and usually end up in some mental institution.

Dr. FELIX. That is correct. We have a number of projects going in that area, and we are stimulating more. We think that this program will be considerably larger next year.

Senator MAGNUSON. If you people can get some of that done and be helpful, as I know you are, as I say again, you will save the whole cost of running the whole National Institutes of Health on other local and Federal taxes alone.

Dr. FELIX. I am getting to the age, Senator, where I have two reasons for wanting to see something done for the aging.

One is the financing, and the other is that I am not as young as I was, and I want to see something set before I get there.

Senator HILL. Any other questions?

If not, Doctor, this has been a most interesting presentation, and we want to thank you very much.

Dr. FELIX. Thank you, sir.

SCHIZOPHRENIA STUDIES

Senator HILL. The committee has received a letter from Senator Morse which poses a number of questions regarding the studies being made by Dr. Jordan Scher on schizophrenia.

As you know, I have explored this matter on several occasions and am of the firm opinion that it represents a problem which is strictly within the province of the National Institute of Mental Health to solve. However, I will give you the list of questions which Senator Morse wishes to be asked, and request that you file your replies with the subcommittee, Doctor. They will then be made a part of the committee's files.

Dr. FELIX. We will be glad to do so, Mr. Chairman.

(The replies are on file with the committee.)

SALARIES, EXPENSES, AND GRANTS, NATIONAL HEART INSTITUTE

STATEMENTS OF DR. JAMES WATT, DIRECTOR, NATIONAL HEART INSTITUTE, ACCOMPANIED BY DR. JAMES A. SHANNON, DIRECTOR, NATIONAL INSTITUTES OF HEALTH; DR. W. PALMER DEARING, DEPUTY SURGEON GENERAL; ROY L. HARLOW, CHIEF FINANCE OFFICER; AND JAMES F. KELLY, DEPARTMENT BUDGET OFFICER

APPROPRIATION ESTIMATE

"National Heart Institute: For expenses necessary to carry out the purposes of the National Heart Act, [including the purchase of one passenger motor vehicle for replacement only, \$33,396,000] \$33,436,000."

Amounts available for obligation

	1957 appropriation	1958 budget estimate	1958 House allowance
Appropriation or estimate.....	\$33,396,000	\$33,436,000	\$33,436,000
Additions: Comparative transfers from "General research and services, National Institutes of Health, Public Health Service".....	+139,000	0	0
Deductions: Unobligated balance, estimated savings.....	-2,000,000		
Total obligations.....	31,535,000	33,436,000	33,436,000

Obligations by activities

Description	1957 appropriation		1958 budget estimate		1958 House allowance	
	Positions	Amount	Positions	Amount	Positions	Amount
1. Grants:						
(a) Grants for research projects.....		\$16,895,000		\$18,364,000		\$18,364,000
(b) Research fellowships.....		1,335,000		1,335,000		1,335,000
(c) Training grants.....		4,400,000		4,400,000		4,400,000
(d) Grants for detection, diagnosis, and other control services.....		2,125,000		2,125,000		2,125,000
2. Direct operations:						
(a) Research.....	405	5,408,000	405	5,767,000	405	5,767,000
(b) Review and approval of grants.....	33	474,000	33	496,000	33	496,000
(c) Training activities.....	10	100,000	10	103,000	10	103,000
(d) Professional and technical assistance.....	65	533,000	65	565,000	65	565,000
(e) Administration.....	14	265,000	14	281,000	14	281,000
Total obligations.....	527	31,535,000	527	33,436,000	527	33,436,000

Obligations by objects

	1957 appro- priation	1958 budget estimate	1958 House allowance
Total number of permanent positions.....	527	527	527
Full-time equivalent of all other positions.....	13	13	13
Average number of all employees.....	477	486	486
Number of employees at end of year.....	549	560	560
01 Personal services.....	\$2,901,200	\$2,973,900	\$2,973,900
02 Travel.....	162,200	168,200	168,200
03 Transportation of things.....	33,000	33,000	33,000
04 Communication services.....	30,100	30,100	30,100
05 Rents and utility services.....	17,100	17,100	17,100
06 Printing and reproduction.....	32,600	32,600	32,600
07 Other contractual services.....	227,600	227,600	227,600
Reimbursements to "General research and services, Na- tional Institutes of Health, Public Health Service".....	2,691,000	2,958,000	2,958,000
08 Supplies and materials.....	450,000	466,000	466,000
09 Equipment.....	230,000	164,700	164,700
11 Grants, subsidies and contributions.....	24,770,000	26,239,000	26,239,000
Contribution to retirement fund.....		132,200	132,200
13 Refunds, awards and indemnities.....	1,000	0	0
15 Taxes and assessments.....	11,200	15,600	15,600
Subtotal.....	31,557,000	33,458,000	33,458,000
Deduct charges for quarters and subsistence.....	22,000	22,000	22,000
Total obligations.....	31,535,000	33,436,000	33,436,000

Summary of changes

1957 actual appropriation.....	\$33,396,000
Transfers: Comparative transfer from "General research and services, NIH".....	+139,000
Estimated savings.....	-2,000,000
Adjusted 1957 appropriation.....	31,535,000
1958 appropriation request.....	33,436,000
Net change requested.....	1,901,000

	Posi- tions	Estimate	Posi- tions	House allow- ance
For mandatory items:				
Annualization.....		\$74,500		\$74,500
Retirement.....		263,800		263,800
Social security.....		10,300		10,300
Pay in excess of 52-week base.....		13,000		13,000
Wage board.....		35,000		35,000
		396,600		396,600
For program items:				
Increased overhead costs.....	0	1,469,000	0	0
Expansion of research grant program.....	0	0	0	1,469,000
Expansion of services furnished centrally.....	0	35,400	0	35,400
Total change requested.....	0	1,901,000	0	1,901,000

NOTE.—Additional mandatory items of \$66,300 will be absorbed by nonrecurring items.

STATEMENT BY DIRECTOR, NATIONAL HEART INSTITUTE, PUBLIC HEALTH SERVICE

Mr. Chairman and members of the committee, mortality from heart disease—a cost of over \$25,000 United States lives last year—assumes major proportions for both sexes after age 45, but is much higher for men. Between 1935 and 1955, the death rate for women in the ages 45 to 64 has dropped 18 percent; the rate for men has jumped 20 percent. Arteriosclerosis and hypertension account for more than 90 percent of heart disease deaths.

The Heart Institute's program, keyed to provisions of the Heart Act, is a four-faceted approach to the heart disease problem. These facets are:

Conduct of research.—Institute research is aimed at bettering understanding of cardiovascular diseases and improving methods of prevention and treatment. In atherosclerosis, studies are progressing on the role of fatty substances and on drugs to block cholesterol formation in the body. In hypertension, the search for useful drugs continues, as does study of brain centers which control blood pressure. Studies in heart failure are helping to define the chain of events leading to edema. Developments in surgery include a new catheterization technique and a procedure that abolishes abnormal heart rhythms occurring in hypothermia. Epidemiological findings show that risk of developing coronary disease is increased by hypertension, high cholesterol count, or overweight.

Support of research.—Cardiovascular investigations throughout the country were increased and accelerated in fiscal 1957. By following recommendations of the Heart Council for stimulating research potential without jeopardizing the high standards previously maintained, about \$8,400,000 of new applications of high quality had been awarded by December 31 as compared with \$2,500,000 for the similar period last year. Examples of progress reported were completion of the cooperative study on lipoproteins, improvement of drug treatment in hypertension, successful transplantation of the kidney in humans, new information on bacterial action in rheumatic fever, and development of new techniques for open heart surgery. An important forward step was initiation of a large-scale study for a much needed clinical evaluation of cardiovascular drugs.

Support of training.—Research training grants and fellowships are providing training opportunities for young scientists and advanced training for established scientists. Clinical training grants and traineeships are assisting the training of future medical teachers, physicians, nurses, and others in the heart disease field. The bulk of the expansion in fiscal 1957 has been in research training grants at the graduate level. As of January 1, 1956, 20 such grants amounting to \$269,526 has been awarded, whereas on the same date in 1957, 37 totaling \$989,662 had been made. These grants were made in nine areas of established need.

Development of community programs.—Increased funds for grants to States have stimulated expansion of control activities and have strengthened programs at the State and local level. Examples include establishing new clinics and diagnostic centers, initiating epidemiological studies, and addition of professional personnel to State staffs. Increased funds for technical services—consultation and professional assistance rendered to States—are being used for a new activity, the assignment of medical officers to States or local areas to give impetus to their heart programs. This has already resulted in studies, activities, and programs within the States which otherwise could not have been started.

Expansion of the Heart Institute program in 1957 (including establishment of a center for aging research) has accelerated progress and is leading to greater future gains against cardiovascular diseases.

HEART DISEASE: FACTS AND TRENDS

The National Heart Institute program, planned to carry out the provisions of the National Heart Act passed unanimously by the Congress in 1948, is a four-faceted approach to the heart-disease problem. This problem, comprised of some 20 cardiovascular disorders which make up the general category of "heart disease," costs the Nation extensive death, disability, suffering, and economic loss. In 1956, it took upward of 825,000 lives.

Heart disease hits hardest at the older ages, but nonetheless 29 percent of deaths from this cause occur at ages under 65. Even in the relatively young age group, 25 to 44, heart disease is the leading cause of death and after age 45, mortality from this cause assumes major proportions. This is true for both men and women, but in the age group 45 to 64 the rate is much higher for men and they usually develop a much more severe heart disease than do women. This fact is of particular significance since men at these ages are in their most productive years and still have heavy family and community responsibilities. Between 1935 and 1955, the heart disease death rate for women in this age group has decreased 18 percent: the death rate for men, however, has jumped 25 percent during the 20-year period.

The impact of heart disease on the people of this country is largely attributable to arteriosclerosis and hypertension. Some heart diseases of former numerical significance have dwindled in importance as causes of death to "minor" classifications. Also, rheumatic fever and rheumatic heart disease, now preventable,

show a steadily declining mortality trend. But hardening of the arteries and high blood pressure, which lead to heart attacks, strokes, and other serious consequences, together now account for some 90 percent of heart-disease deaths.

In the case of hypertension, it is encouraging to note that the slight but perceptible downward trend, which was reported last year in the age groups 45 to 74 for 3 causes of death which have hypertension as an important etiological factor, continued through 1955. With regard to arteriosclerosis, death rates from this cause such as coronary heart disease continue to increase.

The four facets of the National Heart Institute approach to the heart-disease problem are the conduct of research within the Institute, the support of research in research centers throughout the country, nationwide support of training related to the cardiovascular diseases, and assistance in development of community control programs. These activities are elements for achieving its continuing objectives: To find new and better ways of preventing, treating, and curing heart disease and to assist the full application of what is known. The funds appropriated by the Congress for the 1957 fiscal year have enabled sound and progressive development of Institute activities toward these ends.

These proposals support the intentions of the President in continuing the Nation's attack upon disease through expanding medical research. The House of Representatives, in the passage of this appropriation bill, took action to change some of the premises upon which these proposals as submitted by the President were based. I will comment directly upon those later in the statement.

HEART INSTITUTE RESEARCH

The intramural research program conducted by the National Heart Institute is directed toward the betterment of our understanding of the causes and nature of diseases of the heart and blood vessels and the improvement of methods of prevention and alleviation. Studies range from basic organic chemistry and biophysics to clinical medicine and surgery, and apply the skills of many disciplines. A substantial part of the program is geared to take advantage of opportunities to apply available techniques to immediate problems. Examples are such areas as the screening and trial of new drugs in hypertension and atherosclerosis and in the improvement of surgical diagnostic and therapeutic procedures.

At the same time, progress in such applied research can continue only so long as there is new scientific information to apply. This is why the well-rounded program of the Heart Institute gives adequate stress to, and depends heavily upon, the acquisition of new knowledge by research in the fundamental sciences directly pertinent to medicine and the prompt interchange of such information with those more immediately concerned with human disease. Studies in fundamental biophysics, biochemistry, and physiology therefore constitute a major part of Heart Institute research.

Some of the areas receiving emphasis in the Institute's intramural research program are given below.

Atherosclerosis

Atherosclerosis (the common, serious form of hardening of the arteries) is a disease of the large- and medium-sized arteries characterized by the deposition of fatty materials in the vessel walls. These deposits may enlarge till they completely block the artery. More often, the atherosclerotic plaque becomes rough and ulcerated and blood clotting (thrombosis) occurs on its surface, cutting off the flow of blood. Such atherosclerosis and thrombosis can and frequently do occur in almost every part of the body. The most serious problems occur, however, when the affected arteries supply vital tissues such as the heart muscle itself (coronary arteries) or the brain (cerebral arteries). Through its predilection for these areas, atherosclerosis has become the most frequent cause of death in the United States.

Role of fatty substances.—It is now well established that atherosclerosis is frequently associated with excesses of certain fatty substances in the blood. In large populations it has been shown that on the average the higher the intake of fat the more likely the occurrence of coronary heart disease. In the individual, on the other hand, deviations in the handling of fatty substances by the body are more easily identified as associated with those complications of atherosclerosis which make possible the diagnosis. The working premise on which much of our research effort is based is that the best prospect for prevention of atherosclerosis lies in the fuller understanding of how fats are normally formed or broken down in the body; the identification of processes which are

disturbed in association with atherosclerosis; and the interposition of drugs, diets, and such other measures as might favorably influence fat metabolism.

When the association of atherosclerosis with disturbances of fat metabolism aroused new interest in the latter subject, very little was known about it. The Institute's research program has made an appreciable contribution to the progress in this field. Fats absorbed from the intestine are transported to the tissues in the form of large molecular aggregates of fat and protein. In the tissues a lipoprotein lipase ("clearing factor" system) is responsible for removal of the fat and its deposition in the tissues, and for the later breakdown of tissue fats to supply the needs of the body for fuel. The various components of this lipoprotein lipase system have been identified and their significance is under study.

The isolation of a strain of bacteria able to destroy the anticlotting drug, heparin, has made it possible to show that heparin or a very closely related substance is an integral part of the clearing enzyme system. Studies are continuing in the hope of identifying, for the first time, the chemical structure of heparin and obtaining information concerning its source and disposition in the body. Meanwhile it has been shown that the unjoined fatty acids released from the body's fat depots by the action of a specific enzyme constitute a major resource in meeting the caloric requirements of tissues. Studies have shown that the utilization of these fatty acids is very rapid indeed. The regulation of their release and uptake is under study since it has been found that when there is interference with this process, large fatty aggregates of the type most often associated with atherosclerosis make their appearance in the blood.

Studies are continuing along another line in attempts to prevent atherosclerosis by lowering the blood concentration of the fatty substance cholesterol. Accomplishment of this through dietary restriction has been only mildly successful because the body uses other foodstuffs to produce a rapid formation of cholesterol within the body. Current efforts are aimed at preventing this internal formation through the administration of inhibitory drugs. One such drug, delta-4-cholestenone, is currently under study but work has not yet progressed to the point of establishing whether or not it has therapeutic or preventive value. Meanwhile the search for other inhibitors is continuing.

Hypertension

Hypertension or high blood pressure ranks next to atherosclerosis as a cause of heart disease. The initiating causes of most types of hypertension remain unknown and while attempts to identify the underlying abnormalities continue, efforts are also directed at relief of the disease by administration of drugs that reduce blood pressure. A number of such drugs are available and their value in severe cases has been demonstrated. However, undesirable side effects and difficulties in management of dosage have limited the use of these drugs. While several drugs developed in the Heart Institute screening and testing program have not proven useful in the human disease, this field remains a fertile one for further therapeutic advances.

Progress in study of the chemistry of brain centers which control blood pressure and other automatic body functions has continued. The theory has been proposed that the opposing stimulation and moderating functions are mediated by centers controlled by different chemical substances, known respectively as serotonin and norepinephrine, and that drugs act on these centers by causing the release of or preventing the action of these substances. This has suggested new ways to approach the central control of blood pressure through effects on these substances; and the mechanisms by which serotonin and norepinephrine are produced, stored, and released are under intensive investigation in Heart Institute laboratories, and have assumed new importance.

A new factor fortuitously discovered to be present in the plasma of patients with hypertension, but not of normals or patients with other diseases, has led to the initiation of studies to determine its nature and significance. This material was recognized through its capacity to modify the contraction of the isolated heart.

Congestive heart failure

Congestive heart failure is a complex group of physiologic disturbances which characterize inability of the heart muscle to carry the load imposed upon it. It is a common result of many forms of chronic heart disease. Further progress has been made in studies aimed at defining the chain of events which leads from failure of the heart muscle to perform its work adequately to the retention in the body of excesses of salt and water which lead to the formation of edema

(dropsy). Whereas there has been strong inferential evidence that the last link in the chain is excessive secretion of certain hormones by the adrenal glands, this has recently been shown directly by the collection of blood directly from the adrenal veins in dogs with congestive heart failure.

Research in the application of drugs to increase the excretion of salt and water has continued; several complex substances which might be direct chemical antagonists of the adrenal salt-retention hormone were tested and found to be ineffective. Studies are currently being carried out on a promising new diuretic (drug causing increased salt and water excretion).

A substance present in normal blood and having an effect on heart-muscle contraction similar to that of digitalis has been under study for several years. Within the past year the material has finally been isolated in pure form and its chemical nature has been worked out.

Surgical approaches to heart disease

While some forms of heart disease (notably rheumatic) are preventable, there will probably remain a significant incidence of congenital abnormalities and other anatomic lesions best approached by surgical repair. At the present time, the latter as well as the end results of rheumatic fever and some atherosclerotic damage to large blood vessels are often best handled by surgical means. Continued improvements in surgical diagnostic and operative technique are making possible wider application of heart surgery, and are decreasing risk and improving results in those disorders in which it has become standard treatment.

Catheterization of the left side of the heart, by a technique developed in the Heart Institute, has proven to be a safe procedure and extremely valuable in the diagnosis of several types of lesions, in selecting patients for surgery, and in evaluating surgical results. The more well-known method of heart catheterization (the Nobel prize in medicine was recently awarded to the 3 men, 2 of whom are Heart Institute grantees, who introduced it into medical research and practice) does not reach the left-heart chambers because the lungs are interposed between right and left heart. The left heart is reached, in the new procedure, by direct puncture through a bronchoscope.

With this technique it is possible to measure the gradients of pressure across valves suspected of deformity and thus to evaluate the extent of disease, and, postoperatively, the adequacy of the corrective measure. Also, new procedures have been devised which make it possible to determine accurately the location of abnormal connections between heart chambers and to evaluate the functioning of heart valves.

The application of hypothermia (body cooling to around 86-87° F.), in order that interruptions of the circulation can be made for longer periods (6-8 minutes) without damage to the brain, has now become a safe procedure. Resistant abnormalities of the heart rhythm have been virtually abolished by a procedure devised in Heart Institute laboratories.

Studies in the application of pump-oxygenators (artificial heart-lung machines) to permit more extensive open-heart surgery with more prolonged interruption of the circulation continue to make progress and its more widespread use in clinical surgery is to be anticipated.

Framingham epidemiology study

The Heart Institute's epidemiological research being conducted at Framingham, Mass., is concerned with studying a randomly selected cross section of the adults of this community over a long period of time to find out how many people have heart disease, when it develops, and what factors appear to be associated with it.

Preliminary findings on the first 4 years of the study indicate that men aged 45-62 with any 2 of these 3 conditions—hypertension, overweight, high serum cholesterol—are about 9 times as likely to develop coronary heart disease as men with none of these conditions. Considered separately, hypertension shows the greatest association, with men with high-blood pressure developing coronary disease four times as frequently as those with normal pressure. Men who were greatly overweight were found to develop coronary disease three times as often as those of normal weight, and this same risk appeared to exist for men with a high serum cholesterol count when compared with those who had a normal cholesterol level. In the coming year, the relation of nutritional factors to the development of heart disease will be extensively explored.

SUPPORT OF RESEARCH AND TRAINING

The research grant and training programs of the National Heart Institute provide part of the means through which the resources and ingenuity of the scientific community are directed against heart disease. Through research grants, funds are provided to accelerate the research productivity of established laboratories, to assist in the development of new laboratories, to encourage the introduction of new skills and new ideas into cardiovascular research, and to help coordinate the attack against these diseases. Research training grant and research fellowship programs provide funds for the development of training opportunities for young research scientists and for the advanced training of already established scientists. Clinical training grant and traineeship programs provide assistance for the training of future medical teachers and of physicians, nurses, and public-health workers in the cardiovascular and related areas. Thus the National Heart Institute training and research grant programs constitute a means by which persons can be recruited and trained to cope adequately with research problems and by which new ideas can be developed, thoroughly investigated, and then translated into effective tools for the prevention and treatment of heart and blood-vessel diseases.

Grants for heart research

The National Advisory Heart Council held a special meeting in July of 1956 to advise the Heart Institute on the extension and development of the research-grant program in light of the increase in funds provided by the Congress for fiscal year 1957. The council felt that with the additional funds the Heart Institute was in a favorable position to actively explore the research potential in cardiovascular disease in the country and to stimulate utilization of this potential in fiscal 1957 without relaxing the high standards that had been maintained in the past. The council (1) recommended a plan of action for the coming year for exploration of this research potential, (2) established guiding principles for stimulating research in this potential without jeopardizing the high standards acceptable to the study sections and the council, and (3) proposed the development of additional opportunities for training in connection with research-grant projects as a means of further research development.

The recommendations have been followed with gratifying results. The three council meetings awarding funds from fiscal year 1957 have now been held, and approximately \$9,100,000 of new applications of high quality have been awarded. This compares with \$3,300,000 of new applications awarded during last year. The confidence which the congress has shown through providing increased funds for this program has resulted in sound expansion of cardiovascular research, and has permitted an orderly and constructive program development.

Diseases which are receiving particular emphasis are arteriosclerosis, hypertension, congenital heart disease, cerebral vascular disease, rheumatic fever, and chronic pulmonary disease. Disorders of circulation (e. g., congestive heart failure and shock) and studies of aging as a biologic process are also being given special attention.

The Heart Institute research-grant program over the past 9 years, and in particular over the past 3 years, has given us some of the answers to the critical problems of saving lives. The fact remains, however, that for the most part we do not know why these diseases occur, how they can be prevented and, in many cases, how they can be diagnosed early enough to prevent irreparable damage. Concurrent with program activities related to the immediate treatment of patients, the institute is continuing to develop its program aimed at the prevention of these diseases and the early diagnosis and complete rehabilitation of those afflicted with them. This long-range program is dependent upon uncovering the causes of these diseases and of perfecting methods for preventing their occurrence.

A number of research developments have been made during the past year in investigations supported through the research grant program. A few examples of these follow.

Studies in arteriosclerosis

This year marked the completion and publication of a cooperative research study supported by the Heart Institute since 1950 and carried on by research teams at the Cleveland Clinic, the University of California at Berkeley, the University of Pittsburgh, and Harvard University. This project provided information on the relationship of cholesterol and lipoprotein (fat-protein) levels in

the blood to the appearance of cardiovascular disease in previously well persons. The study, involving 15,000 subjects of which about 5,000 males were intensively studied, has led to a national and international reevaluation of these measurements as indicators of the probable development of myocardial infarction. These results will have an influence on the kinds of further research on the etiology and diagnosis of arteriosclerosis. An example of the byproducts of this cooperative study is the determination, by investigators at the University of Pittsburgh, that a specific group of lipoproteins similar to and probably identical with the serum lipoproteins, is present in substantial amounts in atherosclerotic plaques in the aorta, the body's main artery. This group of lipoproteins, designated as S_r 12-100, could not be demonstrated in those blood vessels in which no plaques were observed.

The influences of dietary factors on the production of atherosclerosis and high serum cholesterol continues to be intensively investigated. An important study conducted at the University of Minnesota has recently been published. In this investigation, carefully controlled high- and low-cholesterol diets were compared in groups of older and younger men in the United States and in two groups of men on the island of Sardinia, where the type of diet differs considerably from the usual diet of the United States. The results, in all groups, appear to indicate that the cholesterol content of the blood is essentially independent of cholesterol intake in the diet. Research in this area by other investigators indicates that the level of cholesterol and lipoproteins in the blood varies considerably from one individual to another and may be related to age, sex, dietary fat, functioning of the liver, and endocrine glands such as the thyroid and the adrenals.

While investigation continues on the causes, development and diagnosis of arteriosclerosis and on the diseases which result from this abnormal thickening of arterial walls, a surgical technique, endarterectomy, has been employed at the University of California at Los Angeles and the University of Minnesota in the treatment of arteries which have become completely blocked by the atherosclerotic lesions. This technique involves the removal of the diseased portion of the lining of the artery so that the flow of blood can be resumed through the vessel and new normal tissue can grow into the affected region to replace the atherosclerotic plaque. Operations of this type have been performed successfully in a few cases on arteries in the legs and on the coronary arteries supplying the heart muscle.

Studies in hypertension

Recent research at the Schools of Medicine at Boston University, Georgetown University, and the University of Tennessee has evaluated the use of several hypotensive drugs, either alone or in combination, and has determined more specifically the relationship of their action to heart, blood vessel, and kidney function. This has led to techniques which increase their effectiveness and minimize the undesirable side effects of prolonged administration.

Hypertension often is associated with kidney disease. One of the most outstanding achievements in the treatment of hypertension associated with renal disease has been the successful transplantation of an entire kidney from one individual to another. This operation was performed successfully for the first time by a group of doctors from the medical and surgical services of the Peter Bent Brigham Hospital and Harvard Medical School in Boston. Repeated attempts by many investigators to effect the transplantation of tissues and organs from one individual to another have been almost entirely unsuccessful because of incompatibility between the tissues of host and graft. The grafted tissue is treated like a foreign substance and is destroyed before it can become established in its new location. The kidney transplants which have been accomplished in two sets of identical twins mark an important milestone in the field of tissue and organ grafting, as well as in the therapy of hypertension and kidney disease.

Rheumatic fever research

Rheumatic fever and the heart damage which may follow rheumatic fever have been traced to infections with a specific type of bacterium, the group A hemolytic streptococcus. The manner in which streptococcal infections bring about these cardiac changes still remains obscure, and investigations are underway in a number of institutions to determine the mechanism of bacterial action. At the Children's Hospital in Philadelphia and at Stanford University School of Medicine, methods have been established for the isolation and identification of the antigens produced by the bacteria and for the study of their physical and

chemical properties. This should lead to exact knowledge of these substances and of the antibodies which react with them.

Among the various products elaborated by the group A streptococci, two are known to have an effect on the heart. Research conducted at the New York Hospital-Cornell Medical Center and New York University College of Medicine has shown that one of these products, crystalline streptococcal proteinase, may bring about destruction of heart muscle. The other substance, streptolysin O, reduces the oxygen consumption of heart muscle, thereby causing a reduction in the amplitude of its contraction. Such fundamental studies are increasing our knowledge of the origin of rheumatic fever and rheumatic heart disease.

One of the later effects of rheumatic heart disease is the damage which occurs to the heart valves. Relief of this condition by open-heart surgery, employing a pump-oxygenator to substitute for the heart and lungs, is being successfully carried out at the University of Minnesota Medical School and at other research laboratories. More recently just a mechanical pump and a technique whereby the patient's own lung serves as the oxygenator has been used.

During fiscal year 1958 the Heart Institute anticipates supporting additional research in these and many other areas. In arteriosclerosis improved methods of diagnosis will be sought after, as well as more information about the dietary and environmental factors that affect this disease; in hypertension the search for better drugs will be continued and those already available will be further assessed; in congenital heart disease preventive methods will be stressed as well as the development and perfection of improved methods of treatment.

The year will also see continuing development of fundamental information about the structure and function of the heart and blood vessels and the factors that affect them. This development is to be facilitated through encouragement of research in preclinical areas and in basic biological research related to medical programs.

The Institute's research-grant program is geared to meet research needs in the cardiovascular field not only through support of independent investigators at universities and medical schools, but through stimulating collaborative efforts by a number of research teams where large-scale investigation could establish the significance of research findings. Such planned research carried out by voluntary cooperation of several laboratories may determine rapidly what otherwise might take a very long time to resolve conclusively.

Evaluation of cardiovascular drugs

Research has developed many new drugs useful in treatment of heart and blood-vessel diseases. Because of their number and diversity, there is great need at the present time for evaluation of drug therapy, particularly in the management of hypertension. The need will be met. A grant has been made to the American Hospital Association for a period of 5 years to carry on a nationwide program for evaluating the effectiveness of drugs in the treatment of cardiovascular diseases. This grant represents a significant step in the struggle to alleviate high blood pressure and other crippling disorders and in promoting better health of the Nation.

As envisioned by the research director of the association, a cooperative study of wide scope will be conducted, using well-designed and adequately controlled testing methods, with participation by research teams in hospitals and research laboratories. In addition to establishing reliable criteria for use of drugs, a further result of the study will be improved methods for evaluation of drugs.

Training grants and awards

Training-grant program.—The training-grant program of the National Heart Institute has as its goal providing additional research scientists, teachers, and highly skilled physicians for the immediate and long-term battle against heart and blood-vessel diseases. The program provides training opportunities for specially selected persons in research and clinical areas of documented need. Through direct and indirect traineeship awards young people preparing for careers in research, academic medicine, and public health are being assisted in obtaining the necessary training for future positions in research, teaching, and community service.

Graduate training grants: Chemical training-grants at the graduate level provide for the development of special training facilities for physicians, nurses, and public-health workers, particularly where these persons are preparing for careers in teaching and community service. Through these grants the medical-school teacher and the community health leader of the future are being trained. Re-

search training grants at the graduate level are being made to universities, medical schools, hospitals, and other selected institutions, for development and improvement of research training programs in the scientific disciplines basic to cardiovascular research.

The bulk of the expansion of the training-grant program in fiscal year 1957 was in research training grants at the graduate level. Growth in this program is reflected by the fact that for the fiscal year 1956, 20 of these grants amounting to \$269,526 were awarded, whereas in fiscal 1957, with 2 of the 3 council meetings which award grants from 1957 funds having now been held, 37 totaling \$989,662 have been awarded. Grants were made in the areas of aging, anatomy, biophysics, biostatistics, enzymology, pathology, endocrinology, physiology, and surgery. Particular consideration was given to those areas of need which were carefully documented by groups such as the advisory councils and study sections who are especially well qualified to provide such evaluations. For example, two areas of training need which were established have been in biostatistics and research pathology. That these needs are now being partially met is reflected in the fact that 3 years ago there were no training grants in biostatistics and now there are 11, and 3 years ago there were none in research pathology and now there are 10 active grants.

By providing funds on a laboratory, departmental, interdepartmental and interinstitutional basis, the training of persons in the many skills necessary for modern research is being done. As part of a graduate training grant, funds are provided for traineeships enabling the institution to recruit and encourage the most capable young people to enter upon long programs of training for careers in medical research. In fiscal year 1958 the National Heart Institute proposes to continue emphasizing the graduate research training grant program to assist in the development of the medical scientist of the future. Special attention will be given to development of programs in areas such as nutrition, aging, pharmacology, genetics, and epidemiology.

Undergraduate training grants: Awarded to schools of medicine, osteopathy, and public health, these grants assist the training of young physicians and public-health workers in the modern methods of diagnosis and therapy of cardiovascular disease. Such training equips the clinician with the skills necessary to provide his community with techniques and abilities that previously were available only in highly specialized medical centers.

Traineeships: This program offers physicians, nurses, and public-health workers the opportunity to acquire advanced cardiovascular training in preparation for academic careers in clinical research, teaching, and community service. It has provided funds by which about 100 outstanding young physicians, nurses, and public-health workers prepare themselves each year for teaching appointments in training institutions of the Nation, and for careers in health agencies. It is anticipated this program will continue at about the same level next year.

Research fellowship program.—The research fellowship program provides an important means by which young scientists are recruited into the cardiovascular and related research areas and are trained for careers as medical scientists. Attempts are made to encourage research interests early in the careers of capable young persons and to assist mature investigators in obtaining additional highly specialized research experience.

Traditional undergraduate training in the medical school does not ordinarily prepare young physicians for careers in medical research. The part-time fellowship program provides an opportunity for selected medical students to obtain research experience early in their professional careers. Given substantial initial support in 1956 and 1957, these awards are expanding the pool of medical research manpower.

Predoctoral and postdoctoral research fellowships provide young scientists and physicians the training preparatory to careers in cardiovascular research. In the preclinical sciences special emphasis has been given to the training of scientists in the areas of pathology, pharmacology, genetics, biophysics, and epidemiology. In clinical research, emphasis has been given to preparing young people for research careers in the areas of arteriosclerosis and hypertension. Through special research fellowship awards, the more advanced scientist is assisted in improving his skills through highly specialized training.

Working closely with national scientific societies and with voluntary health agencies, the National Heart Institute through its research fellowship program plans to continue in fiscal 1958 to provide the leadership necessary to recruit and encourage young people for careers in cardiovascular research.

COMMUNITY PROGRAM DEVELOPMENT

Grants to the States and Territories are made according to a formula based on population and economic need to encourage and promote the development and improvement of community heart-disease-control programs. This aid has been in the nature of a seeding operation to help States in getting effective programs initiated and underway. The grants have made possible a steady although limited growth during the past few years.

The increased funds made available by the Congress for this program for the current fiscal year have provided considerable stimulation in extending the level of control activities. Although it is too early for complete information as to how the States are utilizing the added moneys, there are indications of expanding operations in a number of areas. In one State, for example, two new rheumatic fever clinics have been started. In another, a large portion of the grant is being devoted to a much needed study of cardiac patient home care. Still another is founding several diagnostic centers in a large area of the State to supplement an existing center and the cardiac clinics already functioning. One State has asked for additional payments to support a comprehensive rheumatic fever prevention campaign. In another instance, the increase is being used for participation in a coronary heart disease study now underway in a six-county area.

In addition to developments such as these, there has been a strengthening of control programs in the States as a result of the larger grants. Many States are now able to train nurses, medical social workers, and nutritionists for work in heart-disease control. Also, a large number of professional persons skilled in heart-disease methods have been added to State health department staffs. Another area where activity has increased is that of professional and lay education concerning cardiovascular diseases; in several States the dissemination of educational materials pertaining to care, prevention, and diagnosis has been developed. These activities are singled out for mention because they were not possible at the level of grants for previous years.

Technical services in control

A problem in the States generally has been a lack of sufficient skilled professional personnel to initiate, direct, and carry on the specialized segments of heart-disease-control programs. To help in meeting this problem, consultation and professional assistance are furnished to the States in the development and conduct of nursing, nutrition, medical social work, records systems, and other services necessary to heart-disease control.

The increased funds allotted for these technical services in 1957 are being used mainly for an important new program: the assignment of full-time medical officers to States or local areas to give impetus to their heart-disease programs. Ten assignments have been made. They have already resulted in studies, activities, and programs within the States which otherwise could not have been started in the absence of a full-time person with medical skills.

Our major responsibilities—leadership, research, assistance, and training—are all being reflected by these medical officer assignments, and at the same time the primary responsibility of the States for control matters is safeguarded and continuously recognized. Leadership is being given to heart programs in certain States which did not previously have a single full-time person concerned with heart problems in the community within the State. Promising epidemiological studies of coronary heart disease are now underway in three States because trained medical officers are available to direct the collection of data, evaluate screening devices, and otherwise facilitate the research. Assistance is provided through their services in implementing existing efforts in the amelioration of heart disease as a problem in the community. Finally, State persons are being trained in order that the public-health functions in the community may be ultimately carried on by State and local personnel. The medical officers are active in whatever phases of heart-disease control have the highest priority in their States.

The medical officer in one State has formulated the first heart-disease-control program plan for the approval of the State department of public health. This plan includes the establishment of diagnostic clinics and the initiation of studies in prevention, case finding, followup, rehabilitation, education, and epidemiological research techniques. The assignment of a medical officer to a municipality has meant the first attempt to determine if a geographical pattern of coronary disease exists in the State; and the first plan for rheumatic fever prevention in the city is being evaluated. Having a full-time medical officer in another State

has meant the development of several local heart-disease-control programs in cooperation with the county health departments.

Other States are finding it possible, with the services of a medical officer assigned to them, to follow up rheumatic heart disease cases which had previously not been receiving needed prophylaxis; to seek effective screening measures for congenital heart disease among children, projects which had languished without adequate assistance; to cooperate more fully with local medical societies and heart associations; and to utilize for the first time rehabilitation and work-measurement techniques for victims of cerebrovascular damage.

It is well established that most States have data which could be invaluable for studies in the prevention of certain forms of heart disease, and for understanding the etiology of the major killer—coronary heart disease. These data in many States are now being used because of the availability of skilled persons.

The new programs and studies being stimulated by the medical officers on assignment have resulted in increased utilization of other consultative services, including nursing, nutrition, and medical social work. Control programs are also being furthered by regional meetings of State heart disease control personnel, which are being held to present and discuss successful methods of operation, the development of new procedures, coordination of the State programs with those of local medical societies and the American Heart Association, and other problems of heart-disease control.

CENTER FOR AGING RESEARCH

The National Heart Institute has principal responsibility in the field of cardiovascular disease. Heart and blood vessel diseases have definite associations with age, however, and gerontological research has been an important segment of the Institute's program.

To accelerate research activities in the field of aging, a Center for Aging Research was established at the National Institutes of Health in the fall of 1956, and placed administratively within the Heart Institute. A primary function of the center is to assist and stimulate research investigations in aging. It also promotes coordination of intramural research on aging and provides liaison between the National Institutes and other organizations working in the field. Further functions are to collect and disseminate scientific data relating to aging research and to foster the training of additional investigators for research on aging. The Chief of the Laboratory of Gerontology of the Heart Institute's intramural research program is serving as principal scientific adviser to the center.

The center has made initial contacts with gerontological investigators all over the country, as well as with the professional societies. Great enthusiasm has been shown for developing research in this field. To implement the program, the National Advisory Heart Council has approved a proposal that selected universities, with access to the many resources needed to mount a well-rounded research program, be encouraged to develop large regional centers for research and training. Several universities have already expressed an interest in developing centers of this nature, and it is probable that 1 or 2 can be started on a small scale during the coming fiscal year.

Establishment of the Center for Aging Research is a development of especial significance. As stated by the Secretary of Health, Education, and Welfare, "I am hopeful that this new effort will help bring answers to some of the most critical and challenging health problems of our times. * * * It is important that more be done to help solve these problems—to help older persons to greater independence and self-sufficiency and a life more free of disease and disability."

SUMMARY

The fourfold program of the National Heart Institute is providing an effective approach to the problem of heart disease. During the past year research conducted by the Institute has continued to progress toward greater understanding of the cardiovascular diseases and their alleviation. Research supported by the Heart Institute in universities, hospitals, and other research institutions throughout the country has increasingly developed and at a faster pace, which will contribute to eventual solution of these diseases. Training activities being carried on, by increasing the supply of persons skilled in the research and clinical aspects of heart disease, have continued to enlarge the capacity of the Nation for dealing more effectively with the problem. Assistance given in

the development of community control programs has increased the heart disease activities at the State and local levels and has aided their sound development and steady growth. There is mounting evidence that the National Heart Institute program, joined with those of other agencies and organizations working in this field, is making definite headway. Expansion of the program in the current year has accelerated this progress and supports the view, held by many, that with continuously sustained efforts greater advances than any thus far made will be attained.

Of the \$1,901,000 increase in obligations proposed in the budget for 1958, \$1,469,000 is proposed for research projects in anticipation of a change from 15 to 25 percent in the amount for indirect costs (institution overhead). The balance of the increase will provide \$267,000 for this institute's proportionate share of the program services centrally performed; \$136,600 for costs of retirement fund and social security contributions; and \$28,400 for net costs of annualization.

The House, acting upon this appropriation, has prohibited making an increase of from 15 to 25 percent in overhead costs for research grants. Dr. Shannon in his opening statement has commented upon the adverse effect that this action will have upon research activities in the long run. I should like also to ask that these increases in indirect costs be allowed.

GENERAL STATEMENT

Senator HILL. Dr. Watt? Doctor, you have filed your statement, have you not, sir?

Dr. WATT. Yes, Mr. Chairman.

Senator HILL. We would be glad to have you proceed in your own way, then, sir.

Dr. WATT. We also, Senator Hill, have filed the highlights of progress in the field of heart disease during this past year.

Senator HILL. We would be delighted to have that.

Dr. WATT. And it includes a listing, as well as a brief summary statement, of each of these highlights, broken down into some four different categories: Progress in the field of hardening of the arteries, high blood pressure, rheumatic heart disease, also a condition we speak of as heart failure, which is the result really of damaged hearts from a lot of these other diseases.

In the field of heart surgery there is a list, as well as a list of some of the newer techniques.

These are given in some detail here.

(The following information was submitted:)

HIGHLIGHTS OF HEART PROGRESS, 1956

Items of interest on program developments and research studies conducted and supported by the National Heart Institute

Noteworthy advances in heart research made during year

The advance of research against heart disease raises, as well as answers, important questions concerning cause and cure. It is more and more apparent that, unlike many of the great disease killers defeated by past research, the major forms of heart disease are characterized by complexity and multiple causes. Many of the advances against them reveal new branching avenues for research to explore.

1956 was a year of noteworthy progress. A number of contributions were made to our understanding of heart and blood-vessel diseases, to improved treatment for sufferers from these diseases, and in producing fruitful leads for future investigation. These advances, adding to the mounting fund of knowledge developed over recent years, have further increased expectation that research will ultimately achieve the conquest of heart disease.

The National Heart Institute, as the Federal partner in the nationwide endeavor against the leading cause of death, has played a major role in this prog-

ress. Some of the accomplishments made in 1956 through its conduct and support of research are given here.

Fatty acids of dietary fat influence body cholesterol, research studies indicate

Because most authorities believe that the presence of excessive cholesterol in the blood is related to the formation of cholesterol deposits in the arteries (atherosclerosis), a large part of the total research and clinical attack on atherosclerosis is directed at the condition of high blood cholesterol. A new approach to this blood condition was recently opened by the findings of Dr. Laurance Kinsell of Oakland's Alameda County Hospital in California. These findings—now confirmed and amplified by Dr. Edward Ahrens of the Rockefeller Institute for Medical Research in New York and others—show that diets containing certain fluid vegetable oils will significantly lower human blood cholesterol.

Although the exact mechanism of this effect of the natural fluid vegetable fats has not yet been definitely established, some recent research findings relate it to the kind of fatty acids that comprise them. Thus the fluid vegetable fats that lower blood cholesterol have been found to be rich in a kind of fatty acid referred to by chemists as "unsaturated." On the other hand, the solid animal fats and the chemically hardened, or "hydrogenated" vegetable fats, which have been found to raise blood cholesterol, contain very little unsaturated fatty acids but are rich in another kind, referred to as "saturated" fatty acids.

A possible connection between a high dietary intake of the saturated fats and the tendency for cholesterol to accumulate in a body tissue (liver) was suggested recently by findings from experiments on rats performed at the University of Southern California, in Los Angeles.

Drs. Lilla Aftergood, Roslyn Alfin-Slater, and Harry Deuel reported at the annual meeting of the Federation of American Societies for Experimental Biology that rats fed lard as the dietary fat " * * * exhibited higher levels of liver cholesterol as well as serum cholesterol when compared with animals fed a similar diet where cottonseed oil was the sole source of fat."

One possible explanation suggested by the researchers for the accumulation of cholesterol in liver when lard was fed is the comparative stability in the body of the saturated fatty acids of lard after they have combined with cholesterol. Cholesterol normally unites chemically with fatty acids to form compounds called esters. The researchers explain that when the fatty acids are unsaturated, as with the cottonseed oil, their esters of cholesterol are more labile (unstable) and perhaps lend themselves more readily to transport through the tissues. The less labile saturated fatty acid esters of cholesterol from lard perhaps tend to linger and accumulate in body tissues such as liver.

Another possible explanation offered by the researchers for the cholesterol accumulation in liver was an inadequacy of phospholipids found in the rats after feeding the lard diet. Phospholipids are fatty chemicals which, the researchers explain, are probably necessary for proper cholesterol transport in the body.

Exercise helps construct new coronary branches if old ones become narrowed

When a coronary artery is gradually narrowed or blocked (heart attack) by atherosclerosis, new blood vessels called collaterals tend to form in response to the increased need for blood of the area of heart muscle supplied by the diseased artery.

Exercise in an important stimulus to such collateral circulation in the heart muscle, studies in dogs by Dr. Richard Eckstein of Western Reserve University indicate. To determine the effect of exercise on collateralization, Dr. Eckstein used two groups of dogs in which the coronaries had been narrowed by a standard surgical procedure. One group was kept at rest and the other received standard exercise periods (four 20-minute workouts on a treadmill per day, 5 days a week for 6 to 8 weeks). At the end of the experiment the extent of collateral growth was measured and the results from the two groups of dogs compared.

"The data indicate that exercise is a significant additional stimulus to collateral growth above that provided by moderate narrowing in itself," Dr. Eckstein reported at the annual scientific sessions of the American Heart Association. "The results to date also suggest that exercise in some instances effectively stimulates collateral growth to vessels which are only slightly narrowed."

Bacterial enzymes digest heparin; may lead to long sought chemical analysis

With the help of an obscure soil organism found on the grounds of their Bethesda, Md., laboratories, National Heart Institute scientists have separated

for the first time some of the large, chemical "building blocks" of the anticoagulant heparin. Full determination of the unknown chemical structure of heparin may thus become possible. The "building blocks" are being analyzed and attempts will be made to break them down still further.

Heparin, a substance found in body tissues, has been valuable in medical use for many years to forestall the formation of blood clot following heart attacks and operations. Adding to its importance is the finding in recent years that heparin apparently has a role in "clearing" fatty blood, which has been associated with the occurrence of atherosclerosis—the major serious form of hardening of the arteries that leads to most heart attacks. Thus, heparin has prompted intensive research into the mechanisms by which the body handles and carries fats.

This resulted in the discovery some time ago of lipoprotein lipase, or "clearing factor," an enzyme in body tissues which appears to act with heparin in clearing suspect fatty molecules from the blood. More complete knowledge of the chemical structure and of exactly what happens to heparin in the body could help clarify certain poorly understood aspects of the body's mechanisms for fat transport. In turn, this might bring better understanding of some of the factors responsible for atherosclerosis. However, nearly 40 years have passed since heparin was discovered, and its chemical structure is still not known. The new finding at the National Heart Institute may open the way to this long-delayed progress.

By a technique known as "enrichment culturing, a soil bacterium was selected from among thousands of anonymous soil organisms for the job of breaking down heparin. The biochemists who found and made use of the organism started their quest for a suitable organism by collecting samples of soil from the grounds of the National Institutes of Health. The soil samples were mixed with nutrient fluids in which heparin was an ingredient. In such culture media, only soil organisms which could tolerate, or were benefited by, heparin flourished. One such organism, identified as a "flavobacterium," actually utilized heparin for nourishment. It was this organism—a tiny rod-shaped bacterium—that the researchers used to break heparin down into parts never before available for research.

Atherosclerosis produced in rhesus monkey by diet rich in dried egg yolks

Atherosclerosis has now been produced for scientific study in a rhesus monkey.

This announcement was made at the annual meeting of the Federation of American Societies for Experimental Biology by Drs. George V. Mann and Stephen B. Andrus, reporting on their studies conducted at the Harvard School of Public Health in Boston.

Drs. Mann and Andrus described an experiment in which the same sort of deposits which form in man's coronary arteries and may cause heart attacks were produced in the arteries of a Rhesus monkey. This was accomplished by feeding the adult monkey a diet rich in dried egg yolk for a period of more than 3 years.

By feeding cholesterol, scientists have previously succeeded in producing a condition resembling human atherosclerosis in certain small laboratory animals (rodents and chickens). In 1952, Drs. Mann and Andrus succeeded in producing the disease in the South American Cebus monkey, a more primitive species than the Rhesus. The accomplishment described affords scientists their first opportunity to study experimental atherosclerosis in the Rhesus, a widely used laboratory monkey more closely related to man.

By producing the disease, first in the Cebus and now in the Rhesus monkey, Drs. Mann, Andrus, and coworkers are the first scientists to produce experimental atherosclerosis in primates—the order of animals to which man belongs.

Report factors associated with coronary disease in a Massachusetts community

Men between 45 and 62 years of age with any 2 of these 3 conditions—hypertension, overweight, and high blood cholesterol—are about 9 times as likely to develop coronary heart disease as men with none of these conditions.

This is one of the preliminary findings which emerge from the first 4 years of the National Heart Institute epidemiological study of heart disease in Framingham, Mass. In this study a randomly selected cross-section of the adults of the town of Framingham is observed over a period of many years to find out how many people there have heart disease, when it develops, and what factors are associated with it.

Hypertension shows the strongest association when considered separately, the data indicate. Men with high blood pressure were found to develop coronary disease four times as frequently as those whose blood pressures were normal.

A greater than 3 to 1 risk of coronary disease exists for men with high blood serum cholesterol (over 260 milligrams percent) as compared with those of normal serum cholesterol (below 225 milligrams percent).

Overweight was also found to carry a risk nearly three times that for men of normal weight as determined by a relative weight index used by the Framingham investigators.

Men who fell into the high range for any 2 of the 3 categories had a 4-year coronary incidence rate of 150 per 1,000 as compared with a rate of only 17 per thousand for those who were normal in all three respects.

The researchers explained that the three factors—hypertension, high serum cholesterol, and overweight—are not regarded as causing coronary disease, but that associations of this magnitude do point up, for continuing research, some of the directions in which may lie the controlling mechanisms.

Fat intake increases clot-induced lesions in rabbits

Several investigators in recent years have produced fibrous thickening of small pulmonary arteries in rabbits by repeated intravenous injections of blood clot. These lesions are frequently characteristic of those of pulmonary arteriosclerosis except for a reported absence of fat in almost all instances.

Because this absence of fat might be related to the small amount of fat in the rabbit's diet, Drs. W. A. Thomas, R. M. O'Neal and K. T. Lee of the Washington University School of Medicine, St. Louis, conducted a series of experiments to determine the effect of fatty meals on such lesions. Rabbits receiving weekly blood clot injections were divided into groups which received, in addition, tube feedings of melted butter (butter-clot group), melted oleomargarine (oleomargarine-clot group), or warm water (water-clot group).

On sacrifice after a specified period, microscopic sections of lung from 15 rabbits of the butter-clot group, 12 of the oleomargarine-clot group, and 15 of the water-clot group, were examined. Fibrous internal thickening of the pulmonary arteries was present in the rabbits in all groups. The investigators found that the frequency and severity of the lesions was significantly greater in the rabbits that had been fed fats. Also, small but definite quantities of fat were found in the lesions of nearly half of the animals in all groups, even unexpectedly in the water-clot group.

Deficiency of vitamin B₆ further implicated among arteriosclerosis causes

In 6 years of research on the role of vitamin B₆ in the nutrition of the Rhesus monkey, Drs. J. F. Rinehart and L. D. Greenberg at the University of California have found that three major disease changes result from deficiency of this vitamin—tooth decay, fatty changes in the liver, and degenerative changes in the arteries.

"Animals subjected to pyridoxine (vitamin B₆) deficiency regularly develop alterations in blood vessels which bear a close similarity to arteriosclerosis as it occurs spontaneously in man," they report. "The question arises whether or not long-term suboptimal intake of pyridoxine may be a contributory factor in the pathogenesis of the important human diseases—arteriosclerosis, dental caries, and cirrhosis of the liver.)

Other researchers have also implicated vital B₆ deficiency in the causes of arteriosclerosis.

Heredity seen factor in low coronary rate of Navaho Indians

The Navaho Indian, who eats about the same kind of high-fat-cholesterol diet as most Americans, was found in a recent study to be relatively free of coronary heart disease.

This finding, which seems at odds with much of the current theory about dietary facts and the causes of coronary disease, prompted a group of Cleveland Clinic researchers to study the lipids (fatty substances) and proteins in the blood plasma of Navahos for comparison with those of whites. Certain patterns of lipid and protein organization and distribution in the blood plasma appear to be associated with the tendency to coronary disease.

The Cleveland researchers, Drs. Irvine H. Page, Lena A. Lewis, and Jarvey Gilbert, obtained blood samples from Indian patients at the Navaho Medical Center, Fort Defiance, Ariz., and flew them to Cleveland for comparison with samples drawn from white patients in the Cleveland area.

Among the significant findings from this study, which appears in the *Journal of Circulation*, is the discovery that the Navahos had much less cholesterol in their blood, despite the fact that their dietary intake of this fatty substance was

about the same as that of the Cleveland population. Cholesterol is an important component of the artery-clogging lesion of coronary disease.

Dr. Page's group theorizes that: "The most likely explanation for both the reduced levels of serum cholesterol and the low incidence of coronary disease seems to us to be heredity." The researchers point out that, although the evidence from this study suggests caution in the acceptance of radical changes in diet, "... it should not engender a fatalistic attitude to close the door to human dietary experimentation."

Final report of study on lipoproteins published

1956 saw completion and publication (by the journal *Circulation*) of the final report of the cooperative study to provide information on the relationship of cholesterol and lipoproteins (fat-protein molecules) in the blood to the development of atherosclerosis. The study was begun in 1950.

Research teams at the Cleveland Clinic, the University of California at Berkeley, the University of Pittsburgh, and Harvard University carried on the investigations. The studies included 15,000 subjects, of which 5,000 males were intensively studied. Results of the study have led to a national and international re-evaluation of cholesterol and lipoproteins as indicators of the probable development of myocardial infarction and are expected to exert a confining influence on the kinds of future research conducted on the etiology and diagnosis of arteriosclerosis.

A number of new findings were made as byproducts of the main study. One of these was the discovery atheroma (the lumpy artery deposits of atherosclerosis) of a specific group of lipoproteins which is probably identical to a group known to circulate in the blood. This finding was made by the participants at the University of Pittsburgh.

Clearing enzyme deficiency among possible causes of chronically "fatty blood"

New evidence from the heart research laboratories of the Public Health Service indicates that hyperlipemia, a condition of excess fats in the blood, may result from deficiency of an enzyme, lipoprotein lipase, which normally acts to break down blood fats.

National Heart Institute scientists have found evidence suggesting an inborn deficiency of lipoprotein lipase in three brothers with hyperlipemia studied at the research hospital of the National Institutes of Health in Bethesda, Md. The findings were presented at an international scientific meeting on organic fats held in Brussels, Belgium.

Lipoprotein lipase has been shown in earlier Heart Institute studies to aid in normal fat transport by breaking down the large fatty particles, which enter the blood from digested food, into smaller particles which can then be utilized by body cells. The presence in the blood of abnormal quantities of the larger fatty particles is known to be associated with disease states which predispose to atherosclerosis, chief cause of death in the United States. Hyperlipemia is one of several such disease states.

In the 3 brothers with hyperlipemia, the researchers found that fats eaten in a single meal lingered in the circulation for as long as 2 days. In normal persons dietary fats are broken down and removed from the blood within 8 hours after eating.

Injections of heparin, an anticlotting drug, are known to speed the removal of dietary fats from the blood of normal persons by activating lipoprotein lipase. The Institute investigators found that heparin injections had little or no effect on the "creamy" blood plasma of the three hyperlipemic brothers.

These findings alone pointed to a probable deficiency of lipoprotein lipase, but left open the possibility that the fat particles themselves might be abnormal in these patients—that these particles might simply be resisting the action of the enzyme.

To test this possibility the researchers transfused plasma from one of the brothers into another brother and into a healthy volunteer. In the healthy, volunteer half of the transfused fat was removed in 17 minutes, and this time was shortened to 8 minutes by heparin injections. In the hyperlipemic brother only half of the transfused fat was removed after 85 minutes, and rate of removal was not affected by heparin.

The Institute workers also investigated effects of protamine, which slows the action of lipoprotein lipase. They found that protamine had no effect on the transfused fats in the hyperlipemic brother, though it greatly slowed their removal from the blood of the healthy volunteer.

Human lipoproteins produce fatty deposits in arteries of laboratory rats

Heart Institute scientists have produced fatty deposits characteristic of early atherosclerosis in the hearts and arteries of rats, a species naturally immune to this disease.

This has been done by injecting them with human lipoproteins, the large fat-protein molecules in which form the body transports fats through the blood.

This finding, which further implicates faulty fat transport in the causes of atherosclerosis, was published in the *Journal of Laboratory and Clinical Medicine*.

Rauwolfia now found to benefit patients with coronary disease

The ancient Indian drug Rauwolfia serpentina, widely used in the treatment of hypertension and excited mental states, has also been found to benefit sufferers from coronary artery disease.

Drs. B. I. Lewis, R. I. Lubin, L. E. January, and J. B. Wild of the State University of Iowa have reported results of a study in which the effects of a Rauwolfia derivative (alseroxylon) were studied in 110 subjects, 15 of whom were suffering from coronary artery disease with its characteristic angina pain. Fourteen of these fifteen coronary patients showed definite improvement from the Rauwolfia therapy. The frequency and severity of their attacks decreased generally, and their ability to exercise without pain was markedly improved.

Especially surprising was the duration of action of these beneficial effects, which in some instances extended for weeks after the drug was discontinued. "This puzzling feature has occurred so often," the researchers state in the *Journal of the American Medical Association*, "that we have come to accept it as a common response, even though we do not understand its mechanism."

The researchers feel that the relief of coronary symptoms with Rauwolfia represents a genuine improvement in the relationship between the coronary circulation and the need of the heart muscle for blood. "We find it difficult otherwise to explain the gratifying reduction in frequency and severity of anginal attacks," they report.

Cholesterol in food fats found not to influence cholesterol in blood

There is mounting evidence from dietary studies that the amount of cholesterol eaten in the diet has little or no influence on the amount of this "artery hardening" fatty substance that gets into the blood circulation.

Several such dietary studies have been conducted by Drs. Ancel Keys, J. Anderson, Olaf Mickelson, Sadye Adelson, and Flaminio Fidanza. These studies were conducted through the University of Minnesota, the United States Department of Agriculture, and Hastings State Hospital in Hastings, Minn.

In one of the studies comparisons were made of dietary cholesterol intake (as determined by interviews) and blood serum cholesterol (as determined by laboratory analyses of blood samples) in a cross-sectional sample of 1,072 residents of Minnesota, divided into 6 groups according to age. "Two cross-sectional surveys in Minnesota on young men and four on older men showed no relationship between dietary cholesterol and the total serum cholesterol concentration over most of the intake range characteristic of American diets," the investigators reported from this study.

To determine the effects of longstanding habits of cholesterol intake, 286 healthy Minnesota businessmen were studied for 4 years by the investigators. In their average cholesterol intake 33 of the 286 subjects remained constantly in the lowest third of the group and 35 constantly in the upper third. All other factors being satisfactorily constant (jobs, diets, and body weights) in these 2 subgroups for the 4 years of the study, the researchers were able to report from their findings, "It is clear that the long standing habit of consuming more or less dietary cholesterol produced no significant difference in the average serum cholesterol level between the two (subgroups)."

The Island of Sardinia was chosen for a related study because of the very uniform diet of its inhabitants and because their cholesterol intake is, to quote the researchers, " * * * relatively trivial except for that provided by eggs, which are eaten in widely varying amounts." High and low cholesterol intake groups were thus accurately and conveniently separable from the population on the basis of egg eating. Two surveys in Sardinia, one on moderately active municipal employees (firemen and policemen) and one on coal miners " * * * failed to show any difference in the serum cholesterol concentrations of men of the same age, physical activity, relative body weight, and general dietary pattern but differing markedly in cholesterol intake."

In other experiments (eight different studies including many surveys and experiments were reported by Dr. Keys' group in the *Journal of Nutrition*) it was found that low serum cholesterol produced in volunteers by a rice-fruit (virtually fat-free) diet were not elevated by the addition to the diet of cholesterol alone; that the voluntary doubling and halving of dietary cholesterol in two other groups of men failed to produce any response in their serum cholesterol over a 4- to 12-month period; and that widely varying the cholesterol intakes alone of men on a diet of otherwise constant (66 gram) daily fat intake had no effect on their blood serum cholesterol.

"It is included," the researchers summarize from the findings of these studies, "that in adult men the serum cholesterol level is essentially independent of the cholesterol intake over the whole range of natural human diets. It is probable that infants, children, and women are similar."

Practical method reported for lessening cholesterol in blood stream of humans

A practical method for lowering human blood cholesterol has now been reported by Dr. Henry A. Schroeder of Washington University in St. Louis. Dr. Schroeder's method is based on a diet low in saturated fatty acids and high in vitamin B₆ and linolenic acid, on unsaturated fatty acid. The method also includes the daily oral administration of calcium EDTA (ethylenediamine tetra-acetic acid).

Dr. Schroeder explains the logic of his method in a recent issue of the *Journal of Chronic Diseases*. Fats high in saturated fatty acids—particularly the "hard" animal fats from milk and meat (those that solidify when cooled)—were excluded because their high intake is believed to be a factor in the high rate of atherosclerosis in western countries. Linolenic acid, on the other hand, was included in the diet because this unsaturated fatty acid is found in abundance in the unprocessed fluid vegetable fats (such as corn and soybean oils) known to actually lower blood cholesterol. Vitamin B₆ was included because there is evidence that this vitamin promotes the conversion of partially saturated fatty acids to the presumably more desirable unsaturated ones and because deficiency of this vitamin has been shown to produce lesions characteristic of early atherosclerosis in the arteries of monkeys. EDTA, which lowers blood cholesterol in some patients, is a "metal chelating agent"—one of a class of chemical compounds that tend to rid the body of certain metals (for example chromium, manganese, and vanadium) some of which research findings suggest may also be involved in atherosclerosis.

Twenty patients, most of whom had higher than normal blood cholesterol, were treated with Dr. Schroeder's method for 4 months in the study. On the average, cholesterol levels had fallen by 29 percent in 2 months of treatment but were only 20 percent lower after 4 months. Only three showed no significant changes. Four patients suffering from attacks of angina pectoris claimed benefit—one claimed complete relief—but Dr. Schroeder urges that the claims of these patients be discounted until further data are available.

Coronary death rates vary widely in different parts of country, study reveals

The Public Health Service has reported wide variations in death rates from coronary heart disease in different parts of the United States, with rates twice as high in some States as in others.

This survey, reported in Public Health Reports, is a step toward a nationwide study of variations in the incidence of heart disease. Further studies may lead to better understanding of the causes of heart disease.

The study showed that coronary heart disease causes about a third of all deaths among white males in the age group 45 to 74, and about a fifth among men 35 to 44. The rates among white females were somewhat lower.

The lowest death rate for coronary heart disease among white males of all ages in 1950 was in New Mexico, 191.1 per 100,000 population. Arkansas had a rate of 201.2 and Kentucky 211.2. Rates for white males were highest in New York, Rhode Island, and the District of Columbia (Washington, D. C.): 393.8, 364.3, and 344.3.

For white females the differences in death rates from coronary heart disease in different areas were even greater—83.4, 87.8, and 89.0 in New Mexico, Arizona, and Nebraska, as compared with 217.4, 176.6, and 175.6 in New York, New Jersey, and Rhode Island.

The study showed that coronary death rates frequently were similar in neighboring States. Although areas of relatively high mortality tend to be highly urbanized, the geographic differences in death rates do not seem to be due to

any large extent to differences in urbanization when rates in rural areas are considered separately.

The authors of the report speculated on some of the possible explanations for geographic differences in coronary death rates. Possible explanations included differences in diet, exercise, stress, hereditary factors, and differences in the physical characteristics of populations in various parts of the country. They pointed out that such factors also might account for the very great differences in coronary heart disease death rates in various parts of the world.

The authors, Philip E. Enterline, Chief Statistician of the Heart Disease Control Program, PHS, and Dr. William H. Stewart, Assistant Director of the Service's National Heart Institute, suggest that all these varying factors be studied intensively among populations in areas with high death rates from coronary heart disease and in areas with low death rates.

Heart attack victims who recover completely found to have good prognosis

The best index to the long-term outlook of the patient who has suffered a heart attack (myocardial infarction) is the degree of his recovery after the acute period of the attack. This was shown by a 25 year followup study of 200 patients which was recently completed by Boston cardiologists David Richards, Edward Bland, and Paul White.

The 200 patients had been seen in consultation by Dr. White in the decade 1920 to 1930. All were experiencing symptoms or showed histories of acute myocardial infarction at that time. One hundred and sixty-two of the 200 survived the period of immediate mortality (4 weeks) following the attack. These were divided by the investigators into three categories: (1) Patients with a complete recovery and no symptoms; (2) patients whose activity was limited to some degree by angina pectoris; and (3) patients limited to some degree by shortness of breath and other symptoms of congestive heart failure.

Of the 162 patients, 55 (34 percent) were classified in group 1 as completely recovered. Forty-five (82 percent) of these were still alive 5 years after the attack, 31 (56 percent) 10 years after, 16 (28 percent) fifteen years after, and 6 were still alive 25 years after their myocardial infarction. The two patients known to be living now, 28 and 29 years after infarction, are also of this complete recovery group.

"The contrast in longevity is quite striking between the complete recovery group and the groups limited either by angina pectoris or by dyspnea (labored breathing)," the workers report in the *Journal of Chronic Diseases*. "This is particularly true of the 44 cases limited after infarction by dyspnea and congestive failure. None of these patients survived 10 years. The 63 patients who were limited by angina pectoris fared somewhat better, with 25 (40 percent) surviving 5 years and 19 (30 percent) surviving 10 years. However, only 7 patients (11 percent) survived 15 years, and only 1 survived 20 years."

"It is apparent from these data that the best index to prognosis is the degree of recovery of patients following myocardial infarction," the researchers conclude.

Synthetic compound lowers blood cholesterol through inhibiting its synthesis

Scientists have found a way to control, in laboratory animals, the natural production of cholesterol, a fatty substance which accumulates in human arteries and is implicated in atherosclerosis and coronary disease.

By feeding a cholesterol-free diet containing 1 percent delta-4-cholestenone, a synthetic compound related chemically to cholesterol, Heart Institute biochemists have been able to depress the cholesterol in blood serum of rats to as much as 44 percent below that of control animals on a similar diet lacking the delta-4-cholestenone.

Injections of labeled (radioactive) acetate demonstrated that the delta-4-cholestenone was interfering with the normal mechanism for manufacturing cholesterol. Acetate is taken up by the liver to make cholesterol, and in normal animals radioactive acetate can be found in the liver cholesterol with a Geiger counter shortly after injection. The scientists found only 5 percent as much labeled acetate in the liver cholesterol of the rats fed 1 percent delta-4-cholestenone as in that of the normal rats 2 hours after injection.

Reporting in *Annals of the New York Academy of Sciences*, the researchers caution that delta-4-cholestenone itself should not be considered as a practical drug for the treatment of high blood cholesterol in human beings. Its use is definitely hazardous at this stage of knowledge.

For example, although at one-tenth of a percent in the diet it did not appear to be harmful and yet decreased rat cholesterol levels, rats fed 10 times as much (1 percent) delta-4-cholestenone eventually died, and their adrenal glands were found to be enormously enlarged. The researchers suggest that the profound effects of the compound on cholesterol synthesis may have robbed the adrenal glands of even the minimum cholesterol necessary for manufacturing vital adrenal steroid hormones. Also, delta-4-cholestenone is closely related chemically to cholesterol, and it is possible that this compound might simply replace cholesterol as an artery-clogging constituent of atherosclerosis.

"It is generally agreed," the scientists explain, "that whatever the basic causes of atherosclerosis may be, hypercholesterolemia (the condition of high blood cholesterol) is almost certainly a predisposing or contributing factor."

Summarizing their findings the investigators suggest that " * * * an approach to the problem of hypercholesterolemia through inhibition of endogenous cholesterol synthesis is feasible."

"These studies with delta-4-cholestenone * * * point the way to an approach which, with this or similar compounds, may eventually prove fruitful," they explain. With increasing knowledge it may well develop that treatment of hypercholesterolemia per se represents little more than a kind of "symptomatic" treatment, but at present it offers one of the few available approaches to an enigmatic and terrible disease.

HIGH BLOOD PRESSURE

Tendency to progressively increasing blood pressure can be reversed by drugs

Encouraging evidence from St. Louis shows that the usually progressive course of arterial hypertension can often be reversed to normal by prolonged treatment with a combination of two pressure-lowering drugs—hydralazine and hexamethonium. The evidence also indicates that these drug-induced reversals may be permanent apparently constituting genuine "cures" in some cases.

Drs. H. Mitchell Perry and Henry A. Schroeder of Washington University School of Medicine and Barnes Hospital in St. Louis exhaustively studied 114 hypertensive patients from Barnes Hospital during at least 1 year of treatment with combined hydralazine and hexamethonium. The results, published in *Circulation*, showed that for those whose blood pressures were markedly reduced by the drugs, the dose necessary to maintain the reduction tended to grow less with the passage of time. Of 37 patients followed for 3 years, this trend was found in 19 patients to extend to the point of completely discontinuing hexamethonium, and in 10 patients to the complete suspension of all drugs without any recurrence of hypertension.

The researchers emphasize the difference between the gradual withdrawal of drugs which accompanies these apparent cures, and the sudden rejection of the drugs early in treatment because of inconvenience or uncomfortable side effects. Sudden discontinuation early in the course of treatment not only lets the blood pressure rise again, but seems to produce a real tolerance for the drugs so that they are likely to have less effect if their use is resumed later.

Rats instinctively avoid salt when blood pressure reaches abnormal heights

The rat, unlike men, apparently loses its fondness for salt when it develops high blood pressure. Dr. Melvin Fregly, a Harvard researcher, has found that rats rendered hypertensive by wrapping their kidneys in latex prefer plain water to a weak salt solution when given a choice. Normal rats consistently prefer the salt solution. The aversion to salt water, Dr. Fregly found, did not develop until 8 weeks after the kidney damage operation, at which time the blood pressure had reached its highest elevation.

Dr. Fregly reported his findings to the 20th International Physiological Congress in Brussels, Belgium.

New drug most effective of orally administered ganglion-blocking agents

Mecamylamine, a drug recently found to lower blood pressure in animals, has now been tested clinically by Washington, D. C., researchers are found to have advantages over related compounds currently used to treat hypertension. Mecamylamine is a ganglion-blocking agent—one of a category of drugs that lower blood pressure by interfering with the transmission of artery constricting impulses in nerve centers. Some of the most effective antihypertensive drugs now in clinical use (such as hexamethonium and pentolinium tartrate) work in the same way.

Drs. Edward Freis and Ilse Wilson of the Georgetown University Hospital and School of Medicine and the Veterans' Administration Hospital in Washington conducted the trials in 36 patients with severe hypertension. They found that the drug caused sustained and effective reductions in blood pressure by from 20 to 30 percent in these patients, and that continuous treatment for from 1 to 4 months allowed improvement of some of the blood vessels effects (as evidenced by changes in blood vessels in the eye) and of the effects on the heart (as evidenced by improvements in the electrocardiograph). In these respects, mecamlamine was found to behave as a typical ganglion blocking drug.

The investigators found it to be fully effective when given by mouth while other ganglion-blocking agents must be injected for maximum effectiveness. It was also found to be beneficial in a much lower dose range than other ganglion-blocking drugs, and its effects were more sustained.

Mecamlamine was substituted for pentolinium tartrate, another highly rated antihypertensive, in 19 patients; 14 of these expressed preference for the mecamlamine. The chief reason for this, the researchers explain, was that these patients found blood pressure reduction more uniform with mecamlamine from morning to night and from day to day. The effects of the mecamlamine were so profound and prolonged in some patients that the dose of drug taken the night before controlled blood pressure until early afternoon.

Followup study shows value of sympathectomies performed a decade ago

The lifesaving benefits of sympathectomy operations to persons who developed severe high blood pressure a decade or more ago are brought out in a followup study of 100 such persons by Boston cardiologist Dr. Paul D. White.

In sympathectomy operations the nervous element of hypertension is attacked by surgically interrupting parts of the artery-constricting sympathetic nerves, which run in two chains down either side of the spine. The Smithwick operation—a fairly extensive sympathectomy—came into use against hypertension in the early 1940's.

Fifty of the one hundred hypertensive patients studied by Dr. White had received Smithwick sympathectomies at least 10 years ago. The other 50, whose hypertension was also of at least 10 year's duration, had been treated only by the ordinary medical measures of the past decade. All of the patients selected for study had developed some additional complicating heart or bloodvessel disorder (such as strokes, coronary thrombosis, failing heart muscles, or angina pain).

Dr. White found from his analysis (which was the second of two 5-year follow-up studies of the same group of patients) that the sympathectomized survivors, 10 years after operation, showed a 2-to-1 ratio of longevity over the unoperated group. "By all the criteria of comparison," Dr. White reported in the Journal of the American Medical Association, "the sympathectomized group had a great advantage over those treated by the routine medical measures in use 10 years ago."

Dr. White also explained, however, that "a future followup comparison will be needed to determine the relative efficacy of the newer methods of treatment, including potent drugs and dietary restrictions, in contrast to lumbodorsal sympathectomy (the Smithwick operation) in serious hypertension."

Large PHS grant initiates nationwide evaluation study of heart drugs

A significant step in the Nation's struggle to alleviate high blood pressure and other crippling disorders has been taken by the Public Health Service with the awarding of a research grant to Dr. Alan E. Treloar, Director of Research of the American Hospital Association. The grant of \$575,000—the largest research grant of its kind every made by the National Heart Institute—was made to Dr. Treloar to carry on a nationwide program for evaluating the effectiveness of drugs in treating heart disease, particularly in the management of hypertension.

As envisioned by Dr. Treloar, a cooperative study of wide scope will be conducted, using well-designed and adequately controlled testing methods, with participation by research teams in hospital and research laboratories.

"A large-scale clinical study such as this," Surgeon General Leroy E. Burney said when the grant was announced, "is needed to evaluate as rapidly as possible new forms of treatment developing in the heart field. The many new drugs for high blood pressure, for example, offer great promise for control of this condition, which afflicts some 4,500,000 people.

"The study will provide a testing program for these drugs and others as they are developed on a scale not heretofore possible. Its result will be of wide

interest and help provide information that we do not now have as to the most effective drugs or combinations of drugs, dosages, and so on."

First successful transplant of human kidney saves life of recipient brother

The first case in medical history in which the life of a human was saved by transplanting a kidney from another human was reported in 1956.

Drs. John Merrill, Joseph Murray, J. Hartwell Harrison, and Warren Guild, who did the work at Peter Bent Brigham Hospital and Harvard Medical School in Boston, made the report in the Journal of the American Medical Association.

The recipient of the donor kidney was a 24-year-old identical twin. This young man was first admitted to Peter Bent Brigham Hospital with mild high blood pressure which subsequently developed into malignant hypertension and led to convulsions and other signs of acute kidney disease. The physicians found both of his kidneys to be diseased, and in the later stages of his illness determined that his survival depended on his receiving a transplant from his twin brother, whose kidneys were both determined to be healthy. At operation the left kidney of the healthy brother replaced the left diseased kidney. The two diseased kidneys were removed at a later operation because the patient's blood pressure, though much improved, was not normal, and because there was continuing evidence of kidney infection. Following removal of both of his own kidneys, the young man recovered completely from the hypertension and is leading a healthy and active life.

The Boston group attributes the success of the transplant largely to the fact that the brothers were genetically identical, having developed from the same fertilized egg. In such cases, there is little or none of the "rejection response"—the building up of destructive antibodies in the host—that has always prevented the success of human tissue transplants in the past.

RHEUMATIC HEART DISEASE

Valve-splitting operation evaluated in followup of first 1,000 to receive it

Pioneering in the surgical repair of heart valves scarred by rheumatic fever, Drs. Laurence Ellis and Dwight Harken of Harvard in 1948 reported one of the very first successful attempts to repair the narrowed mitral valve, which controls blood flow from the upper chamber (auricle) to the lower chamber (ventricle) in the left side of the heart. In their operation—termed "mitral valvuloplasty"—a slit is made in the auricle through which the surgeon inserts his index finger, pressing it down against the abnormally fused components of the valve, thus separating them and restoring their mobility.

The first 1,000 of their patients to undergo valvuloplasty have since been closely studied by Drs. Ellis and Harken to determine the value of the operation. Some of the findings from this continuing followup study were presented by the authors at the annual scientific sessions of the American Heart Association. These findings showed that valvuloplasty has vastly improved the outlook for long-term survival among patients with advanced mitral valve disease.

Five years after operation, 72 percent of 272 patients who had been severely crippled by mitral valve disease were still alive, in contrast with only 11 percent of a comparable group who received no valve surgery. Sixty-two percent of the 272 patients in the operated group were described by the researchers as "moderately to markedly improved" over their preoperative state. These patients had been so ill before surgery that the slightest exertion caused breathlessness or anginal pain. Seventy-seven percent of another group of patients who had been moderately disabled before operation were improved, with 88 percent still alive after 5 years as compared with only 60 percent in a comparable but non-operated group.

Various opinions concerning value of hormones against rheumatic fever explained

The diversity of opinion that exists among authorities concerning the effectiveness of hormones such as ACTH and cortisone in the treatment of rheumatic fever can be partly explained on the basis of differences in doses of hormones used to treat the disease, in duration of treatment, and in the duration of the illness at the time treatment was started, findings by Boston researchers suggest.

Eighty-eight rheumatic fever patients under the age of 17 who were showing definite signs of heart involvement while in their first attack of rheumatic fever were treated by Drs. Sujoy Roy and Benedict Massel, using variable doses of ACTH or cortisone for varying lengths of time. A "small dose" group of 41 children received injections totaling either 1,100 to 2,400 units of ACTH or 4.1

grams of cortisone during an average period of 6 weeks. A "large dose" group was given a total of 4,100 to 7,000 units of ACTH or 13 to 15.6 grams of cortisone during an average period of 14 weeks.

Evaluating results 20 weeks after treatment was started, the researchers report in the journal *Circulation*: "Disappearance of significant murmurs was twice as common in 47 children treated with large doses of hormones as in a comparable group of children treated with small doses of hormones. In both the small-dose and the large-dose groups, the shorter the duration of illness prior to start of therapy the greater the frequency of disappearance of all significant murmurs."

Rheumatic fever victims in Kansas City protected by injections of penicillin

No episodes of recurrent rheumatic fever occurred among 118 children, rheumatic fever patients, who received 1.2 million units of a penicillin preparation (benzathine penicillin G) intramuscularly every 28 days for periods of 6 to 32 months.

This result is reported in the *Southern Medical Journal* by Drs. A. M. Diehl, T. R. Hamilton, and J. S. May of the University of Kansas School of Medicine and the Children's Convalescent Center, Kansas City. A total of 3,235 injections of 1.2 million units of penicillin, was administered with no serious side effects either local or general resulting from this antibiotic.

The authors comment that in the use of a continuous prophylactic agent in patients who have had one or more attacks of rheumatic fever, penicillin is presently the drug of choice, and intramuscular benzathine penicillin G, 1.2 million units every 28 days as used in their study, is the surest and oftentimes most practical method to prevent recurrences.

HEART FAILURE

Two categories of adrenal hormones governed through dual regulatory mechanism

Research on the adrenal cortex by Heart Institute scientists has yielded some new information of importance in understanding the nature and causes of edema ("dropsy"), a prominent and often disabling symptom of heart, kidney, and liver diseases.

The adrenal cortex, the outer portion of the small paired glands above the kidneys, is known to secrete two vital categories of steroid hormones. One category, typified by hydrocortisone, regulates the body's storage and use of carbohydrates and its adjustment to stress and disease. The other category, represented chiefly by aldosterone, regulates the kidney's excretion of salts and water.

The new research findings substantiate the theory, developed by scientists in several research institutions, that the body has two separate mechanisms for governing the adrenal cortex in these two functions.

One of these mechanisms is the secretion of ACTH (adrenocorticotrophic hormone) from the pituitary gland at the base of the skull. It is well known that the adrenal cortex increases its production of hydrocortisone when stimulated by ACTH.

The other mechanism now believed to exist involves aldosterone. Defects in this mechanism are thought to underlie the edema that often complicates nephrosis, cirrhosis, and the late phases of heart disease.

The new evidence for the existence of a separate aldosterone-governing mechanism is provided by endocrinologists with the National Heart Institute. Their studies, conducted on 10 normal volunteers and 13 patients with heart, kidney, and liver diseases, are described in the *American Journal of Medicine*.

The scientists point out that patients with edema from heart, kidney, and liver disease always show evidence of abnormally high aldosterone output, but their hydrocortisone output is normal or below. This suggests that in these diseases a mechanism is brought into play for boosting aldosterone production which has no effect on the production of hydrocortisone.

The researchers found in their studies that low salt diets always increased the production of salt-holding aldosterone. Salt intake had no effect on hydrocortisone though, suggesting that the secretion of ACTH, the hydrocortisone regulator, is independent of salt intake.

ACTH injections caused hydrocortisone production to increase about tenfold in normal subjects, but only doubled aldosterone production. This effect was temporary for aldosterone but lasted for hydrocortisone as long as the injections were continued.

"The 'unitarian' concept that adrenocortical function is under the sole control of pituitary ACTH has become quite untenable," the researchers explain. "Hydrocortisone secretion is apparently regulated strictly by ACTH, while aldosterone secretion is affected relatively little by either increases or decreases in ACTH. Aldosterone secretion is extremely sensitive to changes in body fluid and electrolyte (salt) content, whereas hydrocortisone secretion is affected hardly at all by these changes."

"Although it is clear that aldosterone secretion is not ordinarily regulated by ACTH, it remains for further study to elucidate the precise nature of its regulatory mechanisms."

It is possible that the further study of this elusive regulatory mechanism will reveal ways of manipulating it to the relief of sufferers from the edema of nephrosis, cirrhosis, and congestive heart failure.

Heat and humidity can add a severe workload to the failing heart, tests show

Hot and humid weather greatly increase the heart's workload and imposes a serious added burden on the heart already crippled by disease, studies by New Orleans physicians show.

Dr. George Burch and his coworkers at Tulane and Louisiana State University measured the volume of blood pumped by the hearts of 3 healthy subjects and 4 with heart disease. Measurements were taken first when the subjects were resting quietly at a comfortable 73° temperature and 58 percent humidity. The researchers then raised the room temperature gradually to 110° and the humidity to 82 percent.

The healthy hearts of the control group responded by pumping an average of about four times what they were pumping under comfortable conditions. The failing hearts only averaged a doubling of their output.

"Cardiac output was increased in all subjects studied," Dr. Burch reports in the *Journal of Chronic Diseases*, "the rise being greater in the control or normal group not only because of greater myocardial (heart muscle) reserve but also because they were able to remain in the hot and humid environment for a much longer period of time."

"It would appear from these studies and associated clinical experience," the researchers point out, "as well as from the studies of others, that a cool environment should be made available not only to patients in a debilitated state, such as from cerebrovascular accidents (strokes), chronic infection, malnutrition, senility, and the like, but also to patients whose illness would require relaxation and avoidance of stress on the body physiologic mechanisms."

Velocity of blood pumped from heart through aorta measurable by new method

Heart Institute scientists have now devised a way of measuring, in animals, the velocity with which blood is ejected at a given instant from the heart into the aorta, the great artery which arches from the top of the heart to supply blood to the entire body. The new technique, which measures blood velocity in the aorta itself, is reported in the journal *Circulation* as "a catheter tip method for the measurement of instantaneous aortic blood velocity."

This advance, which will soon be applied to humans, may make it possible for scientists to calculate the power output of the heart and from this to judge the reserve power of the hearts of both normal persons and heart patients.

The velocity measurements are obtained by threading a slender flexible plastic tube (known as a catheter) through a small cut in a leg artery. The catheter is double, consisting of two hollow tubes fused side by side. Openings in the side of the catheter are placed so that one of the tubes measures blood pressure about 2 inches downstream from the other. The difference in pressure between these two openings is converted by a special differential pressure gage to variations in electrical current which move the arm of a pen and ink recorder to produce a permanent record of the pressure difference. The researchers have deduced a mathematical formula for calculating the instantaneous aortic blood velocity from this pressure difference. The output of the heart can be calculated by the cross sectional area of the part of the aorta in which the measurements are taken.

The researchers have verified the method experimentally in dogs and in models designed to stimulate the pulsating flow of blood from the heart. Although these tests show the method to be reasonably accurate and safe in dogs, the researchers feel that further refinements are necessary before its application to human beings.

Studies define extra workload imposed on heart by pregnancy

As-measured when at rest, the hearts of normal women increase their output of blood during pregnancy to a peak of 40 percent more than those of non-pregnant women by the 25th to 27th week of pregnancy. The cardiac output then falls progressively to normal just before delivery.

Researchers at the Mount Sinai Hospital in New York made these findings in studies on 46 normal patients selected from the Mount Sinai Prenatal Clinic. The findings, made by Drs. D. J. Rose, M. E. Bader, R. A. Bader, and E. Braunwald, were published in the American Journal of Obstetrics and Gynecology.

Information concerning blood pressures and blood oxygens within the heart, veins, and arteries which was necessary for calculating cardiac output was secured by threading catheters into leg and arm vessels and thence, when necessary, into the heart.

The Mount Sinai researchers found that the increase in resting cardiac output took place without a comparable increase in blood pressure and thus was due to a lowered resistance to blood flow through small peripheral arteries and veins and the tissues which they supply and drain. The researchers theorize that this lowered "peripheral resistance" to blood flow may occur in the placenta—the system of tissue envelopes associated with the developing embryo.

Changes in the amount of work performed by the heart in pregnancy must parallel, approximately, these changes in cardiac output, the researchers explain. "These physiological data lend credence to the view that even at rest the heart of the pregnant woman has more work to do than in the nonpregnant state."

These and other related data from this study can be of value in the selection of pregnant patients who require surgery on damaged heart valves, therapeutic abortion, or sterilization after delivery. Apart from these clinically practical considerations, the investigators point out, such data can help further scientific understanding of the physiology of normal pregnancy.

SURGERY

Inexpensive oxygenator may extend possible heart surgery

An inexpensive apparatus that effectively oxygenates blood, and thus can serve as a temporary replacement for the human lungs during heart surgery, has been originated by Drs. C. W. Lillehei, R. A. DeWall, R. C. Read, H. E. Warden, and R. L. Varco of the University of Minnesota Medical School. Used in conjunction with a simple mechanical pump (which substitutes for the heart's blood-pumping function), the combination constitutes an artificial heart and lungs—permitting the patient's blood to bypass his own heart and lungs, yet continue to circulate through his body, while an operation is performed inside his heart.

The new apparatus, which is reported in the journal *Diseases of the Chest*, is expected to facilitate surgical treatment for certain congenital malformations and acquired diseases of the heart, and perhaps make possible new techniques for conditions not heretofore operable. Since it is simple and inexpensive—the parts for the oxygenator cost less than \$5—it meets the need for a means of heart and lungs bypass that is easily available and widely applicable.

The oxygenator is assembled from plastic hose and has no moving parts. Oxygen in the form of bubbles is introduced into the bottom part of a vertical plastic-mixing tube to mix with the patient's venous blood. The bubbles, which are formed by the oxygen passing through 18 No. 22 standard intravenous needles inserted in an ordinary rubber stopper, provide the large surface area necessary for efficient oxygen uptake.

As the blood flows through the mixing tube, most of the bubbles are dissipated by contact with a silicone antifoam substance sprayed or painted on the inside of the upper part of the tube and a smaller tube which connects to a spiral settling tube. Any remaining bubbles rise to the surface and are eliminated out a side tube, carrying off carbon dioxide, as the blood descends by gravity in the spiral settling tube. The oxygenated blood then enters a reservoir (consisting of a Kelly flask lined by a polyethylene bag) from which it passes through standard blood filters and is returned to the patient.

The apparatus has been successfully used in many within-the-heart operations, including repair of several kinds of congenital defects. The investigators report that, because of its efficacy, it has entirely superseded their use of the human cross-circulation technique, "which previously had set the standards in our clinic for safety and effectiveness because of its physiologic superbness."

Since their initial report, the authors have utilized this pump-oxygenator in 110 patients ranging in size and age from an 8-week-old infant to a 59-year-old adult for direct vision reparative surgery within the chambers of the heart. In addition to the above-mentioned congenital heart defects, patients with acquired heart lesions, such as stenosis, and regurgitation of the aortic and mitral valves, are being treated by this direct vision approach.

"Ice bath" intracardiac surgery evaluated by Denver heart surgeons

To be able to make repairs inside the open and bloodless heart is adjudged by Drs. Henry Swan and S. Gilbert Blount of Denver to be "the major goal of cardiac surgery." Publishing in the *Journal of the American Medical Association*, Drs. Swan and Blount recently analyzed their own clinical experience in 111 patients using hypothermia—a method for achieving this goal with which they themselves have pioneered in intracardiac surgery.

Hypothermia allows open and bloodless heart surgery because, by chilling the patient in an ice bath, it slows the normally urgent demands of body tissues for blood, allowing the surgeon a few minutes in which to suspend the work of the heart and make repairs. The lowest body temperature to which the patient should be iced in such operations, Drs. Swan and Blount caution, is 84 degrees Fahrenheit. Further chilling greatly increases the risk from the two major complications which attend heart operations with hypothermia—loss of normal heart rhythm, and disturbances in the blood-clotting mechanism. At a temperature range from 80 to 90—the "ideal" temperature range for such operations according to Drs. Swan and Blount—blood flow through the heart can be safely suspended for 6 minutes. Eight minutes, the researchers caution, should not be exceeded.

Within these limits, Drs. Swan and Blount explain, the pulmonary valve, which admits blood from the heart to the lungs, and the aortic valve, which admits blood enroute to all body tissues, can be "readily approached at low risk" for relief of stenosis, or obstruction. Holes in the partitions separating the auricles can also be readily and safely patched. "The eminently satisfactory results of open operations in these diseases make an eloquent plea for a broader adoption of open heart techniques," Drs. Swan and Blount emphasize.

Injecting novocain into heart found to protect against fibrillation

Ventricular fibrillation—the deadly loss of normal rhythm in the heart's ventricles which often accompanies heart operations under refrigeration—can now be prevented by injecting the heart with novocain.

The technique, as developed and employed at the National Heart Institute, is reported in a recent issue of the technical journal *Surgery*. The technique has also been reported from parallel research at Indiana University by Dr. Angelo Riberi. The novocain technique is expected to increase the safety of operations performed with hypothermia.

The effectiveness of the novocain technique was demonstrated at the heart institute clinic of surgery in ice bath operations on the hearts of 40 dogs under conditions which usually result in fatal ventricular fibrillation. The hearts of 20 of these dogs were treated with a series of novocain injections at the top of the left auricle under the heart's skinlike epicardium. Ventricular fibrillation did not develop in a single dog so treated, but 18, or 90 percent, of the untreated dogs fibrillated.

To date, more than 40 human patients at the National Heart Institute have undergone ice-bath heart operations thus protected by novocain injections.

Carbon dioxide gas safely injected into circulation for X-raying inside heart

Carbon dioxide gas, unlike air, can be safely injected into the blood circulation for use as a contrast medium to render the inner structures of the heart visible for study by X-ray.

At Philadelphia's Temple University a group of researchers headed by Dr. M. J. Oppenheimer recently conducted a series of animal experiments in which large (7½ cc) bubbles of carbon dioxide were injected into leg veins, neck arteries, and directly into the left ventricle of the heart by means of a catheter, a slender flexible tube which was threaded into the heart from a leg artery. X-ray films of the carbon dioxide bubbles passing through the chambers of the heart and its great vessels were obtained by a special motion-picture technique (cinéfluorography). The carbon dioxide gas was seen as shadows on the film outlining cardiac structures with which it came in contact. The researchers, who published their findings in the *American Journal of Physiology*, reported good visualization with this gas of the heart's valves and great vessels and expressed confi-

dence in the value of the carbon dioxide method in the diagnosis of defects in the partitions which separate the heart's chambers.

The investigators explain that carbon dioxide can be safely injected into the circulation while air cannot because carbon dioxide quickly dissolves in the blood. Air bubbles dissolve much more slowly, lodging persistently in blood vessels and blocking them, often fatally. In 82 tests conducted with carbon dioxide on 43 dogs by the Oppenheimer group, only 1 animal was lost, and this after 3 injections of gas in close succession. These researchers subsequently used the technique safely and effectively on two human patients.

Drs. T. M. Durant, H. M. Stauffer, G. H. Stewart III, P. R. Lynch, and Frank Barrera were among the scientists who worked with Dr. Oppenheimer on the new method.

Overcome anemia resulting from plastic heart valves by using elastic silicone

The anemia sometimes caused by the artificial ball-and-tube heart valves that surgeons insert in certain patients with defective natural heart valves may be prevented in the future by making these devices of softer, more resilient plastic.

Ball-and-tube heart valves conventionally consist of a clear tube made of hard lucite plastic, open at both ends, which houses a freely moving lucite ball trapped inside. In operation the tube acts as an actual segment of one of the heart's great blood vessels; with each surge of heart-pumped blood into this segment the ball moves forward, permitting the blood to pass. Then, as the heart expands to pump again, the ball is sucked back and "seated," preventing backflow of the blood just pumped.

This abrupt seating of the ball with each heartbeat produces a sharp click which can sometimes be heard at a distance of several feet. When this valve is placed in direct continuity with the heart chambers, this concussion is great enough to destroy the red cells caught between the ball and its hard lucite housing, thus producing an anemia which at times may be severe.

The anemia problem was encountered in the course of testing a new type of heart valve device on laboratory animals at the National Heart Institute. The researchers, Dr. Frederick Stohlman, Jr., of the National Institute of Arthritis and Metabolic Diseases, and Dr. Stanley J. Sarnoff, Dr. Robert B. Case, and Miss Zena S. Taylor, of the National Heart Institute, reported at the meeting of the Federation of American Societies for Experimental Biology on their successful attempt to lessen the impact force of the ball by constructing the tubular housing of silicone, a more elastic and resilient material than the lucite ordinarily used.

Trials in animals, the researchers report, indicate the new silicone housing not only lessens red-cell destruction, but also softens the click of the ball so that it cannot be heard.

Rare inborn heart defects repaired with hypothermia illustrate method's value

Hypothermia or "anesthesia with refrigeration" has now been proven by heart surgeons to be a safe and effective way of repairing heart valves damaged by rheumatic fever and congenital holes in the partitions which divide the heart into chambers. A number of the country's top cardiac surgeons are therefore urging wider use of hypothermia to make available for more heart patients the benefits of direct vision surgery in the open and bloodless heart.

Two rare congenital heart defects were recently repaired, with excellent results, using hypothermia, by a group of Minneapolis surgeons who point out in the journal surgery, " * * * it is logical that the technique should also be applied to more difficult intracardiac defects."

A heart with 3 auricles instead of the normal 2 in a 23-year-old man was one of the deformities corrected. Prompted by evidence which at the time suggested the existence of a more common congenital defect and by evidence of a failing heart in this young man, the surgeons chilled him to 86 degrees and opened the auricles of his heart. The pulmonary veins, which normally carry freshly oxygenated blood from the lungs back to the left auricle, were found to drain instead into the extraneous third auricle. A single narrow opening in the extra partition imposed by this chamber was seen to then admit the blood, presumably with some troublesome hindrance, into the left auricle. The surgeons relieved the hindrance by cutting an additional opening in this interfering partition, thus allowing a freer flow of pulmonary venous blood into the left auricle. The young man recovered to excellent general health.

The other congenital defect repaired consisted of abnormal drainage in a 5-year-old child, of all the blood from the lungs into the right, instead of the left auricle. Normally the right side of the heart receives oxygen-depleted

"blue" blood from the tissues en route to the lungs and the left side receives bright red freshly oxygenated blood from the lungs en route to the tissues. In this child, the two kinds mixed together in the right auricle and the only avenue of entry into the left auricle was a series of little holes grouped together in the separating partition between these chambers. The results of this—an oxygen-starved condition of body tissues and an enlarged and failing heart—were corrected under hypothermia by the surgeons, who enlarged the little communicating holes into one large hole in the partition, through which they then directed the flow of pulmonary blood freely into the left side of the heart.

In Surgery the authors, Drs. F. John Lewis, Richard Varco, Mansur Taufic, and Suad Niazi, point out that these surgical experiences themselves constitute a recommendation for hypothermia: "Since both of these unusual and complex repairs were done with the aid of hypothermia we would like, once more, to recommend hypothermia for open intracardiac surgery."

Subject's own lung may serve as oxygenator in heart bypass surgery

In operations during which the blood circulation is made to bypass the heart so that its chambers can be emptied for repairs inside, the subject's own lung, rather than a mechanical oxygenator or the lungs of a donor, can be used to oxygenate the blood, findings from animal experiments show.

Usually, in such total cardiac bypass operations, a mechanical pump and oxygenator are used in place of the heart and lungs. A second method (controlled cross circulation), which makes use of the circulation of a donor to bypass the heart and lungs, was developed recently by a group of surgeons at the University of Minnesota.

This same Minnesota group, which includes Drs. R. C. Read, V. P. George, M. Cohen, and C. W. Lillehei, has now developed, in dogs, the method using the subject's own lung as an oxygenator. In this autogenous lung technique, the two great veins (venae cavae) which return oxygen-depleted blood to the right side of the heart from body tissues are tied off and their blood diverted away from the heart through rubber tubing to a mechanical pump which forces it into the pulmonary artery to the lung (the left lung only was used). Here the blood is oxygenated and returns, as normally, through the pulmonary veins toward the left auricle. Again, rubber tubing diverts the blood away from the heart to the pump which, now acting for the left pumping chamber of the heart, forces it into the carotid artery to the brain, and into the aorta to all body tissues.

Reporting their findings in the technical journal *Surgery*, the researchers point out that the autogenous lung approach will offer advantages over other methods in simplicity, safety, and wide applicability.

NEW KNOWLEDGE AND METHODS

New gage is threaded into chambers of heart for more accurate data on pressures

Blood pressures within the chambers of the heart may be more accurately recorded for the diagnosis of heart defects by means of a new kind of pressure gage which is inserted, through an arm or leg blood vessel, into the heart itself.

The recording of pressures inside the living heart is important in the diagnosis and repair of a number of heart ailments—particularly defective heart valves and holes in the partitions which separate the heart's chambers.

The new gage—known as a cardiac catheter-tip gage—was described by National Heart Institute scientists at the annual meeting of the Federation of American Societies for Experimental Biology. It consists of a catheter which at its tip has a pressure-sensing element containing a tiny diaphragm. The catheter is double, having two open passageways that run its full length but join at the tip end under the diaphragm. Pressure exerted on the outside of the diaphragm causes it to move inward, and narrows the opening between the two passageways. Sound waves are directed down one of the passageways, and are changed by any change in the size of the junction opening, thus coming down the other passageway in an altered form caused by the outside pressure on the diaphragm. The variations produced in the sound are converted, by a receiver at the end of the catheter, to variations in electrical current which are recorded on a strip chart.

In use, the tip of the catheter, with its pressure-sensing element, is threaded into a blood vessel in the arm or leg and pushed down the vessel into the heart. Blood pressures in the chambers of the heart may be easily measured

by means of the device, and recordings obtained in permanent form for thorough and unhurried analysis and interpretation by the physician or surgeon.

With more conventional methods for obtaining pressures inside the heart, the pressure-sensitive device is located outside the body at the end of the catheter. It is connected to the heart by a single long column of liquid inside a single hollow catheter tube. Tiny bubbles tend to form inside this column of liquid, producing distortions in the record. Other errors are caused by the surging movements of the blood past the open tip of the catheter. These errors are overcome with the new catheter-tip pressure gage.

Researchers in aging seek reasons why oldsters have less tolerance for sugars

Scientists seeking to understand the aging process would like to know why our ability to tolerate sugars falls off as we age. Do our body cells tend to lose the ability to use the sugars we eat? If so, why? These questions may be partly answered as a result of findings described by National Heart Institute scientists at the annual meeting of the Federation of American Societies for Experimental Biology.

These researchers conducted tests wherein a sugar (glucose) was injected into the bloodstreams of 35 volunteer men of ages ranging from 23 to 86 years. Blood samples taken at 5-minute intervals after these injections showed definite slowing, with increasing age of the subjects, in the rate at which glucose in the blood disappeared, or was utilized.

Because of the possibility that this decline in the ability to use sugar might be due to a declining supply of (or responsiveness to) insulin in the older subjects, the researchers also studied the effects of increasing their natural supply of insulin. Injections of insulin—a hormone which regulates blood sugar in the body by facilitating its passage from the blood into the tissues—were given all of the subjects at the same time that glucose injections were given.

The researchers found that, even with the insulin injections, lowering of the blood levels of injected glucose was still significantly less in the older subjects. The studies further showed, however, that the ability to respond to insulin also fell off in the older subjects, indicating that this may perhaps play an important role in the decline in glucose tolerance in the aged.

Arcnatinlike drugs support heart action in cardiac tamponade

Ordinarily when the heart is crowded by fluids accumulating in the sac which envelops it or by increased pressures in the chest from abnormal expansion of the nearby lungs, blood pressure falls, and if the compression is not relieved, circulatory failure, or shock, will finally result. At the annual meeting of the Federation of American Societies for Experimental Biology, Heart Institute scientists described the actions of certain drugs which can help the heart to work under such handicaps and which may be useful in emergency situations until the cardiac compression can be relieved. The drugs are synthetic, long-acting, epinephrine-like compounds, which constrict the blood vessels and stimulate the heart.

Cardiac compression, or "tamponade," as it is known medically, may result from a stab wound which penetrates the heart. The pressure of blood released from the heart into its enveloping pericardial sac is often enough to compress the heart fatally. More subtle and obscure in its causes is the gradual accumulation of clear watery edema, or "dropsy" fluid, in the pericardial sac—this kind of tamponade most often develops in patients who already have other heart conditions. Infections involving the sac may also cause fluid to accumulate. High pressures within the chest caused by inflating the lungs under high pressure by mechanical respirators, such as are used to support breathing during operations inside the chest, may also exert a tamponade effect.

The researchers produced cardiac tamponade during one series of experiments by distending the pericardial sacs of five dogs with fluid injected from hypodermic syringes. As the disabling effect of the tamponade on heart action became apparent from the measuring and recording devices used, the drugs were injected. In every animal treated, the researchers reported, these drugs increased the working effectiveness of the handicapped heart.

In a related series of experiments, 17 dogs were subjected to artificial breathing under high enough air pressures to progressively deteriorate blood pressure. With blood pressure and heart action supported by injections of one of the drugs, however, the animals were able to tolerate such air pressures without ill effect about seven times as long as without the drug.

The researchers explained that, besides improving the effectiveness of the heart's ventricles when working under the handicap of tamponade, these drugs

constrict both arteries and veins in the extremities of the body, apparently thus replacing the blood which has been forced out of the lungs and the chest by the abnormal air pressure and lung expansion.

Sonar principle used in measuring dimensions of heart's left ventricle

The principles of sonar, widely used in World War II submarine detection, have now been adapted to a new experimental technique for continuously recording the changing dimensions of internal organs such as the heart.

The new technique, termed "sonocardiometry," was developed by Dr. Robert Rushmer, Mr. Dean Franklin, and Mr. Richard M. Ellis, at the University of Washington, in Seattle, and has been used, in experimental animals, to measure continuously the changing dimensions of the heart's left ventricle. Sonar, the researchers explain, was developed for estimating underwater distances by measuring the time required for sound waves to pass from the transmitter to the target and return to a receiver. Similarly, the distance between transmitting and receiving crystals submerged in a bath of water can be accurately determined by measuring the time required for a sound to pass from one to the other. In measuring ventricular dimensions, two tiny barium titanate crystals, which can convert electricity into sound and vice versa, were sewed to the outer surface of the heart on either side of the ventricle. One crystal, a transmitter, when activated by a pulse of electricity conducted into the chest via a wire, responded with a burst of sound waves which traveled across the ventricle to the receiver crystal where it was converted back into an electrical impulse. This was conducted out of the animal's chest on a wire and displayed as a line extending across the screen of an oscilloscope tube. The distance between the two crystals, which varied with heartbeat, could be determined at any time during recording simply by noting the time interval between the transmitter pulse which, being entirely electrical, was instantaneously recorded, and the receiver pulse, which reflected the comparatively slow passage of sound across the ventricle.

The researchers found that the crystals and their transmitting and receiving wires could be left in place to function reliably for more than 3 months after installation in the animal.

By this method, valuable data were gained concerning changes in left ventricular diameter during responses of the heart to various conditions.

"The sonocardiometric technique is suitable," the researchers explain in an article in *Circulation Research*, "for measuring the changing dimensions of many different internal organs so long as they are larger than 1 centimeter."

Studies confirm value of steroids in treatment of patients with nephrosis

The value of natural adrenal steroid, hydrocortisone, and the synthetic steroid, prednisone, in the treatment of nephrosis has been confirmed by clinical studies at the National Heart Institute. Researchers there recently treated 18 nephrotic patients by oral administration of either hydrocortisone or prednisone for 1 to 2 months. Fourteen of these patients responded favorably, and though four later relapsed, further steroid therapy has again led to relief of their symptoms. The studies were described in the journal *Clinical Research Proceedings*.

Prednisone is about 4 times as potent as hydrocortisone, and the 2 steroids were found to be equally effective in appropriate doses.

The term "nephrosis" refers to a poorly understood kidney disorder, most often seen in children, in which degeneration of certain kidney structures is accompanied by the appearance of protein in the urine and the development of edema.

Dyes found to shorten action of foreign compounds in body

Pharmacologists were told at the meeting of the Federation of American Societies for Experimental Biology of a potentially valuable new kind of biochemical tool—a group of substances which can speed up the rate at which the body's enzymes destroy foreign compounds.

Five such accelerators have been studied at the National Heart Institute. All of these can be thought of as dyes. Three are yellow—riboflavin, riboflavin-5-phosphate (FMN), and flavin adenine dinucleotide (FAD); and two are blue—indigo and Janus Green B. These dyes have been studied in detail by biochemists, but their peculiar property of increasing the rate of enzymatic destruction of compounds foreign to the body was not suspected until recently. The Heart Institute researchers have now shown that the dyes can speed the reduction of a number of different compounds, including chloramphenicol, prontosil, nitrobenzene, and p-nitrobenzoic acid. For example, it was found that FMN accelerates the reduction of p-nitrobenzoic acid from threefold to fivefold.

The pharmacologist seeks to control the actions of drugs in the body. With certain drugs, such as the antibiotics, it may be desirable to prolong their action, while with some anesthetics or other drugs that have serious side effects, it may be advantageous to shorten their action. The length of action of many foreign compounds is determined by the length of time it takes the body's enzymes to destroy them. Therefore, one way to control their duration of action would be by regulating the speed at which this destruction occurs.

A number of substances are known which can prolong the effects of drugs by inhibiting their metabolic transformation. However, substances which can shorten the life of drugs in the body have received little attention. Although, in this respect, the dyes used in this study have no immediate practical application, they are useful research tools. Further study of their mode of action may point the way to the eventual development of clinically useful enzyme accelerators.

Simple mechanical stretch may play a direct role in regulating heart rhythm

The beat of the heart has been found to be directly influenced by simple mechanical stretching of its chambers. Harvard researcher Dr. John R. Blinks has found in animal experiments that increases in pressure inside the right auricle may speed the heart rate as much as 50 percent.

In experiments on 12 hearts which had been removed, intact and beating, from anesthetized animals, Dr. Blinks used balloons to distend the 4 chambers of the heart, singly and together. He found that distention of the right auricle generally produced a substantial rise in heart rate, but distention of the other chambers produced only slight or irregular changes. Further experiments with isolated but beating left auricles from rabbits, guinea pigs, a dog, and a woodchuck confirmed that distention of this particular chamber produces a predictable pattern of beat acceleration.

The right auricle is the chamber which receives all of the expended blood returning from body tissues for oxygenation by the lungs. The rhythm of the heart also takes its origin in this chamber, for the sinoauricular node, or "pacemaker," which initiates heartbeat, is located here. Dr. Blinks found that distention in the vicinity of the pacemaker was particularly effective in speeding heartbeat. Dr. Blinks, who published his findings in the American Journal of Physiology, suggests that the relationship between stretch and spontaneous rhythmicity may be of fundamental importance in the physiology of pacemaker tissues.

Measure "short circuiting" of heart's electricity by blood inside its cavities

The electrocardiograph is valuable in the diagnosis of heart disease because it records the electric currents which are given off by the heart muscle in relation to events that take place in its pumping cycle. However, the accuracy of this record, or electrocardiogram, is distorted by the blood, which is a good conductor of electricity and, as it courses through the chambers of the heart, tends to short circuit the electric impulses from the heart muscle.

Dr. Clifford V. Nelson told conferees at the annual scientific sessions of the American Heart Association of measuring in animals the amount of electricity lost because of short circuiting by the blood. Together with Drs. Hans Hecht, Robert Carlisle, and Arthur Ruby, Dr. Nelson studied the electrical activity of animal hearts in which different fluids of known conductivity had been substituted for the blood. The Nelson group estimated from these experiments that about 25 percent of the voltage from the heart muscle is lost by the time the currents from the heart reach the surfaces of the body, where they are picked up by the leads of the electrocardiograph. In hearts dilated by disease the currents must pass through a greater volume of blood, and the loss of impulse strength was found to be higher.

Concept explains how clots form and grow inside blood vessels

The thrombi, or masses of clotted blood, that often arise in the circulation following injuries, infections, and heart disease, and may block blood vessels, can often be seen on close examination to be made of concentric layers of material, indicating a growth history of successive clots formed one over another.

In a discussion of many aspects of the clotting mechanism, which was published in *Angiology*, Dr. Armand Quick, of Milwaukee's Marquette University, offers a simple explanation of how these laminated blood clots probably form and grow in the circulation. An enzyme called thrombin, Dr. Quick explains, must be present to trigger the formation of any blood clot. Thrombin arises only at the sites of tissue injuries because it requires for its formation a substance

called thromboplastin, which is present in tissues but not in blood. As Dr. Quick envisions the process of thrombus formation, an injury or inflammation in the wall of a blood vessel releases thromboplastin, which leads to the formation of thrombin and immediately produces a clot. When the normal process of clot retraction or "shrinkage" later occurs, the clot exudes serum rich in thrombin which, if the blood stream is sluggish, lingers to produce another clot, attached to the first. Repetition of this process causes continuous growth of the thrombus, which may finally plug the vessel in which it forms, or break loose to drift and plug vessels in remote parts of the body.

Continuing study of blood conditions which influence the degree of clot retraction is urged by Dr. Quick, for multiplication of the original clot is brought about by this process.

Research in aging defines how function of our lungs declines as we grow old

Research findings described at the annual meeting of the Federation of American Societies for Experimental Biology help to explain how the breathing capacities of our lungs decline as we grow older. These findings, made by Heart Institute researchers, show that, as we age, there is a tendency for more of the capacity of our lungs to be given over to fixed immovable air spaces and less to mobile air that can be inhaled and exhaled. Also, the amount of air that can be moved by the lungs tends to fall off with advancing age.

The researchers took careful measurements of the volumes and "breathing capacities" of the lungs of 135 men of ages evenly distributed between 20 and 89 years. The shift with age to the less functional airspace in the lungs was found to be chiefly responsible for the decline in breathing capacity up to age 50. Beyond age 50, the decline in breathing capacity was found to be due more to slowdown in the maximum rate at which these older subjects were able to breathe.

Serotonin in blood found not necessary for normal control of bleeding time

Research has now shown that serotonin in the blood, generally considered to be involved in the normal control of bleeding apparently does not have this function.

Serotonin is a substance in brain and intestine, and in blood platelets—tiny disk-shaped corpuscles throughout the blood. Serotonin can constrict blood vessels, and it was thought that its liberation from ruptured platelets at the sites of wounds slowed down bleeding and encouraged the formation of clots. It is this assumption which has been challenged by the new research findings.

Scientists of the National Heart Institute have found that, by giving reserpine, a drug now widely used to treat mental illness and hypertension, they can liberate bound serotonin from the blood platelets of laboratory animals.

As a result, the platelets are depleted of their serotonin. The time required for wounds to stop bleeding in rats, rabbits, and guinea pigs so treated was the same as that required for untreated animals. This research was reported in the *Journal of Pharmacology and Experimental Therapeutics*.

Absorption from topically applied hormone measured with use of new drug

Reporting in the *Journal of Clinical Endocrinology and Metabolism*, a Heart Institute researcher describes the action of a new drug which, by temporarily suppressing ACTH secretion in the body, allows measurement of hydrocortisone absorbed from local, or "topical," applications. The new ACTH-suppressing drug is known as delta FF (delta 1, 9 alphafluorohydrocortisone). It is a synthetic relative of the natural "glucocorticoid" hormones (e. g., cortisone and hydrocortisone) from the adrenal gland, which have been so valuable in treating inflammatory diseases. The new drug was developed from these natural hormones in progressive steps during recent years by chemists in several research laboratories, including those of the National Heart Institute.

Hydrocortisone, like cortisone, is given off into the blood from the adrenal glands in response to ACTH, a pituitary hormone. Although scientists have ways of judging the total amount of hydrocortisone present in the body, prior to the new findings there was no simple way of telling how much of this total came from the subject's adrenals and how much was absorbed from the topical application.

By suppression the production of ACTH in the body, delta FF prevents the adrenal glands from secreting natural hydrocortisone. All of the hydrocortisone found in subjects treated with delta FF must therefore have been absorbed from the medication.

The usefulness of the new drug was demonstrated at the Heart Institute in a pilot study on absorption of hydrocortisone from the skin and mucous surfaces

in a series of normal volunteers. The findings from this group showed that very little (2 percent) of the hormone was absorbed through the intact skin, but considerable (26-29 percent) was absorbed from the mucous surfaces studied (vaginal and rectal).

Hydrocortisone represents a powerful natural hormone which not only suppresses inflammation but also plays a part in regulating the body's use of carbohydrates and its responses to stress. It is important to know whether local applications of hydrocortisone get into the general circulation because its side effects can be dangerous when its use is not controlled.

Senator HILL. Would you highlight 1 or 2? Then we will put the whole story in the record.

Dr. WATT. All right, sir.

HARDENING OF THE ARTERIES

In the field of hardening of the arteries, I suppose the most striking fact that has come out this year is our beginning understanding of the fact that fats in our diet are not the simple substance that many of us have believed and have thought of as a single unit, but that, rather, fat is a very complex substance which has a very active role in our body's way of getting along. An important factor now, which is in focus this year as a result of studies, is that we have to consider the different kinds of fats.

Senator THYE. Mr. Chairman, if I might ask this question at this point.

How did you discover this new element of the fats? Was that because of research project or was that an accident?

Dr. WATT. No, sir; it was planned research projects.

Senator THYE. In other words, the funds that were made available to permit you to broaden your field of study and research enabled you to get into that particular phase that you had not been in before?

Dr. WATT. These fields have come into focus this past year, sir, very definitely. Actually, these studies have been enlarged this past year. It is one of the findings we are beginning to exploit, Senator Thye. This finding is actually a result of funds that were appropriated several years ago. It takes several years for these projects, once started, to reach a definitive conclusion.

This conclusion was reached this past year, and as a result of that we have been able to open up and expand the studies in the field. The funds that were available last year permitted a much more rapid exploitation of this finding, I would say, rather than the fact that those funds actually opened up this one finding in a single year. They are studies that have been going on for a few years and the finding is a result of patient unraveling of this very complex field.

Senator PASTORE. What does that mean? You say it is not as simple, but it is a lot more complex. What does that mean in simple terms?

FATTY ACIDS IN DIET

Dr. WATT. It means that we must, in understanding our dietary studies, not just count the number of calories in fats, but we must begin to find out what kinds of fats contribute to those calories. We speak of fatty acids, fatty acids that are saturated or unsaturated being one of the ways the chemists divide them.

It seems that there is a balance that is most important in our body, that if we take too much of one type of fat in relation to another, this may cause difficulties to the body in handling it.

Now, the precise balance, the precise point at which we have optimum balance, is not known. In fact, we did not even look for this balance until we studied certain groups of people, where they had a very high amount of one fat versus a high amount of another, and with a combination in between the two. And it is only with the pointing out of this discrepancy that we were aware of the fact that these different kinds of fats were really important in our diet. And this is where the whole interest has focused.

Now, this is an extremely exciting thing to our scientists, because it gives them an opening wedge, shall I say, to look into the whole complex subject of fats.

QUESTION OF OBESITY

Senator PASTORE. Where does this put this whole question of obesity?

Dr. WATT. I do not know, sir. There is a conference that has just been completed looking into just this particular point. We do not know exactly where it is going to take us, except that we know it is a new finding. It has shed light on a new field, and it is certainly going to lead to exciting developments.

Senator HILL. Doctor, Senator Stennis of Mississippi, who is a member of this committee, was very anxious to be here today, but he is on another committee which is meeting all day, and that makes it impossible for him to be here. But he had two questions that he wanted me to ask you, sir, right on this very question of fats.

VEGETABLE OIL AND ANIMAL FAT FOODS

What are the facts concerning the relationship of vegetable oil foods and animal fat foods to heart disease, so far as you know?

Dr. WATT. That is a difficult question, Senator. There are a whole series of them. If I may, at the risk of oversimplification, see if I can pull these into a familiar frame of reference, I think the background to that question is related to the point I have just discussed.

Senator HILL. I thought it was germane today.

Dr. WATT. In so-called vegetable oils, there is a higher percentage of these unsaturated fats than in some of the animal fats themselves.

Dr. SHANNON. I was going to say, Dr. Watt, that you do not have most vegetable oils in their native state. They are usually processed before you get them. And it is in the processing that the character of the oil is changed somewhat. That was the point I wished to make.

Dr. WATT. But what we have in some of these studies actually is still a little bit unrealistic, Senator Hill, in terms of knowing how to apply the information to our own diets at the moment; since some rather unusual oils have been used in these studies.

For example, safflower oil is one of the oils that has been used in the studies, and this is not of particular importance to us in terms of our diet, because I think we would have to change the economy of the world, virtually, to be able to think in terms of safflower oil being available to us as a foodstuff. It is a valuable experimental tool, but we will have to see how information obtained from studies of this unusual oil relates to the common foodstuffs that are available.

CORN OIL

I was also interested recently in the question of corn oil, for example, which has a fairly high amount of this unsaturated fat in it.

Here again, we do not produce enough of that oil to actually serve to satisfy our needs, even if we were to assume that this was the one that was best, which we do not know at the present time. But even if it were shown to be, it would take a major change in our whole economic structure before we could actually make a major shift in current use.

Actually, there would probably be much simpler ways of handling this problem, I am told by the people in the industry, in this respect. They tell us once they know what the facts are as to what is the optimum amount or type, this can be done quite simply; adjustments can be made in the manufacture and in the processing of the various fats and oils, to be able to see to it that the optimum amount is available. But we need the facts before we can know what direction to move in.

I think that, specifically, when it comes to an individual patient, the physician who is taking care of that man, who knows his specific diet, who knows his way of life and the way that he, as a person reacts to foodstuffs, that physician must give him specific recommendations.

When it comes to making a generalization, though, to speak in terms of people as a whole; in other words, to apply this, to generalize from the specific to the people in this room, there I do not think we know enough to make any categorical statement. And, in fact, I would recommend that we not at this time make a categorical statement for general use in this particular field.

Senator HILL. Now, is that your answer specifically to the question now? What are the facts concerning the relationship of vegetable oil foods and animal fat foods to heart disease, so far as is now known, so far as we now know it?

Dr. WATT. So far as is now known, we know that these fatty materials are important to the level of fat in our own bodies and the way we handle fats. Just exactly how they should be best worked out on a general basis we do not know, but it has been one of the exciting areas for further research really started intensely this year.

Dr. DEARING. Would you say also that it is possible that there may not be a general approach, but that the approach may have to vary between different classes of individuals?

Dr. WATT. So far as I have any evidence now, I would have to make that prediction; yes, sir.

Senator HILL. Senator Stennis had another question, which is right in line with the first.

SPECIAL ADVANTAGES OF BUTTER

In your judgment, is it justifiable to claim special advantages for butter, for instance, as compared to margarine?

Dr. WATT. I do not see any basis for making special comparisons at this moment in either direction in terms of a foodstuff. I do not believe we have the evidence to make them. I think we have got to have fats in our diet, and a balanced diet is still the best recommendation that I can make for anyone.

Senator THYE. Mr. Chairman, at that particular point: You have made rather striking new determinations in this past year in that fatty condition and the certain blood counts that are to be found from fatty diets. I have read some articles that would indicate that you had actually opened up on to what might be some further required studies in the fats and the oils, whether it be mineral or animal, to conclusively arrive at what the status is, from what yesterday's decision had been in the medical world.

Dr. WATT. That is right, sir.

TOBACCO HEART

Senator HILL. We used to hear a lot about "tobacco heart" in the old days. Is there such a thing that you scientists now speak of as tobacco heart, whether it is enlarged, impaired, or injured in some way from the use of tobacco?

Dr. WATT. There are people who are sensitive to tobacco that way, but the old term "tobacco heart" as I remember them talking about down in south Georgia—I do not remember hearing this kind of talk any more. They used to say to the kids, "Watch, out, boy. If you smoke you are going to get a tobacco heart." I have never really found out what was meant by that since I got into medical school.

Senator PASTORE. Let me ask this question, Doctor. Then you say now that positive findings later on, which have not yet been determined, might pretty well prove that in one category of people it might be well to eat butter and avoid a heart condition, and in other people oleomargarine and avoid a heart condition?

INTERRELATION OF FOODSTUFFS

Dr. WATT. I think it is entirely possible that we will find that the other components of the diet may be as important in determining the type of fat we would eat effectively, and utilize effectively. What we eat is one thing. What we utilize and burn is something else again. And this is controlled by the other factors in our diet. And the way we use it, I think, is going to depend on these interrelated variables, rather than the one specific factor in itself.

It is an interrelation of foodstuffs, those that help each other, that is going to be the factor in the thing.

EFFECT OF OVERWEIGHT

Senator MAGNUSON. But is it not clear that overweight is more conducive to heart disease or to strain on your heart than in the case of a person that is not overweight? Is that not correct?

Dr. WATT. In our Framingham study this past year we analyzed some of the earlier data which had come out of this study, and we found that three variables showed a higher risk of heart disease associated with it.

Senator MAGNUSON. That is the word I intended to use connected with it, risk.

Dr. WATT. One was a higher than average weight; another was a higher than average blood pressure; and the third was a higher than average blood cholesterol. Now, each of these had about the same increased risk associated with it. When you took any two of

them the risk did not go up by addition, but it went up by multiplication. Two of these factors together were four times as serious as just one of them all by itself.

And beyond the fact that we have begun to measure the increase in risk that is involved, I would not go. I think as we pinpoint these risks, as we begin to see the actual amount of increase, and get that fairly well fixed, then we will be in a position to separate out the increases and make comparisons which will really lead us to some solid knowledge in these respects.

Senator MAGNUSON. But the risk is greater when you do. Because I had a doctor once tell me, "You never saw a fat man marching in a GAR parade."

Dr. WATT. That is quite true, sir.

Senator HILL. There is more strain on the pump; is that not true?

HEART SURGERY

Dr. WATT. This is one area, as I say, where there have been some extremely exciting developments, and the same thing is true in each of the other fields. Heart surgery is one of the particularly spectacular ones during the year.

There have been a number of articles, which perhaps you have seen, on that subject.

HEART-LUNG PUMP

This year it has been particularly brought into focus that we need to have a really coordinated study of where we are going in the heart-lung machine, the pump, which is now being used, and there have been some developments in a number of different places. Our council has taken this under advisement, and we have asked the Surgery Study Section to call together a special conference of the people who are actually doing the progressive work. They are working on it in Rochester, Minn., and the University of Minnesota, and they have a similar machine in a number of parts of the country. Some of them have developed machines which they speak of as high-output machines, and others which they call low output.

The problem is: How much gain would you get from a large volume of blood passing through the body, contrasted with the complicated machinery you have to have to bring this large volume output?

There are a number of problems in terms of technicalities of developing it. All of these machines have been engineered to the point of use, to the point of saving lives, but they have not been engineered to the point that is at least conceivable, of really a simple practical small machine that could be generally used for many purposes.

This subject has been developing over several years, due to your interest in supporting this area, so that now we have the opportunity, by getting these pioneers together, to really set out what are our goals for the next 5 years.

CLEVELAND CONFERENCE

I might also add that this same type of getting together of the experts is going on in the field that we discussed a little earlier. There is a meeting out at the Heart Institute today on the subject of fats in relation to foods, and a special conference of chemists in both industry and in medical research being held on the 7th of this month in Cleve-

land under the sponsorship of the Heart Institute and chaired by Dr. Irvine Page, who is heading this particular meeting of chemists. They tell me he is afraid, though, that he is making some people unhappy by it. He has had over 250 requests beyond the limit that he had set of 100, as being the maximum who could work in conference. He has had over 250 chemists ask to be allowed to come to this conference. So the subject is timely, and people are really getting together on it.

CHEMISTRY OF THE BODY

Senator HILL. The thing that impressed me most about all this testimony today is that the basic thing—am I right in this?—that you deal with in all this research is what we might call the chemistry of the body? Is that right? In other words, when we were in high school or college and studied chemistry, we knew if you took a certain substance and mixed it in with another substance, you would get a certain result. If you take this substance and mix it in maybe with a third substance you would get a third result. That is what you are saying to us now particularly about these fats. Your animal fat might go all right if you want to have this substance with it, whereas if you want to have this other substance it might be harmful?

Dr. WATT. That is essentially the phase on which we are working at the present time. That is right.

I could go on, Senator Hill, for the rest of the afternoon.

As I say, I do not want to take any more of your time on it, but I would be glad to answer any questions you have.

Senator HILL. It is most interesting.

Doctor, we certainly very much appreciate your appearance, and this most interesting presentation.

Dr. WATT. Thank you.

DENTAL HEALTH ACTIVITIES

STATEMENT OF DR. FRANCIS A. ARNOLD, JR., DIRECTOR, NATIONAL INSTITUTE OF DENTAL RESEARCH; ACCOMPANIED BY DR. JAMES A. SHANNON, DIRECTOR, NATIONAL INSTITUTES OF HEALTH; DR. W. PALMER DEARING, DEPUTY SURGEON GENERAL; ROY L. HARLOW, CHIEF FINANCE OFFICER; AND JAMES F. KELLY, DEPARTMENT BUDGET OFFICER

APPROPRIATION ESTIMATE

"Dental health activities: For expenses not otherwise provided for, necessary to enable the Surgeon General to carry out the purposes of the Act with respect to dental diseases and conditions, **[\$6,026,000]** *including purchase of two passenger motor vehicles, of which one shall be for replacement only, \$6,430,000.*"

APPROPRIATION LANGUAGE CHANGE

The change in language provides authority for the purchase of 2 station wagons, 1 for replacement only. These vehicles are for use in research and field studies for transportation of research personnel and research patients, for collection of scientific data, and for transportation where public transportation is not adequate. Listed below is the vehicle to be replaced.

Tag No.: 2091.
 Year: 1951.
 Location: Charlottesville.
 Mileage June 30, 1956: 50,831.

Amounts available for obligation

	1957 appro- piation	1958 budget estimate	1958 House allowance
Appropriation or estimate.....	\$6,026,000	\$6,430,000	\$6,430,000
Additions:			
Comparative transfer from "General research and services, National Institutes of Health," Public Health Service ..	19,000	0	0
Deductions:			
Unobligated balance, estimated savings.....	-100,000	0	0
Total obligations.....	5,945,000	6,430,000	6,430,000

Obligations by activities

Description	1957 appropriation		1958 budget esti- mate		1958 House allow- ance	
	Posi- tions	Amount	Posi- tions	Amount	Posi- tions	Amount
1. Grants:						
(a) Grants for research projects.....		\$2,600,000		\$2,825,000		\$2,825,000
(b) Research fellowships.....		500,000		500,000		500,000
(c) Training grants.....		500,000		500,000		500,000
2. Direct operations:						
(a) Research.....	104	1,035,000	104	1,184,000	104	1,184,000
(b) Review and approval of grants.....	7	98,000	7	102,000	7	102,000
(c) Professional and technical as- sistance.....	91	824,500	91	911,000	91	911,000
(d) Coordination and development of dental resources.....	30	287,500	30	301,000	30	301,000
(e) Administration.....	11	100,000	11	107,000	11	107,000
Total obligations.....	243	5,945,000	243	6,430,000	243	6,430,000

Obligations by objects

	1957 appro- piation	1958 budget estimate	1958 House allowance
Total number of permanent positions.....	243	243	243
Full-time equivalent of all other positions.....	22	22	22
Average number of all employees.....	240	249	249
Number of employees at end of year.....	299	307	307
01 Personal services.....	\$1,560,484	\$1,627,284	\$1,627,284
02 Travel.....	100,300	102,000	102,000
03 Transportation of things.....	17,400	17,000	17,000
04 Communication services.....	9,500	9,600	9,600
05 Rents and utility services.....	3,700	3,700	3,700
06 Printing and reproduction.....	11,600	13,300	13,300
07 Other contractual services.....	52,500	94,900	94,900
Reimbursements to "General research and services, National Institutes of Health," Public Health Service.....	354,200	479,000	479,000
08 Supplies and materials.....	112,900	116,500	116,500
09 Equipment.....	119,100	77,100	77,100
11 Grants, subsidies, and contributions.....	3,600,000	3,825,000	3,825,000
Contribution to retirement fund.....	0	57,500	57,500
15 Taxes and assessments.....	6,600	10,400	10,400
Subtotal.....	5,948,284	6,433,284	6,433,284
Deduct charges for quarters and subsistence.....	3,284	3,284	3,284
Total obligations.....	5,945,000	6,430,000	6,430,000

Summary of changes

1957 actual appropriation-----	\$6,026,000
Transfers: Comparative transfer from "General research and services, NIH"-----	+19,000
Estimated savings-----	-100,000
Adjusted 1957 appropriation-----	5,945,000
1958 appropriation request-----	6,430,000
Net change requested-----	485,000

	Posi- tions	Estimate	Posi- tions	House allowance
For mandatory items:				
Annualization-----		\$77,300		\$77,300
Retirement-----		74,400		74,400
Social security-----		100		100
Pay in excess of 52-week base-----		3,100		3,100
Wage board-----		6,000		6,000
		160,900		160,900
For program items:				
Increased overhead costs-----	0	225,000	0	0
Expansion of research grant program-----	0	0	0	225,000
Expansion of services furnished centrally-----	0	99,100	0	99,100
Total change requested-----	0	485,000	0	485,000

STATEMENT BY DIRECTOR, NATIONAL INSTITUTE OF DENTAL RESEARCH, PUBLIC HEALTH SERVICE

Mr. Chairman and members of the committee, a total of \$6,430,000 is requested for the appropriation, "Dental health activities, 1958," which represents a net increase of \$404,000. This additional amount is requested to cover the costs of an anticipated increase in institutional indirect operating costs of research grants, for annualization costs, for increased retirement and social security payments, and for increased cost of services furnished centrally for the National Institute of Dental Research.

The emphasis of the Institute's research program will continue to be placed on a broad array of clinical and basic biological investigations. These include such studies as cause and correction of abnormal patterns of facial growth, the inheritance factor in congenital dental disease, and the prevention of dental decay and periodontal disease (pyorrhea). Major attention will be given to the initiation of training programs to increase scientific manpower.

In the dental research projects supported by grants, greater emphasis is being placed on studies of a fundamental nature. This trend, which was commented upon by this committee last year, will continue to be emphasized by the National Advisory Dental Research Council as it reviews applications for research grants and makes recommendations regarding their activation.

The requested appropriation also provides for continuing our studies on the development of dental resources. These studies provide data on dental manpower and its distribution as well as such associated problems as methods of dental payments for dental services and the costs of dental education.

This appropriation also provides funds for professional and technical assistance to develop effective methods of reducing the burden of dental disease and to furnish consultation to States and communities in the application of these methods.

On the basis of the \$200,000 appropriated for fiscal 1957, preliminary planning for the Dental Institute building has gone forward. We are negotiating with the architects for design, specifications, and drawings.

The House of Representatives has inserted a provision prohibiting a proposed increase of from 15 to 25 percent in overhead costs for research grants. Dr. Shannon, in his opening statement, has commented upon the adverse effect that this action will have upon research activities in the long run. I should like also to ask that these increases in indirect costs be allowed. The authority to

purchase two station wagons was also eliminated. Restoration of authority for the purchase of one of these vehicles is requested.

Diseases of the teeth and their supporting structures affect nearly everyone sooner or later. Dental decay, loss of teeth, malocclusion, diseases of the mouth tissues, cleft lip and palate—all of these bring a heavy burden of pain, infection, and dysfunction. All impair personal comfort and efficiency and exact a considerable economic toll as well. It is to help reduce or eliminate these problems that the dental health activities are carried on under this appropriation.

These proposals support the intentions of the President in continuing the Nation's attack upon disease through expanding medical research. The House of Representatives, in the passage of this appropriation bill, took action to change some of the premises upon which these proposals as submitted by the President were based. I will comment directly upon those later in the statement.

The first component of this program is research—the pursuit of fundamental knowledge upon which education, prevention, and treatment can be based. This task is mighty, and the men and means are as yet too few. In dental research, as in other scientific fields, there is a crying need for more basic research and for the trained investigators and modern facilities that make research possible.

This past year, through increased funds made available under this appropriation, the National Institute of Dental Research has helped achieve a substantial increase both in the volume and the scope of dental research activity throughout the country. These funds have permitted making a major expansion in the research grants program within the past fiscal year. The increases also have permitted the initiation of a new and much-needed program in our dental health activities, namely, the training grants program.

The expanded research grants program has stimulated and encouraged scientists in many needy areas of investigation. Applications for research grants have steadily mounted month by month following the announcement of increased sums available for this program. The total impact of the increase will be more noticeable when a tabulation is made at the end of the fiscal year. A recent tabulation by the Division of Research Grants showed that, up to the date of the survey, more applications had been received for dental research grants than for any other time in the history of the program.

An increased number of fellowships were awarded to the most promising students, thus increasing our future research potentiality.

The inauguration of the training grants program has permitted the establishment of special training centers for producing trained personnel for the field of clinical research or academic careers. Although this program of training is new to dental schools, they have made remarkable progress in getting such training centers underway.

DENTAL RESEARCH

Grants for research projects.—The primary purpose of the grants for research projects under this appropriation is to support investigations which probably would not be undertaken if Federal funds were not available. In 1957, the Dental Institute is administering grants which support about 240 projects in non-Federal institutions. These projects include such research investigations as the study of uptake of dietary factors by the tooth surfaces; the blood supply of the gingivæ and periodontium; the structure of developing tooth structures as shown by X-ray microscopy; the effects of aging on the soft tissues of the normal mouth; the treatment and repair of congenital deformities; and the effects of dental health on general systemic disease.

Each grant is reviewed by the National Advisory Dental Research Council. It is the duty of this group of private citizens, as you know to see that the separate projects receiving support from the National Institute of Dental Research together make up as well-rounded a research program as funds will permit. When the opportunity of an expanded program became a reality for fiscal 1957, a special committee was appointed to see that special consideration was given to the stimulation of research in neglected areas.

During the last 12 months the number of pending requests for research project grants has increased more than tenfold. This situation reflects the relatively low level of support of dental research activity previously and the impetus given by the increased funds made available for the current year. Not only the number of grants has increased but there has also been a very striking increase in the number of different types of institutions participating in the program.

The increase requested in this item for 1958 is to cover increased institutional indirect costs of the research projects. Approximately the same number of grants should be supported in 1958 as in the current fiscal year.

Research fellowships.—The purposes of the research fellowship program under this appropriation are to help promising students complete their graduate studies and to promote the development of mature research scientists. The Dental Research Institute's program is currently supporting about 60 fellowships at the predoctoral and postdoctoral levels. However, the number of students enrolled in advanced basic science courses and the number of young dental graduates who are preparing for research careers continues to lag behind the needs in these fields. Under the proposed budget this program would remain at the same level in 1958 as in 1957.

In addition to the full-time research fellowship program, support is also being given to some 240 undergraduate dental students on a part-time basis. This program is an important element in the development of research personnel. These young students are assigned to research projects under the guidance of experienced faculty investigators. In this way they explore their interest in and capacity and potential for research.

Training grants.—The objective of the training grants program, inaugurated in 1957, is to establish and support a limited number of training centers in dental schools throughout the country. In such centers there would be training in the latest methods of clinical procedures, together with training in the basic science fields related to these procedures. Emphasis is being placed on indoctrinating teachers of clinical procedures with the disciplines of research in their field.

The result of such training will be to produce clinical teachers in our dental schools who have knowledge of the field of research. This will accomplish a long-needed integration of the basic biological sciences with the clinical departments of dentistry. This in turn will result in increased activity in clinical dental research which will encourage more dental students to enter research and academic careers. This result will ultimately improve the standards of dental treatment received by the people as a whole.

Research at NIDR.—The diseases and malformations of the mouth represent the most highly prevalent health hazards in this country today. Continuous fundamental research is conducted at the National Institute of Dental Research to obtain the knowledge needed for better preventive measures, better control procedures and better treatment methods. This operation will be carried on at approximately the same level during the next fiscal year.

As the members of the committee are well aware, the results of a long-range program of basic research are not readily reportable in terms of one 12-month period. One development leads to another, and the solution of one problem raises further questions, so that it is difficult to draw a line at any one point and say that investigation has been completed. Nevertheless, certain discoveries, advances in techniques, and development of new methods indicate that progress is being made in our investigations which are becoming broader and increasingly more fundamental in character.

Just recently, an investigator in oral bacteriology has developed a selective medium for the primary isolation of oral streptococci and diphtheroids. This unlocks another door for us in our search for the relationship between dental disease and rheumatic heart disease and other chronic disabling conditions of man.

Bacteriological studies will be extended during the next fiscal year to answer some of the following questions: Should antibiotics be given to a patient with rheumatic heart disease who is to have dental therapy? If so, which is the best antibiotic, or combination of antibiotics, to be used? Should the same plan be followed in a patient with rheumatic heart disease who has been receiving prophylactic penicillin for a prolonged period as in a patient who has not received such treatment? The Heart Institute will collaborate in this study and it is expected that valuable information will be forthcoming.

Periodontal disease, that is, disease of the supporting structures of the teeth, is receiving more attention. Studies are being conducted to learn more of the processes of inflammation that have a direct bearing on periodontal disease, which accompanies advancing years. For example, a new method has been devised to produce an acute localized inflammatory response in soft tissues of the mouth. The stimulus is an impulse of radiofrequency electric current. Inflamed tissue is subjected to microchemical analysis immediately following the

inflammatory shock and during its subsequent recovery. These studies can lead to understanding of the tissue chemical changes associated with pyorrhea.

Some concern has been expressed about the possible physiological damage that could result from the use of ultrasonic dental drills, particularly in the case of children. In a joint investigation, the National Institute of Dental Research and the Naval Dental School have produced evidence of tissue damage in experimental animals resulting from the use of such instruments. The biological effects of the newer high-speed drilling techniques are also being studied both in humans and experimental animals.

We are also furthering our knowledge of the value of fluoridation. Earlier studies have shown the effectiveness of fluoridation of public water supplies as a means of preventing dental caries when the fluoridated water is used by children from birth. Additional evidence now shows that caries is also inhibited in children who begin drinking fluoridated water just prior to or shortly after the eruption of their permanent teeth.

In genetics valuable information has been obtained from the study of a large number of inbred population groups existing in the eastern half of the United States. This originated from a current need to secure data on which to calculate mutation rates. These studies have opened new vistas in the study of heredity, not only with respect to dental conditions, but also other medical fields. Because of the wide variety of supposedly inherited conditions in the present study group, an interest in the study has been stimulated in scientists of several of the Institutes. It is planned to broaden this study in order to determine the interrelationship of these various disease conditions, which include blood dyscrasias, mental disorders, kidney disease, and skeletal disturbances as well as dental disorders.

PROFESSIONAL AND TECHNICAL ASSISTANCE

Professional and technical assistance is also offered to States and cities under the "Dental health activities" appropriation. The purposes are to develop effective methods for reducing the burden of dental disease and to furnish consultation and guidance to States and communities in the application of these methods.

This activity by the Division of Dental Public Health includes the collection and analysis of data on the prevalence and incidence of oral diseases and conditions; the development and testing of equipment, materials, techniques, and processes which appear feasible for widespread adoption in public health practice; and the provision of consultation to States and communities requesting assistance.

Last year it was reported to this committee that a special process had been developed to utilize calcium fluoride—that is, fluorspar, a very abundant natural chemical—in the fluoridation of public water supplies. The principal advantage of using fluorspar rather than one of the other fluoride compounds is that fluorspar is considerably less costly.

We are pleased to report this year that field testing of the fluorspar process has demonstrated its practicability. If the new process were to be used in the city of Baltimore, Md., as an example, the chemical cost of that fluoridation operation would be reduced from \$80,000 to \$26,000 a year. Comparable savings could be obtained in other cities, depending upon the nature and size of their water systems.

As you know, the reduction of dental decay that can be achieved through water fluoridation is as much as two-thirds. One-fourth of the population using public water supplies now drinks fluoridated water. More than 1,400 communities with a total population greater than 30 million are now fluoridating. Ninety-five of every 100 cities adopting this preventive health measure have done so on the basis of administrative decisions made by the officials of the local government.

About one-third of the people of this country depend upon individual installations for their water supply. Development of inexpensive and effective fluoridation equipment for these rural homes is essential if farm children are also to be protected against tooth decay.

This year we tested the use of home fluoridation equipment in four homes with private wells in Montgomery County, Md. The homeowners are in charge of this equipment, and periodically recharge the stock solution container and provide finished water samples to the laboratory for analysis. A second project has been started in Michigan, using 18 home fluoridators. These projects are planned to

provide information on cost, interest in, and acceptance of home fluoridation equipment and field experience in its operation.

A series of studies have been conducted in recent years to provide data on the continuing need for dental services among children who already receive regular dental care. As part of this project, studies are now being conducted to determine the need for dental service among schoolchildren in communities that either have naturally fluoridated water or use controlled fluoridation.

In addition to studies of the technical aspects of fluoridation and defluoridation, long-range projects are being conducted to develop better methods of rendering dental services to older patients. Last year, studies were begun of the special problems of furnishing dental care services to chronically ill or aged patients who are institutionalized or homebound. These studies are underway at the Nevada State Mental Hospital, Reno, Nev., and the Montefiore Hospital and Beth Abraham Nursing Home, Bronx, N. Y.

This appropriation request provides for continuation of all professional and technical assistance activities at the 1957 level of operation, plus a modest expansion and acceleration of work on the dental problems of chronically ill and aged persons. The increase requested would permit the development and improvement of special techniques for the dental treatment of institutionalized or homebound patients, especially those who may be bedfast or unable to cooperate due to the nature of their illness.

COORDINATION AND DEVELOPMENT OF DENTAL RESOURCES

The primary goal of American dentistry has always been that of providing the best possible dental care for the greatest possible number of persons who are in need of care. It is becoming increasingly apparent, however, that a shortage in the supply of practicing dentists is developing in the United States. This shortage may cause serious health problems unless prompt and effective action is undertaken to forestall it.

There are almost 5,500 more dentists practicing today than there were 15 years ago, but increases in numbers of dentists have not kept up with our huge population growth. In 1940, there was about 1 practicing dentist for every 1,900 persons. By 1955, there was a much less favorable ratio—1 to every 2,200 persons. Dental schools are training more students than ever before, but the number of dentists entering practice each year is nevertheless almost 500 less than the number needed to maintain the current level. Should this adverse trend continue, we will have by 1975 a dentist population of almost 95,000 but a ratio of only 1 to 2,300 persons—the most unfavorable supply situation since the beginning of the 20th century.

In cooperation with the Western Interstate Commission for Higher Education, the W. K. Kellogg Foundation and the American Dental Association, a detailed analysis has been made of current and future dental supply and demand patterns in 11 Western States, Hawaii, and Alaska. This report will be used to help plan the future expansion of dental education facilities throughout the western region. A similar study of dental manpower requirements in the 17 Southern States has now been undertaken at the request of the Southern Regional Education Board and with the support of the American Dental Association and the W. K. Kellogg Foundation.

An eight-part survey entitled "Dental and Dental Hygiene Students: Their Characteristics, Finances and Practice Plans" has been completed in cooperation with the council on education of the American Dental Association. It was found that no category of students was able to meet even half the cost of their professional education from personal savings or earnings. Most students looked to parents or wives for the money needed. Fifty-seven percent of the student body was in debt by the time they were graduated. This objective study of the students' problems in acquiring a dental education can serve as a guide for the appraisal of various types of financial aid available to dental students and dental schools.

While more dentists must be trained, it is also important that their services be utilized more efficiently. The American Dental Association reports that 2 out of 5 dentists are so busy that they cannot treat all patients seeking appointments or must put in more hours than they should. Efforts are consequently being made to stimulate more widespread use of trained auxiliary personnel.

The dental hygienist, for example, is trained to perform duties which account for as much as a fourth of the average practitioner's time. The dental assistant, by giving direct chairside assistance to the dentist, also enables him to reduce the

treatment time required for each patient. Under this appropriation, therefore, pilot programs are being sponsored in several dental colleges to develop more effective methods of training dental students to work with dental assistants.

Another important development is the application to dentistry of the principle of voluntary health insurance. Although prepayment plans covering hospitalization and medical care are now commonplace, prepayment plans covering dental care are in an earlier stage of development. Research is required to determine equitable rate structures, effective administrative procedures, and cost and utilization patterns. The effect of new preventive and corrective technics on the overall pattern of dental care must also be considered in developing prepaid dental care plans.

A study of voluntary prepaid dental care plans has therefore been conducted under this appropriation. Developments in the prepayment field that will help in planning of effective prepaid dental care plans are being surveyed and evaluated. As a part of this program, the Division of Dental Resources this year sponsored a national conference of specialists in this field.

The factfinding program of the Division of Dental Resources is proposed for continuation in 1958 at its present level.

Of the \$485,000 increase in obligations proposed for 1958, \$225,000 would cover an anticipated increase from 15 to 25 percent in the allowance for institutional indirect operating costs (overhead) in research grants. The balance of the increase would meet annualization costs of current programs (\$73,900); increased retirement and social-security payments (\$61,300); and the Institute's proportionate share of additional costs of services centrally performed (\$124,800).

In summary, Mr. Chairman, if this appropriation request is approved, the dental health activities of the Public Health Service will go forward in the next fiscal year at approximately the present level. Research and training will remain at the same level in 1958 as in 1957, the increase in funds requested being necessary to cover increased overhead costs of the research supported. Professional and technical assistance activities would receive an increase in funds to permit expansion and acceleration of studies to develop better methods of bringing dental care services to chronically ill or aged patients who cannot go to the dentist's office. The coordination and development of dental resources activity would be maintained at its present level.

EFFECT OF HOUSE ACTION

The House, acting upon this appropriation, has prohibited making an increase of from 15 to 25 percent in overhead costs for research grants. Dr. Shannon, in his opening statement, has commented upon the adverse effect that this action will have upon research activities in the long run. I should like also to ask that these increases in indirect costs be allowed. The authority to purchase two station wagons was also eliminated by the House. I should like to ask that the authority to purchase one new station wagon be allowed. This vehicle is required by our staff located in Brandywine, Md., who are responsible for collecting scientific data and transportation of personnel for the genetics study in Prince Georges and Charles Counties, Md., where public transportation is not available.

GENERAL STATEMENT

Senator HILL. Dr. Arnold?

Do you have a filed statement, Dr. Arnold?

Dr. ARNOLD. Yes, sir, and I would like to briefly summarize some of the things in that statement if I may.

Senator HILL. You are moving into an area now between the area that Dr. Watt talked about and the one Dr. Felix talked about; is that it?

Dr. ARNOLD. That is right. We are right in the middle.

Essentially, Mr. Chairman, the budget before you is requested so that we may carry on our program at the same operating level for 1958 as in 1957. We will continue to emphasize in our intramural program at Bethesda a broad array of clinical and basic biological investigations. These include such studies as the cause and correction of abnormal patterns of the face and jaws, inheritance factors in

congenital dental diseases, prevention and control of tooth decay and pyorrhea, and metabolic and physiological studies of fluorides and water fluoridation.

In our extramural program, which, as you realize, was expanded materially last year, we have, in addition to the support of a well-rounded research project program and fellowship program, been putting special emphasis on the development of research training centers. At the present time, 18 dental schools have been awarded funds to institute training programs to increase the dental research and teaching potential of our Nation.

TOTAL INSTITUTIONS RECEIVING GRANTS

During this past year, the number of institutions receiving grants from us for individual research projects has risen from 51 grants, the level of last year, to the present figure of 275 active grants, totaling \$2,700,000.

There has also been an increase in the geographical distribution of our grants program. Last year we gave grants to 32 institutions in 20 States. Now the grants are located in 72 institutions in 30 States. We are pleased at this geographical spread, although the basis for selection of grants still remains the excellence of the research application.

We are also, through our Council, giving consideration to strengthening our smaller institutions and particularly to the supporting of younger promising individuals in the field of research.

Greater emphasis is being placed on studies of a broad and fundamental nature. This trend was commented on by your committee last year and will continue to be emphasized by our Council when they review the grant applications.

DEVELOPMENT OF DENTAL RESOURCES

The requested appropriation also provides for continuing our studies on the development of dental resources. These studies provide data on dental manpower and its distribution, as well as problems that are associated with the methods of payment for dental services, and the cost of dental education.

ASSISTANCE TO STATES

The request also provides funds for professional and technical assistance to States, to develop effective methods of reducing the burden of dental disease, and to furnish consultation to States and local communities in the application of newer and better methods of disease control.

DENTAL BUILDING

On the basis of the \$200,000 which was appropriated last year, we have proceeded with planning for the new Dental Institute Building. We have presently negotiated for contracts on the design and working plans of that building.

PURCHASE OF AUTOMOBILES

The House appropriations bill, Mr. Chairman, in addition to prohibiting the proposed increase in overhead, as was discussed by Dr. Shannon this morning, also eliminated the authority to purchase two

station wagons. We would like to request a restoration of this authority for the purchase of one of these vehicles, which we badly need to carry on our field studies over in southern Maryland.

Now, I have with me, Mr. Chairman, a summary of highlights of dental research progress over the past year which I would like to submit for the record.

Senator THYE. When you say "field studies," it would be helpful if you could detail what you did with that station wagon in your field study. Because it seems just a question here that I do not have the answer in my own mind, and if I do not have it, sitting here with you, I just do not know that the person that has not listened to any the testimony might have it.

FIELD STUDIES IN SOUTHERN MARYLAND

Dr. ARNOLD. The field study I am speaking of is one concerning a group of racially isolated people that live over in Prince Georges and Charles Counties, Md.

Senator THYE. Why are they isolated, in this area of modernized transportation?

Dr. ARNOLD. They are an inbred group of people. They are a combination of Negro, white, and Indian that got isolated because of the fact that they were inbred in terms of being cross-bred people, and they would not be able to marry outside into the whites, and they would not be able to marry into the Indians, and would not be able to marry into the colored race.

Senator THYE. You mean geographically it is a valley or a mountainous terrain? Or what is it that made them isolated? We think in terms of folks getting around these days.

SOCIALLY ISOLATED GROUPS

Dr. ARNOLD. I think the reason they speak of them as isolated is because they are socially isolated. They were neither Negro nor are they white. There are several such racially isolated groups of people in this country. This is one of them. It is composed of about 5,000 individuals, and genetically, when you trace down their family history, you find that those 5,000 individuals come from only about 16 surnames. So they have been intermarried. In terms of a religion, they are Catholic. But in the church they had their separate area to be seated, which was not in the white peoples area, nor was it in the colored peoples area. So that is how they became racially isolated and have their own problems.

DENTAL CHARACTERISTICS OF THE GROUP

Senator THYE. Are there certain characteristics showing up there in the dental field that have stood out and caused you to want to make a study of it? Or what?

Dr. ARNOLD. Yes, sir. That is why we are quite interested in this.

Senator THYE. Good, or bad?

Dr. ARNOLD. They have a disturbance of the calcification of their teeth. We are interested in what brought about this disturbance, and whether it is a condition or disturbance that is inherited. It has been known to be inherited.

Senator THYE. You mean the deterioration of the tooth is at an early age? Or is it a deformity of the denture?

Dr. ARNOLD. It is a disturbance during the formation of the tooth. It comes through with imperfect enamel and dentine in the tooth and it will be that way for the rest of that individual's life. Some of them will be such that they will be badly brown-stained. Others will be such that they wear down completely to the gum by the time the child has reached 12 or 15 years of age, for example.

Dr. SHANNON. Senator Thye, I think that Dr. Arnold may be doing a gross injustice to this particular community because it was of sufficient interest to a number of the other Institutes that we asked Dr. Arnold if he would not set up a central service so that this population group could be labeled, tabulated, and their complete family histories all documented, so that they could be used for the study of a fair variety of inheritable defects.

I think if Dr. Arnold would go off the record and discuss some of those in addition to the thing that attracted our attention to them first, it will perhaps give you a broader idea of how such an isolated group can be utilized to study a variety of things.

Senator THYE. I did not want to do injustice to an individual or to a community, nor did I want to ask any embarrassing questions. But it just seemed, in the dental field, that you should want a vehicle for purposes of certain field travel, and I could not understand or visualize what you were endeavoring to get at, and my curiosity prompted me to ask the questions that I have asked you.

Dr. ARNOLD. I would like to add a little to what Dr. Shannon has said.

INHERITED DISEASES

In this group there are some 22 different diseases that are inherited. Albinism, for example, is about 10,000 times as great as in other groups and there is a certain bone condition that is prevalent in this group.

Senator THYE. You do not mind if I interrupt you again?

Dr. ARNOLD. No, sir.

Senator THYE. For this reason: that we understood that some years ago they discovered a certain excellent and perfect tooth condition existing in a certain geographical area of this Nation. I shall not refer to the area. But we read of that. We read magazine stories about it. Now, did you make a study to determine why they had such excellent tooth formation and preserved teeth, to determine whether it was ground, water, food condition, and in that area in relation to the area that you are now thinking about as an isolated sort of a community center here in the east, or in Maryland? Could it be a water supply? Could it be the local food supply? Or is it just an inherited physical condition?

Dr. ARNOLD. Of course, we do have the facts concerning this group, that is the dietary conditions and so forth. The conditions we are mainly interested in are inherited. They are genetic in origin. We are also interested in the interrelationship between the dental conditions and some of these other conditions, some of which we think definitely have a relationship. Maybe the inherited condition in one individual may show up and manifest itself as a dental disturbance, and in another person show up as some other disturbance.

Senator THYE. Mr. Chairman, I have heard enough so that I am perfectly satisfied that you can have my vote for the vehicle. So we will let it go at that.

EFFECTS OF INTERBREEDING

Senator HILL. We have so much coming that I do not want to take any more time than necessary. But what I am wondering is how much this interbreeding has to do with the situation that you find there, and therefore how good is this clinical material?

Dr. ARNOLD. The interbreeding is the thing that increases the inheritance of these variable factors, whereas if they were not so closely inbred—

Senator HILL. It would be spread thinner. But it does not affect, per se the clinical material that you get there. You get the clinical material that you want and that you need.

Dr. DEARING. This results in our being able to find what we need in a comparatively small area instead of having to look into a number of States to find it.

Senator PASTORE. I am intrigued by all this and am sorry to admit my ignorance on the subject, but what are these people, and where are they?

Dr. ARNOLD. They are a group of people, Senator, that have been known for several years and had been studied somewhat by biologists and by people interested in the social aspects of why groups become isolated and intermarried like this group.

Senator HILL. Any other question?

Doctor, is there anything else you would like to add?

You have given us a very interesting presentation, for which we are grateful.

Dr. ARNOLD. Senator Hill, may I submit the research highlights?

Senator HILL. By all means.

Dr. ARNOLD. Thank you.

(The information referred to follows:)

HIGHLIGHTS OF DENTAL RESEARCH, 1956

Items of interest on program developments and research studies conducted and supported by the National Institute of Dental Research

A broad spectrum of investigation is now evident in any examination of the subject matter of dental research in this country. The program of the National Institute of Dental Research carries a heavy portion of that total in its program at Bethesda and by grants in the various research and teaching institutions throughout the country. Some of these studies at NIDR are joint investigations with other Federal as well as non-Federal organizations.

The expanded program, provided by action of the last Congress, has stimulated basic and applied research in the laboratories and clinics of many research institutions throughout the Nation. These studies are concerned not only with the cause and control of tooth decay and periodontal diseases, but also with other diseases and malformations of the mouth and adjacent structures. These include oral cancer, cleft lip and palate, oral manifestations of systemic disease, and the influence of oral disease on other organ systems of the body.

As progress continues in the demonstration of the effectiveness of water fluoridation as a means of controlling tooth decay, it becomes increasingly important to turn more dental research effort in the direction of such other problems as periodontal disease. This is the group of oral disturbances which usually become more prevalent in the older age groups and, as shown by NIDR studies, are actually found in 3 out of 4 adults who attain age 60. These diseases, commonly known as pyorrhea, affect the gums and other supporting structures of the teeth. New projects have been initiated in this field during the year. While this area

of study is by no means completely covered by present investigations, it is gratifying to report an increasing trend of activity.

Altogether, many more research projects are now underway to attack dental problems. The following will serve to show some of the areas of study in which these projects are found and some results obtained.

FLUORIDATION

Eleventh year report of Grand Rapids shows extension of benefits

Important contributions to the subject of fluoridation as a means of partially controlling tooth decay continue to be made. The first of these at Grand Rapids shows not only beneficial results in the teeth of those children who have been drinking fluoridated water from birth, but also in those who started drinking fluoridated water as late as 4 years of age. The latter benefit is demonstrated by the fact that children now 16 years of age have 26 percent less tooth decay than those who have not been drinking fluoridated water. This difference is not as great as found in children who have enjoyed fluoridation from birth (60 to 65 percent less decay), but it is substantial. A comparison of the data found in two other studies, one in Newburgh, N. Y., and the other in Brantford, Ontario, confirms this. Furthermore, in none of these studies has there been any scientific evidence to suggest an adverse effect on any segment of a rather large population living under divergent environmental conditions. These observations, in conjunction with the fact that millions of people have used naturally fluoridated waters for generations, attest to the complete safety of the procedure.

Additional studies of fluoridation effects

A dental X-ray study conducted as a part of the Grand Rapids investigation verifies the findings of direct examinations and suggests that fluoride not only retards the development of tooth decay, but also prevents its inception.

In another study of 20,000 persons, ranging in age from 7 to 78 years, it was demonstrated that fluoridation does not result in any increased incidence of periodontal diseases.

Effect of fluoride on surface enamel

At the Eastman Dental Dispensary in Rochester, N. Y., it was found that the caries-reducing effect of fluoride was associated with an increased concentration of fluoride in the outer surface of the tooth enamel. This finding contributes to our knowledge concerning how fluorides act to control dental caries.

Urine study of fluorides

The ability of the kidneys to throw off excessive amounts of fluorides was tested and proved. The largest portion of an extra dose of fluoride is rapidly excreted within the first hour after ingestion, thereby testifying to the rapidity with which the body automatically takes care of variations in intake of fluorides.

GROWTH AND DEVELOPMENT

The degree of interest and support of dental research in any country seems to provide a rough barometer of the standard of living. Those who are constantly concerned with satisfying the basic needs of food, clothing, and shelter cannot devote much, if any, attention to the cosmetic effects of poor dentition. Our own awareness of facial and dental deformities is indicative of our fortunate position in man's progress to control his environment. Heredity, prenatal influences, and systemic disturbances are being considered in studies to understand the factors which control our facial appearance as well as the efficiency of the oral structures to play their part in the preparation of food for the process of digestion.

Studies in heredity

A previous study of hereditary dental defects has resulted in the discovery of a racially isolated group of approximately 5,000 persons in southern Maryland who are providing valuable data in the genetic field. Preliminary surveys, to date, have shown that the prevalence of hereditary dental defects in this inbred population is almost 20,000 times higher than normal. Also, an unusual prevalence of other genetically determined diseases exist. The evidence available so far indicates that at least some of these systemic disease conditions are directly related to the dental malformations and that this relationship is genetic in character.

Prenatal influences on dental abnormalities

An investigation of prenatal influences on the development of teeth was conducted by a grantee at the Medical College of Virginia. From information provided by maternal and pediatric histories and examinations, it was possible to correlate, in many instances, the factor or factors contributing to congenital dental abnormalities. Among the recorded complications of pregnancy were diabetes, anemia, and toxemia. Correlative studies in experimental animals showed that such disturbances as fever, alloxan induced diabetes, and virus infection during pregnancy, could be causally related to dental abnormalities in the developing fetuses.

Pathological studies of oral cancer

The connective tissue surrounding malignant tumors of the mouth and other body sites has been the object of a pathological study at NIDR during the past few years. This study has revealed an enzyme activity that appears to be characteristic not only of the cancer tissue, but also of the surrounding connective tissue. The possibility of controlling or inhibiting such enzyme activity, as well as identifying and differentiating the connective tissue surrounding benign tumors from that surrounding malignant growth, may be of considerable significance in problems of diagnosis and treatment.

THE ORAL ENVIRONMENT

The study of factors which affect oral health are understandably complex. Inasmuch as the mouth is subject to disturbances from both within and without the body, and provides a means of entry for food as well as many of the bacteria which find their way into the human system, problems of so-called oral environment assume considerable importance. It is obvious that the study of factors causing tooth decay, pyorrhea, and perhaps other oral diseases, must include aspects of nutrition and bacteriology, as well as relationships to general body metabolism. Although progress so far has been significant, a final solution is not yet at hand and all advances must be considered merely first steps into a vast unexplored forest of fascinating growth.

Studies in the oral flora

In the field of bacteriology we are supporting studies designed to yield basic information in the isolation, identification and biochemical activities of the various oral bacteria. Successive studies with antibiotics and other inhibitory chemicals are directed toward the effect of each on tooth decay and pyorrhea. The relationship of bacteria to periodontal disease is the object of study of several grantees. Preliminary results of one of these studies have pointed to the fact that certain of the bacteria from pyorrhea pockets produce tissue-destroying enzymes.

Germ-free studies in dental research

Pioneer studies at the University of Notre Dame, although somewhat limited in scope as far as dental aspects are concerned, seem to show that dental caries in the rat does not exist in a germ-free environment. These difficult and tedious investigations give most convincing evidence that bacteria play an essential role in tooth decay and that reduction in bacterial activity is a possible means of reducing this disease. The opportunity is now presented to the National Institute of Dental Research to enter on a program in this field.

One of the problems which has been under study and is peculiar to the germ-free technic applied to dental research is that of finding proper diets. During the past several years work has been done in the dental institute to evaluate the effect of the heat processing of foods on teeth. These studies have shown that heating or sterilizing a diet will produce changes actually resulting in an increase in tooth decay in experimental animals. Such work has helped to pave the way for more effective germ-free studies.

Virus studies

Investigations were initiated during the year to study those phenomena related to latent virus infections. Various techniques are being employed to produce a virulent virus from cells which are believed to be "latently" infected. The significance of this research is that there are oral infections, such as herpetic lesions (cold sores), which are felt to be caused by "latent" viruses. Where such investigations may lead is not known at the present time.

There has been little revealing work done in the field of latent infections due to lack of adequate technics. Because of the background of information on

poliomyelitis, the early phases of the project are being conducted with this virus. Once the method is satisfactorily worked out, the investigators believe it can be applied to other viruses.

Diphtheroids isolated

A medium for the primary isolation of diphtheroids was completed this year. This will not only further our work with germ-free animals, but will also pave the way for other studies leading to an evaluation of the role of these organisms in systemic disease with particular reference to those supposedly caused by foci of infection.

Studies in saliva

Textbooks at present contain only a brief mention of saliva and its function. Although the role of saliva in the control of dental and systemic disease appears to be greater than formerly supposed, saliva continues to be one of the body's fluids of which we know comparatively little.

Extensive bacterial and biochemical studies of saliva are being carried out, both at the dental institute and by grantees. Such studies have significance not only in relation to tooth decay and periodontal disease but also in the understanding of taste, thirst, and food digestion.

An investigator at the University of Alabama, pursuing studies on the effect of reduced salivary flow on the decay process in experimental animals, has shown an appreciable increase in this disease.

Nutrition and dental diseases

It is suspected that faulty diet is one of the basic causes of oral diseases involving either soft tissues or the teeth. Whereas carbohydrates and vitamins have been extensively explored in the past, more recent work has been concentrated on the protein fraction of our diet. The quality of protein determined by the kind and proportions of essential amino acids may influence the small, but no doubt very important, protein portion of the teeth as well as the protein in oral soft tissue. The quantity of protein likewise may be a critical dietary factor. Processing of foods at high temperature, either commercially or in the home, may alter the nutritive value of protein foods. There has been continued laboratory development of an interesting relation of experimentally produced dental caries to lysine. Lysine is an essential amino acid made inert by heat processing.

During the year, research in food chemistry resulted in the discovery of a new protein digestive enzyme which is secreted by the pancreas. While not related directly to dental disease, this is a basic discovery of great value to research on the digestion and function of protein in the body.

Further observations on diet, and particularly the lysine in foods, emphasized the dependence of calcification of bones on the lysine. Here again the quality of the protein had an important influence on the protein of the bones and perhaps the teeth. Extending these studies this past year also has produced evidence of development of experimental caries by diets composed largely of a heat-treated, cereal protein food. A serious deficiency of calcium in these diets aggravates this caries production. We are thus seeking more information on the role of protein in the production and maintenance of good calcification in the teeth as well as the bones.

TEETH AND THEIR SUPPORTING TISSUES

The structure of tooth and bone is under study to develop further information on their basic structure, the manner in which they break down in disease, and the mechanisms by which specific agents act in the control of various diseases affecting these tissues. Typical of the latter are investigations of the action of fluorides in the control of tooth decay.

Studies of mineral exchange in skeletal tissues

Radioactive tracers are being used to yield information concerning the interrelation of mineral exchange in the teeth and their susceptibility to decay. These studies have considered factors of fluoridation, heredity, and the aging process in experimental animals. The variable uptake of radiocalcium by the dental enamel may provide a technic for measuring caries susceptibility.

Enamel and dentin studies

Both enamel and dentin are being studied using electron microscope and electron diffraction equipment, and the X-ray microscope, to observe their submicroscopic structure and their physical and chemical properties.

Current investigations utilizing these technics are providing detailed information about certain hitherto unseen mineral crystallites and supporting organic framework of the enamel and dentin. Similar work is revealing new facts about fiber formation and mineral deposition during the early formation and development of the hard tissues. Correlated with all of these experiments are studies of the manner in which chemical agents, such as fluorides, may alter the structure and properties of growing and mature enamel. The availability of adequate technical methods for the conduct of such investigations with new physical tools is of prime importance, and a number of new procedures have been devised. The most valuable of these is a system of instrumentation for the preparation of ultrathin tissue sections, which, to be useful for electron microscopy, must be on the order of one-millionth of an inch in thickness.

Periodontal disease

At what age do evidences of periodontal disease exist? Current studies would indicate that dentists may begin to see periodontal disease in teenagers. Although its appearance then is not extensive, the question posed by this work is whether practitioners may not look for this common ailment of the later years of life much sooner than its general appearance would indicate.

In another study of periodontal disease a new method of producing an acute localized inflammation in the oral soft tissues was developed. This technic is permitting study of small animals with very accurate control of the inflammation stimulus. The inflamed tissue is subjected to microchemical analysis immediately following initial injury and during its subsequent recovery. With this new approach, it is now possible to study simulated disease conditions and evaluate their relationship to the inflammatory process.

OTHER CLINICAL INVESTIGATIONS

Physiologic effects of high-speed drills and ultrasonic radiation

A clinical investigation which is of great interest is the work with high speed and ultrasonic drills—much discussed dental instruments. These two investigations have certain aspects in common since they involve use of equipment relatively new in character and involving modified technics of treatment of carious lesions. A joint Navy-NIDR investigation found tissue damage in experimental animals as a result of using ultrasonic instruments. The use of this cutting instrument on the continuously growing teeth of guinea pigs produced severe damage to the developmental cells. These results have serious implications relative to the use of this new instrument on children's teeth.

Physiologic effects of general anesthesia in dental practice

The use of general anesthesia in the practice of dentistry presents special problems not usually encountered in other types of surgery. These involve the site of operation, the types and dosage of anesthetic agents used and the postoperative treatment of the patient. A clinical project is now under way at NIDR which is aimed at evaluating the systemic effects of general anesthesia as employed in dental practice.

Sodium pentothal, a commonly employed anesthetic agent, is currently under investigation in order to evaluate its influence on pulse and blood pressure, cardiac function, respiration, brain tissue, and other general physical conditions of the patient. As baseline data are gained on this more commonly used anesthetic agent, comparative studies using newer and more promising drugs will be undertaken.

This year has seen enlarged opportunities in dental research, not only for experienced workers but also for those who seek to develop their skills. The initiation of a training grants program will stimulate the atmosphere of dental research in many colleges and universities as well as other institutions. This is a long-range view and the benefits of such a program increase as time passes. Such programs are fundamental to the solution of dental problems through research.

ARTHRITIS AND METABOLIC DISEASE ACTIVITIES

STATEMENT OF DR. FLOYD S. DAFT, DIRECTOR, NATIONAL INSTITUTE OF ARTHRITIS AND METABOLIC DISEASES; ACCOMPANIED BY DR. JAMES A. SHANNON, DIRECTOR, NATIONAL INSTITUTES OF HEALTH; DR. W. PALMER DEARING, DEPUTY SURGEON GENERAL; ROY L. HARLOW, CHIEF FINANCE OFFICER; AND JAMES F. KELLY, DEPARTMENT BUDGET OFFICER

APPROPRIATION ESTIMATE

"Arthritis and metabolic disease activities: For expenses necessary to carry out the purposes of the Act relating to arthritis, rheumatism, and metabolic diseases **[\$15,885,000] \$17,885,000.**"

Amounts available for obligation

	1957 appropriation	1958 budget estimate	1958 House allowance
Appropriation or estimate.....	\$15, 885, 000	\$17, 885, 000	\$17, 885, 000
Additions: Comparative transfer from "General research and services, National Institutes of Health, Public Health Service".....	70, 000		
Total obligations.....	15, 955, 000	17, 885, 000	17, 885, 000

Obligations by activities

Description	1957 appropriation		1958 budget estimate		1958 House allowance	
	Positions	Amount	Positions	Amount	Positions	Amount
1. Grants:						
(a) Grants for research projects.....		\$8, 140, 000		\$9, 537, 000		\$9, 537, 000
(b) Research fellowships.....		300, 000		300, 000		300, 000
(c) Training grants.....		1, 850, 000		1, 850, 000		1, 850, 000
2. Direct operations:						
(a) Research.....	392	5, 184, 000	392	5, 697, 000	392	5, 697, 000
(b) Review and approval of grants.....	18	229, 000	18	239, 000	18	239, 000
(c) Administration.....	12	252, 000	12	262, 000	12	262, 000
Total obligations.....	422	15, 955, 000	422	17, 885, 000	422	17, 885, 000

Obligations by objects

Object classification	1957 appropriation	1958 budget estimate	1958 House allowance
Total number of permanent positions.....	422	422	422
Full-time equivalent of all other positions.....	5	5	5
Average number of all employees.....	403	405	405
Number of employees at end of year.....	432	432	432
01 Personal services.....	\$2, 580, 200	\$2, 600, 500	\$2, 600, 500
02 Travel.....	77, 800	77, 800	77, 800
03 Transportation of things.....	10, 000	10, 000	10, 000
04 Communication services.....	26, 400	26, 400	26, 400
06 Printing and reproduction.....	13, 300	13, 300	13, 300
07 Other contractual services.....	103, 900	132, 600	132, 600
Reimbursements to "General research and services, National Institutes of Health, Public Health Service".....	2, 318, 000	2, 659, 000	2, 659, 900
08 Supplies and materials.....	349, 200	367, 700	367, 700
09 Equipment.....	189, 700	189, 700	189, 700
11 Grants, subsidies, and contributions.....	10, 290, 000	11, 687, 000	11, 687, 000
Contribution to retirement fund.....		121, 800	121, 800
15 Taxes and assessments.....	6, 500	9, 200	9, 200
Subtotal.....	15, 965, 000	17, 895, 000	17, 895, 000
Deduct charges for quarters and subsistence.....	10, 000	10, 000	10, 000
Total obligations.....	15, 955, 000	17, 885, 000	17, 885, 000

Summary of changes

1957 actual appropriation-----	\$15,885,000
Transfers: Comparative transfer from "General research and services, NIH"-----	+70,000
Adjusted 1957 appropriation-----	15,955,000
1958 appropriation request-----	17,885,000
Net change requested-----	1,930,000

	Posi- tions	Estimate	Posi- tions	House allow- ance
For mandatory items:				
Annualization-----		\$119,000		\$119,000
Retirement-----		235,600		235,600
Social security-----		5,400		5,400
Pay in excess of 52-week base-----		15,600		15,600
Wage board-----		35,000		35,000
		410,600		410,600
For program items:				
Increased overhead costs-----	0	708,000	0	0
Expansion of research grant program-----	0	689,000	0	1,397,000
Expansion of services furnished centrally-----	0	122,400	0	122,400
Total change requested-----	0	1,930,000	0	1,930,000

STATEMENT BY DR. FLOYD S. DAFT, DIRECTOR, NATIONAL INSTITUTE OF ARTHRITIS AND METABOLIC DISEASES

Mr. Chairman and members of the committee, the therapeutic measures available for use against arthritis, diabetes and other metabolic diseases are palliative rather than curative. These control procedures are of tremendous importance but our ultimate goal—prevention and cure of these disorders—demands that our research efforts go far beyond an attempt to improve methods of palliative treatment. Because of the nature of these disorders, our best hope lies in fundamental research in metabolism, endocrinology and biochemistry and the greatest emphasis is therefore being placed on such studies.

The most gratifying program development during the past year has been the great increase in interest in the field of diabetes. This stems in part from our newly established training grants program. Interest and activity in the basic areas which are so vital to progress in our understanding of the metabolic and rheumatic diseases has continued to grow at a rapid pace.

Noteworthy results have been obtained in all areas of our research program. The evaluation of the new oral drugs against diabetes has progressed rapidly. New and improved steroids have been developed and tested for control of rheumatoid arthritis and related disorders. Measures have been elaborated for protection against some of the fatal sequelae of severe burns. Particularly impressive progress has been made in areas of fundamental research, including the metabolism of sugars, the chemistry of glucagon (a hormone of the pancreas which has an action opposite to that of insulin), the mechanism of the action of insulin and the biosynthesis of connective tissue (affected by the rheumatic diseases), and of nucleic acids.

BACKGROUND

Established in 1950 under the provisions of Public Law 692, the National Institute of Arthritis and Metabolic Diseases superseded the Experimental Biology and Medicine Institute, continuing its productive activities in basic research along with added areas of activity in the specific areas of arthritis, diabetes, and other metabolic diseases.

In 1952 the new Institute received its first direct appropriation of approximately \$4 million, an amount which gradually has been increased each year as the Congress strengthened and expanded research and training programs. The 1957 appropriation totaled approximately \$16 million.

The stimulation and support provided by the Federal Government through the Institute have been felt in laboratories through the United States. Both quantitatively and qualitatively research in the Institute's fields of interest has reached new high levels, from which cumulatively increased benefits may confidently be expected.

These proposals support the intentions of the President in continuing the Nation's attack upon disease through expanding medical research. The House of Representatives, in the passage of this appropriation bill, took action to change some of the premises upon which these proposals, as submitted by the President, were based. I will comment directly upon those later in the statement.

FACTS ABOUT THE NATURE OF THE RHEUMATIC AND METABOLIC DISEASES

As with people, the diseases which afflict human beings have their remarkable similarities and distinct differences. Even though members of a family each may have his own personality, there are fundamental family traits which bind them together. The several rheumatic diseases and the various metabolic diseases are considered as two great families of related disorders which can be grouped together.

Rheumatic diseases.—In this family perhaps the best known and most vicious is rheumatoid arthritis, responsible for a large portion of the disability and crippling caused by rheumatic diseases. Other members of the family include osteoarthritis, gout, rheumatic fever, nonarticular rheumatism (bursitis, neuritis, fibrositis), and the collagen diseases.

Metabolic diseases.—Metabolic diseases are caused by errors or defects in metabolism, the basic life process by which the body converts air, food, and water into energy and by which growth and the replacement of tissue constituents are made possible.

Diabetes, the best-known member of this large family of disorders, is closely associated with other less common diseases of impaired carbohydrates and fat metabolism.

Gout may properly be classified in both the rheumatic and metabolic diseases since it involves a derangement of nucleic acid metabolism.

Other members of the metabolic-disease family are the diseases of the blood, including the purpuras, other disorders of the blood-clotting mechanism and the anemias; diseases of the liver, such as cirrhosis; diseases of the endocrine glands, particularly of the adrenal and pituitary; disorders of bone metabolism, such as osteoporosis, an increasing problem in our aging population; and nutritional diseases, notably those due to vitamin deficiencies, such as beriberi and pellagra. Also included are a number of fatal diseases of children, such as mucoviscidosis (pancreatic fibrosis), phenylpyruvic oligophrenia, and galactose diabetes (galactosemia). Another condition in the metabolic-disease family, obesity, shortens life and is an important factor in serious diseases such as diabetes and hypertensive heart disease.

RESEARCH APPROACH

The nature of diabetes, the rheumatic diseases, and the other metabolic diseases is such that research must include a very strong component of basic metabolic studies. Despite the real and gratifying progress which has been made in the control of such diseases as diabetes and rheumatoid arthritis, we still know little of their fundamental cause and nature. Even our control measures leave much to be desired. For example, even if we keep the blood sugar of diabetics within normal limits by diet and insulin, degenerative changes may continue. The basic factor in diabetes is not high blood sugar, but something much more fundamental and as yet incompletely understood. In rheumatoid arthritis we may control—by the use of cortisone, for example—all outward manifestations of the disease, such as inflammation, swelling, stiffness, and pain, yet the disease process itself may progress, with continuing and irreversible damage to the joints and surrounding tissues. Insulin, cortisone, and other drugs are great boons to mankind, but the lack of information concerning basic causes constitutes a serious handicap to further progress.

Our problem, then, is in many respects quite different from that found in most of the infectious diseases. In most of these the causative agents—bacteria, *Rickettsia*, and viruses—have been identified. While great unknown areas, relating primarily to the viruses, still exist, the antibiotics and other agents bring about cures of a wide variety of infectious diseases. On the other hand, in regard to the metabolic and rheumatic disorders, our best available therapeutic agents are palliative, not curative. As a result, our major research effort must

lie in the painstaking accumulation of basic knowledge in the field of metabolism. We must learn the precise chemical nature of enzymes. Hundreds of them exist, and more are being identified every year. The minute details of how all food-stuffs, with the aid of the enzymes, are metabolized must be learned. We must isolate the hormones and study their mode of action. We must discover, by studies of disease in families and through other devices, the hereditary and other factors which underlie defects in metabolic processes. Only with all of these types of knowledge at our disposal will it be possible to achieve the same success against the diseases in our area of responsibility as has been achieved against many of the infectious diseases.

It is most heartening to us that this committee has consistently concurred in the view that the greatest emphasis should be placed on fundamental metabolic, endocrine, and biochemical studies.

The necessary emphasis on the research for fundamentals does not mean that nothing of value to those who suffer from these diseases can be expected in the foreseeable future. In some areas, immediately usable findings have been produced, and the scope, variety, and quality of the national effort in all fields of interest to this Institute make the continuing production of immediately practical results virtually predictable. But the ultimate answers are not in sight, and we must continue to stress the fundamental approach.

We are most grateful for your support for expanded research and training activities and also for your enlightened outlook on the nature of our mission and on the means necessary to achieve our goal. Your sympathetic support has made possible the development of a farseeing program within which notable progress is being made.

DIABETES

Many investigations being carried out or supported by this Institute are concerned very directly with diabetes. In addition, great emphasis is being placed on basic studies which bear in a less obvious way upon this disease. Areas of fundamental research pertinent to the diabetes problem include the metabolism of sugars and fats, the nature and functions of the various hormones which affect these metabolic processes, the structures and precise roles of the enzymes involved, the complex interrelationships between the hormones and enzymes, and the character of the controls, antagonists, and balances by which the intricate metabolic machinery of the body is regulated.

Oral drugs.—It was reported to this committee a year ago that drugs—the sulfonamides—had been discovered which lowered blood sugar. The fact that these drugs were under clinical trial was noted. Since then, every effort has been made to speed the tests of these new therapeutic agents.

To accomplish this task our first inclination was to mount a large-scale, coordinated series of clinical trials. This would have been in addition to the extensive clinical tests already underway, supported in part through funds from this Institute and in part through private funds. With this in mind, discussions were held with leading diabetes authorities in this country and with representatives of the firms which manufacture and distribute the oral drugs. As a result of these discussions, we became convinced that adequate and rapid tests of the toxicity of the drugs and their effectiveness against the more obvious signs and symptoms of diabetes were assured through the studies already underway.

Instead of expanding a set of trials that were already adequate, we shifted the emphasis of the studies to more intensive investigations of the way in which these drugs operate. This is a more complex field of study. But, as was pointed out above, the value of these compounds depends not on the fact that they lower blood sugar levels, but on how they bring this about.

A series of incidents from the history of diabetes research will serve to indicate both why attention must be focused on the way the drugs operate, and why we are most cautious in the claims we make for new drugs.

Years ago it was found that certain drugs that could be taken by mouth would reduce blood sugar levels. The search for a drug that will relieve diabetics of dependence upon insulin administered intravenously is, of course, a major objective in diabetes research. This finding was therefore widely acclaimed as a major medical advance.

Not until later was it found that some of the new drugs produced damage to the liver which prevented the liver from performing one of its important natural functions—production of sugar (glucose) from other food substances. The drug had nothing to do with the diabetic process. It merely damaged the liver. Another set of compounds which lowered blood sugar levels damaged

the kidneys in a way permitting sugar to escape from the blood into the urine with abnormal rapidity. Here, again, the drug harmed patients while the disease progressed untouched.

Recollection of such incidents as this, as well as the logic of the current situation, has led us to increase support for more intensive studies of the mode of action of the new sulfonamides.

The wisdom of the shift in emphasis in our research approach has been borne out by subsequent events. Clinical use of one of the oral drugs, carbutamide or "BZ 55," was last November virtually abandoned in this country because of its toxicity on long-continued use. A second agent, "Orinase", appears to be relatively free of toxic effects, and merits, and is continuing to receive, further study both in the clinic and in the laboratory. The information which has been accumulating as to mode of action of both of the drugs under trial (carbutamide and tolbutamide or "Orinase") raises serious doubt that diabetics obtain any real benefit from their use.

These trials demonstrate an important fundamental fact which is often overlooked in the first rush of enthusiasm over new drugs—enthusiasm which is often shared by physicians and investigators as well as by the lay public. This fact is that when new drugs are fully evaluated it is generally found—if the drugs are indeed useful at all and of low toxicity—that their effectiveness varies widely among patients. For example, age, general physical condition, and stage of the disease can cause wide difference in effectiveness. Such factors as these account for the extreme care with which useful clinical trials must be designed and conducted, for the occasional failure of investigators to interpret results correctly, and for the cost of trials. Such complexities as these contribute to the fascination which medical research holds for scientists, to the intensity of concentration and the sustained continuity of effort necessary for productive work.

In regard to the clinical effects of the agents currently under study, the following facts have been well established:

1. They lower the blood sugar levels and the urinary loss of sugar in many elderly diabetic patients, especially if the disease is mild and of short duration.
2. They are relatively ineffective in the juvenile form of the disease, especially in the severe diabetic, and are of no use in the treatment of keto-acidosis, or in the control of diabetes during surgical stress.

Various theories have been proposed to account for the undoubted effect upon blood sugar. Among these are the following:

1. They inhibit insulinase, the enzyme which inactivates insulin.
2. They stimulate specialized insulin-producing cells to release such insulin as they are capable of generating.
3. They interfere with the action or production of glucagon, a substance which causes the release of glucose from its storage depots.
4. They damage the liver so as to render it a less effective sugar factory.

Experimental evidence both in support of and in conflict with each of these ideas has been presented. There is an increasing preponderance of data, however, which indicate that neither these sulfonamides nor any of several natural blood-sugar lowering agents tested so far exert a direct insulinlike action; i. e., they do not, of themselves, increase sugar uptake by isolated muscle.

Final clinical judgment as to the future role of the oral antidiabetic sulfonamides will rest heavily upon the solution to the problem of the mode of action of the drugs. An agent that can successfully supplant insulin must either itself do at least what insulin does—namely, increase the utilization of sugar by muscle—or else it must increase the effectiveness or amount of insulin produced by the body. Apparently, the sulfonamides do not accomplish the former and there is increasing doubt that they accomplish the latter.

This is not an optimistic report. It is, however, a report of progress. Every thoughtful competent investigation builds useful knowledge even though the findings demonstrate that a drug is not clinically useful. Concern for the sustained research in the face of setbacks impels us to report that successive bursts of excitement and disappointment may be expected before the final goal is reached. In diabetes, as in other disease fields, the Congress and the ordinary citizen are being brought closer to the world of medical research than ever before. The observers and supporters of research will need to share the essential faith of the scientist as research proceeds over its uneven course.

Attention will now shift from studies of oral drugs for diabetes to some of the areas of study relating to the disease process itself. Some of these can be described only in terms that are somewhat technical. Diabetes is a most involved disease—if it can be validly described as a single disease—and does not lend itself to simple explanation.

Some generalizations, however, should lend coherence to these diverse lines of study. Diabetes is usually first recognized by a breakdown in the utilization of sugar in the body. Consequent upon this failure, a wide variety of other effects ensue, including incomplete breakdown of fats. The most detailed knowledge of precisely how the sugars and fats are used is relevant to diabetes. The most important natural substance related to diabetes is insulin. The biochemistry of insulin, therefore, has obvious importance. Because of the complexity of the problem, however, the metabolism of other classes of substances and the biochemistry and interrelations of other regulators, especially hormones of the pituitary and adrenal glands, are an important part of the whole picture.

Metabolism of sugars.—The body of knowledge relating to the metabolism of carbohydrates, already vast, has continued to increase through the efforts both of NIAMD grantees and of intramural investigators. Increasing efforts have centered about the biological relationships of the 5-carbon sugars, the pentoses, to the more familiar hexoses which contain 6-carbon atoms. The enzymes which catalyze many of the reactions of these compounds have been purified and the reactions have been isolated and studied. The sugar, xylulose, formerly believed to occur uniquely in the urine of patients with the rare familial taint, pentosuria, has been shown to be a constant though minor constituent of normal urine. Pentosuria has at times been confused with diabetes, but unlike diabetes it is a harmless condition.

The very provocative discovery has been published and extended that an important sugar in mammalian biochemistry, ribulose diphosphate, is also a key factor in photosynthesis, the fundamental life process of plants.

Glycogen, the storage form of sugar in animals, has been the subject of intensive study by newer methods, and advances have been made in our knowledge of the manner in which it functions as the body's storage form of sugar.

Insulin structure.—Of the several endocrine products concerned with diabetes, insulin is the most prominent. The structure of this hormone, as derived from pig, sheep, and beef, had previously been established and has now been studied in other species, including the whale. Interestingly, although differing in different species, all the dissimilarities that have been recorded occur in one small series of 3 amino acids in the vast complex of 51 amino acids of which insulin is comprised.

By analogy with the pituitary hormones, which in common with insulin are protein in nature, there existed some hope that a portion of the molecule might be the essential part and carry the physiological activity of the whole. The unlikely possibility has been considered, further, that this hypothetical small essential portion of the molecule might be effective when given by mouth. These possibilities seemed somewhat remote at the beginning and have become less and less likely as further studies have been made. Very small chemical changes in the large insulin molecule have in most cases destroyed its physiological potency.

Nevertheless, synthesis of portions of the large insulin molecule have been undertaken because such compounds, even though not useful as oral forms of insulin, might be extremely valuable tools in relating structure to physiological activity and in learning more about the mode of action of insulin. Our first attempts to synthesize certain specific portions of the molecule must be reported as failures but work on this problem is being vigorously pursued.

Structure of glucagon.—Within the past year the entire structure of glucagon has been elucidated. Glucagon, a protein hormone, arises in the pancreas, as does insulin, but its chemical structure is very different and it has been shown to be biologically distinct. Although glucagon has an effect opposite to that of insulin in that it causes a rise in blood sugar concentration, its mode of action is fairly well defined and it is known not to exert a direct antagonism to insulin action.

Other hormones.—The hormones of the anterior pituitary gland, which act antagonistically to insulin, have also attracted much study. Growth hormone, when derived from beef pituitaries, had previously been shown to cause diabetes in dogs but to be without effect on humans. This represented a very unusual situation since hormones derived from one species are in general active in all. Monkey and human growth hormones have now been isolated by an NIAMD grantee at the University of California who has shown that the product derived from the monkey is active in man. The therapeutic implications of these discoveries are being explored.

Enzymes in diabetes.—The effects of insulin or lack of it upon the enzyme architecture of the organs of the body is a fairly new area of study. Thus the

enzyme (glucose-6-phosphatase) responsible for the last step in the generation of glucose by the liver has been shown by a grantee at Harvard University to be markedly increased in activity as a consequence of diabetes. Similarly, certain of the enzymes concerned with the transformation of the amino acid, tryptophan, into the vitamin, niacin, a normal process in most species, are strikingly altered in the diabetic state.

Insulinase.—That insulin is destroyed in the animal body has long been known. The nature of the apparently fairly specific enzyme activity, termed insulinase, responsible for this destruction, has been studied. A number of agents which inhibit insulinase activity in test systems have now been discovered and are being investigated in intact animals by grantees at several institutions. Research in this area is being fostered since the possibility exists that if insulin destruction could be retarded diabetics might be regulated with less insulin.

Diagnosis and early treatment.—Early diagnosis of diabetes has long been a major goal since the disease, when uncontrolled by diet, insulin, or by a combination of the two, is much more serious in its effects. Investigators in the chronic disease program of the Bureau of State Services have been pioneers in this field. An NIAMD grantee at the University of Michigan has recently suggested a method of determination of diabetes "susceptibility." In families, some members of which are normal, some frankly diabetic and others "prediabetic" (not frankly diabetic but with poor glucose tolerance), a fourth group showed entirely normal responses of glucose tests except when given cortisone. It will require a number of years to determine the validity and clinical usefulness of this suggestion that a diabetic tendency might be "unmasked" by testing with cortisone.

In connection with the determination of "susceptibility" to diabetes or the diagnosis of the disease in its early stages, the hope exists of devising a means of its prevention or the arrest of its progress. Although studies are in progress of the effects of giving very small doses of insulin to patients in the earliest diagnosable stages of diabetes, the hope of arresting the progress of the disease by this means seems rather slim. Several years of observation will be required, however, before the measure of success or failure can be determined with certainty.

Mechanism of action of insulin.—Evidence has been accumulating over the past several years which suggests strongly that one, and perhaps the primary, action of insulin in carbohydrate metabolism is to expedite the passage of glucose across cell membranes—from the blood to the muscle and other tissues where it is utilized for the production of energy. Within the past year, grantees in several institutions have presented additional evidence strongly supporting this concept. On the one hand, this represents a most gratifying increase in knowledge; on the other, if our conclusions are correct, it indicates limits to the techniques available for further progress in this field, since intact membranes will be necessary and consequently cell-free extracts cannot be expected to be useful.

ARTHRITIS

Here, again, as in diabetes research, major emphasis has been placed on basic metabolic endocrinological and biochemical investigations. The chemistry of connective tissue is being studied since this is the substance attacked by the rheumatic diseases. The formation and metabolism of connective tissue components and the enzymes involved are being investigated. Information is being gathered on the site and mode of action of the adrenal steroids and other hormones. The fundamental defects and precipitating factors underlying the disease processes are being sought. In addition, therapeutic measures are being evaluated.

New steroids.—Stimulated first, in 1949, by the discovery of the beneficial effects of cortisone in the treatment of rheumatoid arthritis, and given additional impetus 2 years ago by the development of prednisone and prednisolone, active searches are underway for better and less toxic drugs. Several new steroid compounds have been announced within recent months which are the products of intensive research into the possibilities that the beneficial effects and the unwanted dangerous side effects inherent in the parent steroid molecule could be separated.

One of these new synthetic compounds, triamcinolone (called Orion by its manufacturer) is now being tested by our clinicians in the clinical center at Bethesda as well as by a number of grantees—at Columbia University, the Hospital for Special Surgery in New York, and the University of Pennsylvania in

Philadelphia. This drug, on the basis of preliminary clinical studies, appears to be as potent in suppressing the symptoms of arthritis as is prednisone. Claims have been advanced for greater freedom from side effects but much longer use in many more patients is necessary before reaching definite conclusions on this point.

Still another new synthetic steroid has recently been announced. On the basis of laboratory tests it also is claimed to be an improvement over currently employed steroids. This drug, a methyl derivative of prednisone, named "Medrol" by its makers, is currently undergoing clinical tests, results of which have not as yet been disclosed.

Failure to halt disease process.—As has been pointed out, the treatment of patients with metabolic and rheumatic diseases with the presently available drugs is palliative rather than curative. This observation appears to apply with particular pertinence to treatment of arthritics with steroids and other drugs. It has become increasingly apparent even within the past year that the disease process in rheumatoid arthritis may continue to advance even while the outward signs are suppressed by drug therapy.

This does not mean that the drugs are valueless. Easing of pain is in itself a tremendous benefit to the sufferer from the disease and with the suppression of inflammation, swelling, and pain, comes the ability to prevent a large portion of the otherwise almost inevitable deformities and permanent crippling. Even in cases where crippling has occurred before adequate therapy was instituted, the use of the steroids and other drugs has made it possible to carry out rehabilitation procedures. These have resulted in returning many crippled individuals to gainful occupations and to nearly normal and very useful lives.

Our failure to halt the disease process in a large number of individuals does indicate, however, the complexity of the problem which we face. Even more important, it brings very sharply to our attention the necessity for other more basic approaches to the solution of the rheumatic disease problem.

Connective tissue research.—Many of the rheumatic diseases have in common the fact that they affect the connective tissue, the material which, in tendons, ligaments, cartilage, skin, and the lining of the joints, forms the supporting structure of the body. Under the microscope, connective tissue is seen to be composed of fibers imbedded in a nonfibrous mass. This nonfibrous material is called ground substance. An important attack on the rheumatic diseases is now centered on obtaining more basic scientific information about connective tissue, identifying precisely its fundamental components and determining their functions, from the study of both normal and diseased tissues.

In work on the definition of connective tissue components, attention has been focused on the ground substance fractions, hyaluronic acid, chondroitin sulfate and the hexosamines, since they appear to play more dynamic roles than other materials in the metabolism and development of connective tissue. As an example of this work, a grantee at Columbia University has found that the chondroitin sulfate in skin does not contain glucuronic acid as do other connective tissues but iduronic acid, a sugar never before found in animal protoplasm. Analysis of its characteristics should lead to some understanding of its special role in its unique location.

An extremely important development in the investigation of function of connective tissue components has been the recent successful demonstration by NIAMD scientists and grantees of the biosynthesis by connective tissue of hyaluronic acid, one of the ground substance fractions. This was accomplished first in tissue cultures of synovial tissue taken from human joints during operations and very recently in cell-free extracts of umbilical cord and placenta. Following this achievement, the investigators were able to determine that some patients with rheumatoid arthritis have in their serum a factor, as yet unidentified, which interferes with the synthesis of hyaluronic acid by joint tissue.

This constitutes a small but important start on the task of determining the chemical structure of all connective tissue components, delineation of the steps by which they are normally synthesized in the body and the identification of the biochemical and metabolic defects in patients with the rheumatic diseases.

OTHER METABOLIC DISEASES

Fatal infections following burns.—The parts played by clinical observations and by animal and other laboratory studies, and the necessity for both approaches, is nowhere better illustrated than in our investigations of measures of therapy for patients with severe burns.

Also illustrated by these investigations is the multiplicity of uses of certain of the new therapeutic agents, in this case, cortisone. This adrenal steroid, as you know, gives benefit to sufferers from rheumatoid arthritis and some other diseases. Drawbacks to its use are that it increases susceptibility to infection and that it sometimes causes transitory diabetes. These very defects have made this drug useful in researches in other fields, such as improvising a test for diabetes susceptibility, mentioned earlier, improving tests for the presence of live poliomyelitis virus in vaccines and, as will appear, in simulating certain human disease conditions in small animals.

That fatal shock in patients may follow burns or other injuries has long been known. This administration of blood or plasma does much to prevent or overcome this condition. NIAMD investigators several years ago, in searching for a simpler treatment, carried out tests in mice and found that oral salt and soda would prevent death from shock in these animals. The study was then returned to the clinic and last year it was my pleasure to report to you that in human patients, as well, the administration of salt and soda by mouth had greatly reduced the number of deaths from shock following severe burns. The importance of this method of treatment in the event of a large-scale catastrophe is obvious. If the number of casualties were large, intravenous therapy would be impractical and adequate supplies of blood or plasma probably would not be available.

During the past year, further significant findings have been made in this study, this time relative to deaths of severely burned children occurring after the shock period has been successfully passed. The NIAMD physician in charge of the clinical work determined, from blood cultures, that in virtually every patient who died after the acute shock period there appeared an organism called *Pseudomonas*. The problem was brought back to the laboratory, where efforts were made to infect laboratory animals with the organism. These attempts failed in all except burned animals until the stress of burning was simulated by the administration of cortisone. Animals so treated could be infected by *Pseudomonas*. Work then proceeded to find a suitable treatment for prevention of this infection. Common antibiotics were not useful. One uncommon antibiotic, polymixin B, did do the job, but is too toxic for common use. The most effective agent in the treatment of the burned or *Pseudomonas*-infected animals has proved to be human gamma globulin. Proved effective in the laboratory, this therapeutic agent is now scheduled for clinical testing, and may prove effective in saving additional numbers of human lives now lost due to the effects of postburn infections.

Detection of intestinal bleeding.—A method of immensely practical value for the clinical detection and measurement of blood loss from the gastrointestinal tract has been devised by NIAMD scientists. A significant advance in diagnostic techniques, the new method is much more effective and precise than older procedures, including X-ray, for localizing the site of bleeding in the intestines. The new method involves tagging the patient's red blood cells with radioactive sodium chromate, and the analysis of stools and samples obtained by passing a tube down the intestinal tract. In their work the NIAMD investigators have shown that it was possible for a patient to lose as much as a pint of blood a day without detection by commonly used tests, but the new method easily reveals the loss of a fraction of this amount, as well as the precise location of the site of bleeding. The method's unusual value already has been demonstrated in six patients in whom sources of bleeding previously had been missed by standard methods. In each of these cases the blood loss was detected and the site of bleeding determined, making possible surgical correction of the diseased conditions.

Enzymatic synthesis of nucleic acids.—An outstanding achievement of the year which relates not only to diabetes but also to innumerable other problems is the accomplishment by one of our investigators at Bethesda and by a grantee at New York University, of the synthesis of nucleic acids by enzymes isolated from living cells. The nucleic acids serve, among other functions, as the reservoirs of chemical information essential to the cell and to its progeny. They are believed to be the materials which are responsible for genetic transmission of heritable characteristics and defects, among which is diabetes. They also are responsible for the ability of a cell to generate, without variation, identical molecule after molecule of a protein such as insulin. Knowledge of their mode of synthesis is, therefore, regarded as a noteworthy accomplishment.

PROGRAM DEVELOPMENTS AND PLANS

The budget for this Institute was increased in fiscal year 1957 from \$10,840,000 to \$15,885,000. Of the \$5,045,000 increase slightly more than \$1 million has been used to strengthen and expand research in the broad field of diabetes, including the evaluation of the new oral drugs and the acceleration of fundamental metabolic, endocrine, and biochemical investigations related to diabetes. An additional amount—in excess of \$600,000—has been utilized to accelerate basic studies on the nature and functions of hormone systems and investigations of other fundamental processes which lie at the root, not only of diabetes, but of all metabolic diseases.

The upsurge of interest in the field of diabetes has been particularly noteworthy and gratifying. Grants for research projects clearly identifiable as being in the field of diabetes have approximately doubled in the past year. At the present time individuals who are interested and competent in this field are being fully supported.

Interest in the fields of metabolism, endocrinology, and biochemistry, as related not only to diabetes but also to other areas of responsibility of this Institute, has been increasing very rapidly for the last several years. Because of the basic position of these fields of scientific endeavor relative to progress in all areas of medical research, an intensification rather than a slackening of interest and activity in these areas is to be expected in the years ahead.

An increase of \$900,000—from \$950,000 to \$1,850,000—has been available in fiscal year 1957 for training grants and has been utilized with results of great benefit to our entire program. It appears certain, also, that the benefits have not as yet been fully felt. The total funds available in this program have permitted us to strengthen diabetes programs in 51 medical schools, a significant proportion of the total number of 4-year schools in this country. It has also permitted the strengthening, to a lesser extent, of teaching programs in arthritis and in metabolic diseases other than diabetes.

With respect to the effectiveness of the new arthritis training grants program, the president of the American Rheumatism Associations recently reported that in 1954, when it was first initiated on a small scale, only 8 medical schools, less than 10 percent of the total number, had subdepartments devoted to the teaching and conduct of research in the rheumatic diseases. At the present time, due largely to the training grants, 36 medical schools have active training programs in this field.

As training programs in diabetes, in arthritis and in other metabolic diseases get underway a great increase in research interest in the same subjects invariably occurs.

Of the \$1,930,000 increase in obligations proposed in our budget for fiscal year 1958, \$689,000 represents an expansion of our research grants program. This increase will permit the payment of approved project requests which could not otherwise be activated and will provide a measure of support to additional projects specifically programed in arthritis and diabetes. The balance of the increase is proposed in anticipation of a change from 15 to 25 percent in the amount allowed for indirect costs ("overhead") of the total research grants activity (\$708,000); to meet this Institute's proportionate share of supporting additional costs for research services centrally performed (\$341,000); for payment of retirement fund and social-security costs (\$129,000); and for annualization costs of our current operations (\$63,000).

CONCLUSIONS

A productive program in diabetes, arthritis, and other metabolic diseases is well underway. Studies directly related to specific clinical disease entities are being furthered, but the greatest emphasis is being placed on fundamental studies in metabolism, endocrinology, and biochemistry. Only with the knowledge derived from such researches will it be possible to pass from our present stage, where control measures against diabetes, arthritis, and metabolic diseases are our greatest accomplishments, to the stage where prevention and cure of these diseases may be achieved.

Research accomplishments during the past year have been most gratifying. They lie in part in improved control measures and in an improvement of our understanding of specific diseases, but more particularly they represent substantial increases in our knowledge of the basic metabolic processes occurring in the body.

With the increased interest and activity in the areas of research for which this Institute is responsible, stemming in part from our newly established training programs, we have come to a period of challenging opportunity. The base has been established from which great strides forward may be predicted with confidence.

The House, acting upon this appropriation, has prohibited making an increase of from 15 to 25 percent in overhead costs for research grants. Dr. Shannon, in his opening statement, has commented upon the adverse effect that this action will have upon research activities in the long run. I should like also to ask that these increases in indirect costs be allowed.

PROGRAM DEVELOPMENT

Senator HILL. Dr. Daft? It is nice to have you here, Doctor.

The doctor, as you gentlemen know, is Director of the National Institute of Arthritis and Metabolic Diseases.

Dr. DAFT. I believe a detailed report has been furnished for the record, and if I may, I will just point out a few of the most important highlights which have taken place during the past year in this program.

NEW DRUGS DEVELOPED

One advance has been that there have been new and effective drugs against arthritis and the other rheumatic diseases developed and tested during the past year.

Further progress has been made in the serious disease of children which I mentioned to you last year called galactose diabetes or galactosemia, where the children cannot tolerate milk.

Most fruitful studies have been made in animals in preventing death from severe burns, a subject that we have been studying for some years.

More especially important, there have been noteworthy program and research advances in the field of diabetes during the past year.

There has been a great increase of interest in this field, a great increase in requests for research grants, a great increase in the amount of research which is going on, and in the very interesting things which are developing as a result of this.

This has been true in part because of the training grants program, which has been offered over the past 2 or 3 years.

ORAL USE OF INSULIN

Senator THYE. Doctor, would you mind a question at that point? Have you gained any specific information in the past year as to whether you can take the insulin internally and have the corrective results as you now get from the injection? Will that be the ultimate?

Dr. DAFT. There are studies along two lines, which have a bearing on your question, Senator Thye. As for insulin itself, that still must be injected.

Now, there are studies under way on certain parts of the insulin molecule. Those are not complete. We do not as yet know when these substances have been prepared whether or not it will be possible to take them orally and have them effective in the treatment of diabetes.

So far, I must report, then, that insulin itself, or any derivatives of insulin which are available, cannot be taken with success orally.

NEW ORAL DRUGS FOR DIABETES

There is a second aspect, however, which is related to this, and that is these new oral drugs for diabetes. They are not insulin, but they are substances which can be taken orally.

Senator HILL. What is the base?

Dr. DAFT. The first drugs which were developed for this use were sulfonamides. It has been known for sometime that the so-called sulfa drugs, some of them, did have an effect on blood sugar. It was not, however, until the past few years that this aspect of the sulfa drugs had been studied more carefully, and it was found that some of them in particular would lower in most patients the level of blood sugar.

Now, the first one tested, both in Germany and in this country, was one which was called BZ-55, which is a true sulfonamide. It was found too toxic for continued use.

Unlike the therapeutic use against infective diseases of the sulfonamides, it is of course necessary, in the treatment of diabetes, for these drugs to be given in large amounts over practically the entire lifetime. And the drugs used in this way, the sulfonamides, the sulfa drugs, are too toxic.

BZ-55 therefore was abandoned.

ORINASE

A second drug, which is not a true sulfa drug, but is related, called Orinase, has been tested very thoroughly during the past year, and it does not have the toxicity of the sulfa drugs, of the earlier ones.

There are mild side reactions in a small percentage of cases, but none of these have been serious.

Within the past few weeks, we have received information of some new drugs of quite different chemical constitution, which are not directly related to the sulfa drugs at all, which seemed to be quite effective in the treatment of not only adult diabetes, but, surprisingly enough, they appear to have some promise in juvenile diabetics, which was not true of the earlier drugs. This has been an extremely exciting development and if these drugs are truly of benefit to the diabetics, then this is the greatest discovery since insulin. We are not sure.

Senator HILL. You have got temporary results now?

Dr. DAFT. Yes, sir.

Senator HILL. And, of course, only time can tell as to what may be the lasting effects, if any. Is that right?

Dr. DAFT. That is correct, Senator Hill.

There is also the fact that no drug can substitute for insulin unless it does what insulin does, and that is to help the body utilize blood sugar.

Now, merely lowering the level in the blood is not of benefit per se to the diabetic, and the thing hinges on how the drugs act. That is what we are trying very hard to find out; and investigators all over the country, supported in large part through the money invested by this committee last year, are studying this problem. It has been a very difficult problem. There have been 4 or 5 different theories as to how the drug acts, and there is evidence both in favor of and against

each one of these theories. And we must say at the present time that we do not know how they act. And in this area lies the answer to whether or not this is a great discovery, or whether it is something which will soon disappear from use for diabetics.

Senator PASTORE. And how is this research being done, Doctor?

Dr. DAFT. It is being done in both humans and in animals.

Senator PASTORE. Where?

LOCATIONS OF STUDY CENTERS

Dr. DAFT. All over the country. These studies that I mentioned a moment ago, with the new drug, are taking place in the Joslin Clinic in Boston. There is a large study in this area in Minneapolis, a large study in Cleveland, a large study in Ann Arbor. We are studying them at Bethesda. But through the research-grants mechanism, there are supported studies in a great many centers in this country.

Senator PASTORE. Now, is there an independence among these groups, or is there a close liaison?

Dr. DAFT. There is a very close liaison through meetings, very largely. I suppose during the past year there have been 4 or 5 meetings of investigators held to compare their very latest results and give leads to each other, very frank and open discussions, of their findings to date. So that that aspect of it has been developing very satisfactorily indeed.

There have been a great many other interesting developments during the past year. I think that I might expand just a little on the disease of children, if I may, which might be of some interest to you.

Senator HILL. Good, Doctor.

AVERSION TO MILK IN CHILDREN

Dr. DAFT. I reported to you last year that there was this very serious disease of children, in which the child cannot tolerate milk. If the disease is discovered early, and milk is withheld from the diet, the child develops normally, but it is a very difficult disease to diagnose. It simulates very many other conditions. And the only test in the past has been one of giving large amounts of sugar of milk, that portion of it called galactose, which is a poison to the child, and the effect was very severe in the infant. Now, if uncorrected, this leads either to early death or to blindness and imbecility in the children.

Senator HILL. What does it do? Destroy tissues? Does it paralyze and destroy human tissue?

Dr. DAFT. Well, the blindness can be caused by large amounts of this particular sugar in animals. They develop cataracts.

Senator HILL. Cataracts?

Dr. DAFT. That is correct, Senator Hill. And just how the cataracts develop is not entirely understood. But as this particular sugar builds up in the blood, the true blood sugar level goes down, and it is believed at the present time that it is probably due to the low level of true blood sugar, which permits the cataracts to develop.

Senator PASTORE. Is that the only symptom?

Dr. DAFT. No, the mental retardation and imbecility is most striking, Senator.

In most of these infants, if the disease is not diagnosed, they will die within the first few weeks of life. And there is a marked diarrhea, which could be one of very many diseases. So in many cases it is not diagnosed.

TYPICAL INSTANCE OF DISEASE

Now, I thought this particular case, of which I have the report before me, would be of interest to you. It is of a 12-year old boy who is in a mental institution. And recently there was another child born to the family who was found to have this disease, galactose diabetes. And he was taken off milk early and has a good chance of developing normally.

They considered at that time the case of the 12-year-old brother, who was in the mental institution, whose condition had been diagnosed as entirely different. Now, he has been tested and has been found to have this disease.

Senator HILL. He had the same disease as his younger brother?

Dr. DAFT. That is correct.

Senator HILL. Except that at the time he had the disease, there was no method to diagnose, and therefore they ascribed it to some condition which he really did not have?

Dr. DAFT. That is correct. And for some reason he did not die, as most of the infants did. Now, we are making some study along this line, because it seems quite possible, from this case, that there are quite a number of infants who have this condition in a form where it has not been recognized, and therefore we are trying to get this test in condition for the general practitioner, the obstetrician, the pediatrician, to apply it in all suspected cases, so that this can be prevented in the future.

Senator PASTORE. Well, this is amazing.

Senator HILL. Well, I am delighted that the Senator is now a member of this committee, because he is so interested and so helpful. I wish he might have been here during the past years and heard some of the other testimony of what they have done out there in connection with children.

What was that case we had, Dr. Dearing, of that substance that you had to get into the brain? Glutamine?

Dr. DEARING. Dr. Bailey can tell you that story.

Senator HILL. We will wait, then.

POSSIBILITY OF MENTAL REHABILITATION

Senator PASTORE. On that 12-year-old boy, is there any chance, now that you have diagnosed the case, for mental rehabilitation, or is it at a stage where the damage has been done, and there is no coming back?

Dr. DAFT. I am sorry to say that these cases do not return. Our one hope is to diagnose the case early, in which case the infants will develop normally. But when the damage has been done, at the present state of our knowledge, we do not know of any way in which to rehabilitate him.

Now, what the future may hold I cannot say definitely, but it does not seem hopeful.

Senator PASTORE. Now, would you say that there may be a situation among the group of mentally retarded young children there may be young children walking around with this disease that you have talked about?

Dr. DAFT. This seems very strongly to be indicated by cases such as this.

Senator PASTORE. You mean children that were born normal, and only because they had this deficiency of low sugar in the blood count and could not take milk, that condition became aggravated?

Dr. DAFT. Yes, sir. We are quite certain that that is the case; that the one defect in these children—it is an inherited familial defect, such as the ones that the other people have been talking about today, where they lack in their tissues one particular enzyme, which helps them to take care of this sugar. This sugar must be changed before it can be burned. And the discovery which was made in regard to this is that there are three different steps in the transformation of this sugar, which is a poison as is, to the sugar which the body must have in order to get energy. And in these unfortunate children, 1 of the 3, and only 1 of the 3 enzymes is lacking.

Now, the test that we have for it now is merely to take a sample of blood, and you can determine from the red cells that this particular enzyme is lacking. And if these children are given then diets not containing this particular sugar, which is in milk, then it is known that they develop normally, completely normally.

PROBLEMS RELATED TO CHEMISTRY OF BODY

Dr. SHANNON. May I interrupt for a moment? I would like to make an extension to something Senator Hill said a short time ago. That is that it would appear that we are getting into problems that have to do with the chemistry of the body. I am called to make this remark, because last night at the National Institutes of Health lecture, which was given by Dr. Linus Pauling, a professor of chemistry and chemical technology at the California Institute of Technology, the title of the lecture was "Molecular Disease," and this is one of the striking examples of molecular disease, where one is able to dig down with physical and chemical tools and get at the mechanics of disorders of function which produce such striking end results.

And I think that I would agree with him, as I stated last night, that we are getting into a whole new era in terms of our conception of what disease is and what causes it and perhaps how to diagnose it early and do something about it.

We are really in a very exciting period with respect to time.

Dr. DAFT. And with the support, the money made available by this committee last year, we have been placing a very great emphasis on this type of study, which gets at the chemical processes underlying all diseases, which information will be of great benefit, we believe, to diabetes, to arthritis, and to all other diseases which belong to this group.

USE OF RADIOACTIVE ISOTOPES

Senator PASTORE. What part has radioactive isotopes played in all this research.

Dr. DAFT. Radioactive isotopes have been extremely important. There are two types of isotopes, radioactive and so-called weight

isotopes. And this gives a handle by which we can trace the progress of these substances through the body, which we did not have before the isotopes were discovered.

Senator PASTORE. Are they being employed now exclusively?

Dr. DAFT. Oh, yes. There are very few studies which do not employ radioactive and other isotopes, and they have been extremely valuable to us. The progress would have been impossible without them.

There are a great many other things that I could talk to you about. I do not want to take up more of your time. Unless there are questions, I believe that the highlights of research progress—

Senator HILL. You have given us a full picture for the record, have you?

Any other questions, Senator?

This is all so interesting that we could stay here for many days, to be frank with you. It is most interesting, Doctor, and we appreciate it deeply.

Thank you, sir.

(The following information was submitted:)

HIGHLIGHTS OF RESEARCH PROGRESS IN ARTHRITIS AND METABOLIC DISEASES, 1956

Items of interest on program developments and research studies conducted and supported by the National Institute of Arthritis and Metabolic Diseases

The broad sweep, deep penetration, and effective productivity of present-day medical research cannot be matched in history.

Today we know and understand much more of life's processes, in health and in disease, than man has ever known before, and we can successfully treat and cure more diseases, by far, than was possible just a few years ago. Research is paying off.

Still, there are problems, many of them. The infectious diseases to a large extent have been conquered. People who would have died earlier of these diseases now live to fall victim to more complex disorders—the chronic diseases. For despite remarkable medical advances our aging population still must face the fact that all the answers have not been found.

Among the more complex of the chronic-disease problems which still are not completely solved are arthritis, diabetes, and other metabolic diseases. There is much, medically, that can be done for victims of these disorders—much more than was possible only a few years ago. The diabetic, with insulin and proper diet, can today "live" with his disease. The arthritic, with modern therapy, can live much more comfortably, with much less pain and incapacitation.

But the eventual answers still elude us. The ultimate goals, namely, means for the prevention and cure of these diseases, still lie ahead of us. Significant advances have been and continue to be made; exciting developments of a practical nature can be predicted. The challenge is being met.

Selected highlights of research progress during the past year are presented herein.

DIABETES

Diabetes can be controlled, with varying degrees of ease and success in individual cases. This ability is, in itself, an example of research progress, but still we know comparatively little about the cause and nature of the disease. Even though it may be controlled, the underlying process continues, and complications, sometimes fatal, often incapacitating, develop. The basic factor in diabetes is not an excessively high level of blood sugar, but something much more fundamental and as yet incompletely understood.

Fundamental questions as to the cause, nature, and development of the disease must be answered, and only through painstaking, detailed, deeply probing research into the many metabolic problems involved will those answers be obtained.

No clearly blazed pathway through the metabolic maze exists, but here and there shafts of revealing light break through as investigations on the frontiers of the basic life processes search out and record the action of an enzyme, the structure of a molecule, or the nature and significance of an enzyme-vitamin reaction. Eventually, these scattered shafts of light will multiply and merge, to disclose, perhaps, not only the immediate answer to diabetes, but to many other afflictions of man as well.

New oral antidiabetic drugs get clinical tests

Extensive clinical tests of two new antidiabetic drugs have been conducted during the past year—tests which have been watched hopefully by diabetics and the medical profession, in particular. The drugs, which have the effect of lowering the blood-sugar level when taken by mouth, gave initial promise of being able to eliminate need for the daily injections of insulin required by many diabetics to control their disease.

The new drugs, originally developed and tested in Germany, but now manufactured in this country, are carbutamide (BZ-55) and tolbutamide (Orinase). They are sulfonamides, related to the well-known sulfa family of drugs which are so effective against certain types of infection.

Results of the tests and investigations to date are not conclusive and not particularly encouraging. One of the drugs, carbutamide (BZ-55) has been withdrawn from experimental use by its manufacturer because it proved to be toxic in about 5 percent of cases. Tolbutamide (Orinase), apparently not toxic, continues to be tested.

Findings, so far, are that these drugs (1) lowered the blood-sugar levels and urinary loss of sugar in relatively mild, recently acquired diabetes in older persons; (2) obtained poor, if any, response in severely diabetic persons; (3) were relatively ineffective in the treatment of juvenile diabetics; and, (4) are of no use in the treatment of keto-acidosis or in the control of diabetes during surgical stress.

The manner in which these drugs act to effect the lowering of blood sugar, one of the symptoms of diabetes, has not been established, although there are a number of theories, each supported by some evidence.

Indications are, however, that neither of these sulfonamides act as insulin does to increase sugar utilization by isolated muscle. Much depends upon what is discovered in the future concerning the mode of action of these drugs in the body. If it can be shown that either of these drugs actually does increase the utilization of sugar by muscle or that it increases the effectiveness or the amount of insulin produced by the body, without having toxic effects, then it may be a useful and valuable agent. But, there is increasing doubt that the sulfonamides will measure up to these requirements.

Both of these drugs have been limited to experimental use only, and are not available otherwise to physicians or the public.

Studies shed new light on complications of diabetes

Cataracts, leading to blindness, are one of the complications of diabetes. Studies of this complication by NIAMD grantees have recently revealed new information. At the University of Iowa investigators have found that cataracts may be related to the same factors as other forms of degeneration found in diabetes. In a study of 132 diabetic patients the scientists learned that 72 percent of the cataracts which developed in the group appeared after 10 years of duration of the disease. Degeneration of the retina may occur at the same time in the same patient. The correlation between the incidence of cataracts and poorly controlled diabetes was also significant, although retinopathy (degeneration of the retina) is more closely associated with poor control of the disease.

At Western Reserve University other investigators have turned up evidence leading them to believe that the high blood sugar levels of diabetes, although associated, are not directly responsible for cataract formation. They believe that cataract formation results from impaired glucose utilization by the lens of the eye.

Growth hormone studies reveal important facts

Hormones of the anterior pituitary gland have attracted much study, and are of particular importance with relation to the understanding of diabetes, since they act antagonistically to insulin. Growth hormone, one of the important endocrine substances, when derived from beef pituitaries, has been shown to cause diabetes in dogs but to be without effect on humans, a paradoxical state of affairs, since hormones derived from one species are usually active in all.

The failure of beef growth hormone to react in man has puzzled scientists for several years, throwing a proverbial monkey wrench into the machinery of investigation. Now, however, monkey and human-growth hormones have been isolated by scientists at the University of California, in work supported by a grant from this Institute. This research has demonstrated that the product from the monkey, unlike that from beef, is active in man. The implications of these discoveries, as related to treatment, are being explored.

Enzyme studies provide basic diabetes data

Insulin, or the lack of it, has many effects, some of them on the enzyme architecture of the body. The study of these effects on enzymes constitutes a fairly new area of effort. An enzyme (glucose-6-phosphatase), responsible for the last step in the generation of glucose (blood sugar) by the liver, has been shown by a grantee at Harvard University to be markedly increased in activity as a consequence of diabetes. Similarly, certain types of enzymes concerned with the transformation of the amino acid, tryptophan, into the vitamin, niacin, a normal process in most animal species, are strikingly altered in the diabetic state, as work by Institute scientists has demonstrated.

Scientists seek means to retard insulin destruction

Severe diabetes might be controlled with less insulin and mild diabetes possibly controlled with very little or none if scientists now searching for means to retard or halt the destruction of insulin in the body are successful. Insulin is destroyed in the body, apparently by a fairly specific enzyme known as insulinase. Scientists at several institutions, supported by grants from this Institute, are studying insulinase and its action, searching for some means to block or slow down its destructive activity. A number of agents which inhibit insulinase in test systems have been discovered and are being investigated in intact animals. Research in this area is being fostered since the possibility exists that findings may be of significant aid in control of diabetes.

Cortisone may play part in revealing diabetic tendency

Glucose tolerance tests are used as a diagnostic aid in checking patients for diabetes. Institute grantees at the University of Michigan have found that in families in which diabetes occurs, some members may be normal, some frankly diabetic, some "prediabetic" (not frankly diabetic, but with poor glucose tolerance), and others will appear to be essentially normal in their responses to the glucose tolerance test except when given cortisone. This suggests that cortisone tends to unmask a latent diabetes in those who have a family history of the disease but who in ordinary tests show no diabetic symptoms. The validity and clinical usefulness of cortisone employed in this manner will have to be determined in a series of investigations over a considerable period of time.

Scientists explore effects of very early treatment

Hope exists that in connection with the determination of diabetes susceptibility or with its diagnosis in very early stages some means may be devised to prevent or arrest the development of the disease. Studies by NIAMD grantees are in progress of the effects obtained by the administration of insulin in small doses to patients in the earliest diagnosable stages of diabetes, although the possibility that the disease can be arrested by this means is rather small. Again, several years of observation will be required before any certain measure of success or failure can be determined.

Studies of insulin action reveal additional facts

Although it has been known that insulin is required in the body for the proper conversion of blood sugar (glucose) into energy, the exact mechanism by which the hormone accomplishes this action has not been known. Considerable evidence has been accumulating recently which strongly suggests that perhaps the primary action of insulin in carbohydrate metabolism is to expedite the passage of glucose across cell membranes—from the blood to the muscle and other tissues where it is utilized in the production of energy. NIAMD grantees at several institutions have, during the past year, produced results strongly supporting this concept.

At the University of Pennsylvania investigators supported by an Institute grant have demonstrated enzyme systems in muscle which, while otherwise identical, differ completely in responsiveness to insulin. One system, which forms lactic acid from glucose, is unresponsive to the hormone while the other, which produces glycogen, the storage form of sugar, increases its activity in the presence of insulin.

At the University of California grantee scientists have found that certain chemical relatives of glucose are not readily metabolized by the tissues, but do respond to insulin by increased transfer across cellular membranes.

At Vanderbilt University investigators found that insulin markedly increases the transport of glucose and certain related sugars across membranes to heart and diaphragm muscle in laboratory animals, but did not affect glucose transport into the brain, indicating different mechanisms of insulin action in muscle and brain.

Insulin structure; synthesis attempted

The insulin molecule, as molecules go, is a huge one, a vast complex of 51 amino acids. Insulin differs slightly from species to species. The structures of insulins from pig, sheep, and beef animals, as well as that from the whale, have been determined and it has been found that they differ only in one small series of three amino acids.

A slight possibility exists that, as in the case of certain other hormones, a small portion of the immense insulin molecule might be the essential part responsible for the biological activity of the whole. It is also just possible that this hypothetical small essential portion might be effective when given by mouth. Exploring these possibilities, NIAMD scientists have undertaken attempts to synthesize portions of the insulin molecule. In work to date, however, it has been found that very slight chemical changes in the molecule's structure have destroyed its physiological potency. Thus the chance that synthesized portions of the molecule might be useful as oral forms of insulin seems to be almost eliminated. However, even though such synthesized portions may not be useful for that purpose, they might be extremely valuable tools for use in the determination of the manner in which insulin acts in the body, so the work is being continued.

Scientists elucidate structure of glucagon

The pancreas, which produces insulin, also gives rise to glucagon, another protein hormone. Insulin, long a subject of intensive study, was the first protein whose structure was determined. Now, glucagon's complete structure, too, has been elucidated and it has been found to be quite different from insulin. It has also been shown that it is biologically distinct. Glucagon causes a rise in blood-sugar concentration, an effect opposite to that of insulin, but the manner in which it acts to bring about this effect is not directly antagonistic to that of insulin.

Studies of sugar metabolism yield basic knowledge

Diabetics often first learn of their condition because the effects of a breakdown in the utilization of sugar by the body are recognized. Subsequently other breakdowns in the metabolic process occur, such as incomplete utilization of fats. In studies relating to the metabolism of sugars, NIAMD scientists and grantees have continued to add to the already large body of knowledge concerning this process which is so complex and so vital to proper functioning of the body. For example, it has been found that the sugar, xylulose, formerly believed to occur only in the urine of patients with pentosuria, occurs also, although in much smaller quantities, in the urine of normal persons. Pentosuria is a familial disease which at times has been confused with diabetes, but unlike diabetes it is a harmless condition and comparatively rare.

Xylulose, one of the pentoses, or sugars containing 5 carbon atoms, is only 1 of the many sugars involved in metabolic processes. Increasing efforts have centered recently about the relationships of these 5-carbon sugars with the hexoses, which contain 6 carbon atoms. The enzymes which catalyze many of the reactions of these compounds have been purified and the reactions have been isolated and studied.

Another important sugar deeply involved in mammalian biochemistry, ribulose diphosphate, a very provocative discovery has revealed to be also a key factor in photosynthesis, the fundamental life process of plants.

Research shows that diabetic complications can be avoided

One of the most important considerations in the study of diabetes are the complications commonly associated with the disease. Fully half of the deaths which each year can be attributed to diabetes are caused by the complications which so often ensue, and not to the disease itself. Degenerative vascular disease, which leads to blindness, kidney failure, and serious hardening of the arteries (arteriosclerosis), is commonly associated with diabetes.

In an attempt to find an answer to the question whether degenerative vascular disease is an avoidable complication of diabetes or a part of the natural progression of the disease, an Institute grantee in a 10-year study at the University of Iowa worked with a group of 132 juvenile diabetics all of whom had had their disease 10 years or more.

It was found that when degenerative disease appears it does so, on the average, in the second decade of diabetes. The incidence and severity of degenerative disease were significantly greater in those diabetics whose disease was not well controlled. When the average duration of the disease was between 10 and 15 years there was an evident relationship between duration of the diabetes and the appearance of degenerations, but when the same group was followed beyond 15 years or beyond 20 years of duration the correlation between duration of diabetes and the incidence of degenerative vascular disease no longer existed. The investigators conclude that if duration were an important factor it would be expected that the incidence of degeneration would continue to mount higher in the longer duration groups, but this was not the case.

It appears, on the basis of this study, that although time is necessary for degenerative disease to appear in diabetics, duration, per se, is not an important factor in its development, but poor control of the diabetes is. Degenerative vascular disease, then, is not an inevitable result of diabetes and should be preventable.

This is an example of the type of long-term studies necessary for the explanation of some of the problems in diabetes. Further studies are necessary to explain the mechanisms by which degenerative disease develops in diabetics.

RHEUMATIC DISEASES

Chemists, by rearranging the atomic layout of the steroid molecule, are developing new and better synthetic hormones for the treatment of rheumatic diseases; biochemists and physicians are studying the manner in which the body makes, uses, and destroys antirheumatic hormones so that more intelligent and effective use may be made of them; epidemiologists are developing valuable information concerning the prevalence of rheumatoid arthritis, and, probing deeply into the inner workings of the body, scientists are learning many new facts about the basic functions and nature of the connective tissue, the supporting structure of the body which is affected by the rheumatic diseases.

On many fronts progress in research is being made which holds heartening promise for those who suffer; better, more potent drugs with fewer side effects; earlier, more accurate diagnosis; a broader, better understanding of the nature of these diseases which will permit, in turn, improved treatment and perhaps most important, significant additions to our store of knowledge which eventually will lead us to the development of our ability to do more than provide palliation for the more than 10 million United States citizens who suffer from the rheumatic diseases.

More learned about action of aspirin

Although approximately 12 million pounds (6,000 tons; 12 billion 5-grain tablets) of aspirin are consumed in the United States each year, and despite the fact that it is universally used as a pain killer (analgesic), a fever-reducer (antipyretic) and antirheumatic drug throughout the world, comparatively little is known of the way it acts in the body. It is by far the most widely used and cheapest drug on earth, and one of the safest.

In the symptomatic treatment of the rheumatic diseases it is quite certainly the most commonly employed medication, by itself and in combination with other drugs. Theories as to the reasons why aspirin in so many cases is so effective in damping rheumatic symptoms have included one which indicated that it must have some effect upon the adrenal or pituitary glands, possibly stimulating the production of adrenal hormones. An NIAMD grantee at the University of Utah, studying the action of aspirin in the treatment of patients with rheumatic fever, has found that hormones of the adrenal cortex have no evident relation to the clinical effect of aspirin. In both normal subjects and in patients with rheumatic fever, he reports, therapeutic doses of aspirin did not produce any scientific evidence of such a relationship. In support of these findings, another study, in laboratory animals, had shown that the glycogen content of the liver was depleted by aspirin, an effect opposite to that of cortisone and other antirheumatic steroids.

Acetyl salicylic acid, for more than 50 years known as aspirin around the world, was marketed as a proprietary drug until 1917 when its originator's

patent ran out. It is now manufactured by many drug houses and sold widely not only as aspirin, but as a major ingredient of such preparations as Anacin, Empirin, Alka-Seltzer and Bufferin. It is also a major ingredient of many other preparations which are sold under various names as antirheumatic specialties.

Scientists probe for basic arthritis facts

Tendons, ligaments, cartilage, and the lining of joints all are composed largely of connective tissue. Many of the rheumatic diseases have in common the fact that they attack and sometimes destroy this tissue. Scientists, seeking a better understanding of rheumatic disease processes, are probing deeply into the nature and function of this connective tissue, searching for the "how, where, and why" information fundamental to a more complete comprehension of the problems involved in the development of methods for prevention and cure.

Connective tissue, itself, is composed of elastic fibers and a jelly-like substance, collagen, both imbedded in a material known as ground substance. The components of this ground substance are currently receiving the most attention because they appear to be the most active of the materials involved in the metabolism and development of connective tissue.

At Columbia University an NIAMD grantee has found that one of the ground substance components, chondroitin sulfate, as found in skin, contains a sugar, iduronic acid, never before found in animal tissues. Connective tissue in other locations does not contain this material, but instead, a substance called glucuronic acid. Analysis of this newly discovered material in skin connective tissue may provide interesting information as to its special role in its unique location.

Another important development of recent date has been the successful biosynthesis of hyaluronic acid, another ground substance component. In the laboratory, NIAMD scientists and grantees were able to demonstrate this synthesis in cultures of synovial tissue taken from human joints during operations and in similar cultures of extracts from umbilical cord and placenta. These investigators later were able to determine that some patients with rheumatoid arthritis have, in their serum, a factor which interferes with the synthesis of hyaluronic acid by joint tissue. This factor has not yet been identified.

These accomplishments are but small beginning steps toward the achievement of ultimate goals, such as the determination of the chemical structure of all connective tissue components, knowledge of the steps by which they are normally synthesized in the body, and the identification of the metabolic and biochemical defects which occur in patients who have rheumatic disease.

Latex used in new arthritis diagnostic test

Perhaps the most promising of recent developments in the search for a sensitive and accurate diagnostic test for rheumatoid arthritis is one recently reported by scientists at Mount Sinai Hospital, New York, in work supported by an NIAMD grant. For several years research work on this problem has been underway, most effort being directed to the perfection of the sheep cell agglutination test. At this point the sheep cell test is the more accurate, but still is time consuming and complicated. The new test involves the use of polystyrene latex, a commercially available synthetic plastic material, and is known as the latex fixation test. It has the advantage of being much simpler and faster, producing results in 2 hours instead of days. Further refinements to make it more sensitive and accurate are underway. Meanwhile, further work on the sheep cell test also is proceeding. Early diagnosis of rheumatoid arthritis is important because the early initiation of proper treatment may help to forestall many of the painful and crippling aspects of the disease and prevent needless suffering and incapacitation.

Rheumatoid arthritis prevalence estimated

The prevalence of rheumatoid arthritis, as distinguished from other forms of rheumatic disease, has been determined in a careful study of a selected sample of the population of Pittsburgh, Pa. The study, supported by funds from an NIAMD grant, is continuing, but preliminary figures provide valuable and interesting information. Examinations by physicians and evaluation of the findings on the basis of standards developed by the American Rheumatism Association provide a solid factual underpinning for these estimates. Exactly 2.7 percent of those examined had rheumatoid arthritis. Other interesting findings: The disease strikes three times as many women as men; married persons are more

often affected than those who are single; and married persons who are separated, divorced, or widowed are more affected than those who have remained married. It also appears that the prevalence of severe forms of rheumatoid arthritis among women is more striking than the prevalence of the milder forms. The prevalence rate of 2.7 percent revealed by this study compares with results of similar studies indicating prevalence rates of 2.4 percent in England and 2.0 percent in Sweden.

Body converts cortisone into hydrocortisone

Cortisone and hydrocortisone both have been widely used in the treatment of rheumatoid arthritis and other rheumatic diseases for several years. It has been known that hydrocortisone is about one-third more potent than cortisone in its antirheumatic action, but that otherwise it was essentially the same in its effects. It differs chemically from cortisone in that it has two added hydrogen atoms in its molecular structure. Both of these steroids are secreted by the adrenal cortex, hydrocortisone in much larger amounts than cortisone.

NIAMD scientists, in their continuing studies of the action of corticosteroids in the body now have found that cortisone, as administered in the treatment of arthritis, is rapidly converted by enzyme systems in the body to hydrocortisone. Within 30 minutes after administration roughly half the cortisone is converted, and within 2 hours, two-thirds of it. It seems likely, in view of this finding, that when cortisone is administered it must first be converted into hydrocortisone before it is effective in suppressing rheumatic symptoms. This assumption is further supported by the fact that hydrocortisone, when injected into an arthritic joint, is effective in allaying pain and inflammation, whereas cortisone is not.

This finding, together with others in this series of studies, is a significant contribution to the body of knowledge concerning the action of steroids in man which provides a sound basis for the administration of steroid compounds to patients with a wide variety of disease conditions.

New synthetic hormones promise better results

The exciting potentialities which are inherent in the structure of the adrenal hormones are being thoroughly explored by scientists in an intensive search for new and better antirheumatic compounds. The judicious rearrangement of the atomic components of the cortisone molecule which resulted in the production of prednisone a little more than 2 years ago set off a surge of effort which now is producing results—a series of new antirheumatic compounds which promise better, safer treatment for arthritics.

Prednisone, a chemical cousin of cortisone, does not exist in nature. It was created in the laboratory, by a delicate readjustment of the parent cortisone molecule. Cortisone is secreted in small amounts in the adrenal cortex of man and animals, as is hydrocortisone. Prednisolone, which is almost identical in its effects, was created in the same manner as prednisone but by modifying the hydrocortisone molecule. Both of these synthetic steroids are more potent in their antirheumatic action than either cortisone or hydrocortisone, and in addition do not cause some of the undesirable side effects the older steroids often brought about. But, although they were improved, they still have faults, still cause some side effects which cancel out their benefits in too many cases.

The development of prednisone and prednisolone opened up a lot of possibilities—demonstrated that it might be possible, by additional delicate chemical adjustments to separate the beneficial from the harmful effects more completely, and to create antirheumatic compounds without, or with only minor side effects.

Among the new compounds recently made available for tests and clinical trials is one, triamcinolone, which is being clinically evaluated by this Institute and by grantees in New York and Philadelphia. Preliminary results indicate that this new drug (trade name, Orion), is at least as potent as prednisone, and to date has shown fewer side effects. It is too early to be definite, but at this point it appears that triamcinolone may represent a successful attempt to improve on presently available drugs.

Still another new synthetic steroid has recently been announced and preliminary clinical tests undertaken by another pharmaceutical firm, a compound named Medrol by its maker. This drug, a methyl derivative of prednisone, is also claimed to be an improvement over currently used antirheumatics, but results of clinical tests have not as yet been announced. Others, too, are in various stages of preparation, and there is every reason to believe that definite improvements are in order and can be expected.

Development of bone, cartilage investigated

Differences, heretofore undetected, between bone and cartilage, have been found by Institute grantees at Johns Hopkins University in electron microscope studies of these tissues in newly formed human bone. Although the assumption has been that events in the development of these two closely related tissues paralleled each other, evidence has been discovered that bone and cartilage, both of which calcify, differ considerably in architecture and possibly in the mechanism of calcification. This finding is of potential importance in studies of bone disease in the young, especially in rickets and scurvy, as well as in arthritis.

BASIC RESEARCH: METABOLISM

Prerequisite to continued progress against not only the metabolic diseases but many others is a better understanding of the basic body chemistry. This improved understanding is rapidly being achieved through research with immediate and practical benefits as well as with significant contributions to that solid and ever-increasing body of fundamental knowledge from which stem the more understandable, even sensational discoveries for which it provides the base.

The key to many of man's most painful, disabling, and fatal afflictions lies locked within the many as yet unplumbed secrets of metabolism. Hormones, enzymes, and vitamins, the three great groups of compounds which initiate, mediate, and control the metabolic processes in the body, are involved in the wonderfully complex system by which the metabolic fuels, food, air, and water, are converted into growth and energy, the essentials by which the structure and the functions of life are maintained.

Every intimate detail as to the manner in which hormones, enzymes, and vitamins operate—how they affect each other to achieve their effects—is important and must be known. Gradually this information is being obtained. A few examples follow.

Promising new pain killer developed by NIAMD chemists

As potent, milligram for milligram, as morphine, 3 to 4 times as powerful as demerol, but with less addiction liability than either, a new hydroxy-phenyl-morphan compound developed by chemists of the National Institute of Arthritis and Metabolic Diseases is now being readied for clinical tests.

A purely synthetic substance, the new compound is not a morphine derivative. Much more potent than codeine, it has only slightly more addiction potential than this commonly used analgesic. The new compound, thoroughly tested in monkeys for addiction liability, was rated as "intermediate," whereas morphine and Demerol rate "high." Results of tests in monkeys for addiction potential have been demonstrated to be transferable to man and are accepted officially as standard screening procedure. This noteworthy chemical accomplishment constitutes another definite breakthrough in a long train of attempts by chemists and pharmacologists to separate pain-killing power from addiction liability and to end our dependence upon morphine derivatives for effective analgesic preparations.

An even more promising but similar drug from the same NIAMD laboratories is in earlier stages of development, and a series of other synthetic drugs, some more powerful than morphine, are being tested. (See below.)

Screening program reveals highly potent analgesics

Compounds 50 to 100 times more effective than morphine in suppressing pain have been found recently during the course of a laboratory screening program, conducted by Institute chemists, of potentially useful substances. Preliminary tests of pain-killing potential have been conducted on various compounds, most of them developed in the Institute's laboratories, although addiction tests have not been completed. Studies are now being made of the toxicity of these compounds and their relationship to the phenomenon of tolerance. Addiction tests and clinical studies of a number of these drugs are planned.

Answer found for deaths from postburn infections

Highlighted in this report last year was news that clinical proof had been established of the effectiveness of a simple solution of table salt and baking soda, administered by mouth, in preventing death due to burn shock, a procedure developed by scientists of this Institute. This year, the same scientists can report another significant advance in methods designed to prevent deaths due to severe burns—deaths that occur after the shock period has been successfully passed

and which are caused by postburn infections. An interesting research story is involved.

This story epitomizes and illustrates remarkably the independent values, the interdependency, and the effectiveness in combination, of the laboratory and clinical approaches to medical research. It also points up the value of the laboratory animal and the versatility of certain therapeutic agents, in this case the adrenal steroid, cortisone, best known as an antirheumatic drug.

Cortisone, the miracle drug of its day, beginning in 1950, was enthusiastically hailed as the answer to the arthritics' prayer, and was effective in many, many cases in suppressing the painful symptoms of rheumatoid arthritis. But cortisone had its disadvantages and has been largely supplanted in the past year or two by new, improved steroids which have fewer undesirable side effects. Some of the drawbacks to cortisone's use are that it increases susceptibility to infections and sometimes causes transitory diabetes. These very defects have made it useful in researches in other fields, such as the "unmasking" of latent diabetes in a diagnostic test, improving tests for the presence of live poliomyelitis virus in vaccines and, as will appear, in simulating certain human disease conditions in laboratory animals.

This particular research story begins in a laboratory of the National Institute of Arthritis and Metabolic Diseases several years ago with a scientist who was concerned with the many deaths caused by traumatic shock, that often fatal condition following serious injuries and severe burns. Searching for a simpler treatment than the standard and effective therapy provided by the injection of whole blood or plasma, this scientist and his associates found that oral salt and soda would prevent death from shock in laboratory animals. After many experiments and development the treatment was set up for clinical trial. These tests, conducted on several hundred human patients suffering from severe burn shock, were successful. The treatment proved effective. It compared most favorably in its action and percentage of success with the older standard methods and has the obvious advantage, in a large-scale catastrophe, of being simple. If the number of casualties in an emergency was large, intravenous treatment of shock would be impractical in the probable absence or shortage of technically trained people and adequate supplies of blood or plasma.

Although the clinical team conducting the tests of the salt and soda therapy was successful in bringing many victims of severe burns through the shock crisis with success, the NIAMD physician in charge noted that many severely burned children died subsequently of a mysterious infection. From blood cultures he determined that in virtually every patient who died of infection following the acute shock period there appeared an organism called *Pseudomonas*.

Here, then, from the clinic, the problem was referred back to the laboratory, where efforts were made to infect laboratory animals with the organism. These attempts failed in all except burned animals until the stress of the burning was successfully simulated by the administration of cortisone. Animals in which a suitable state of stress was created by cortisone could be infected with *Pseudomonas*. Work then proceeded to find a suitable treatment for prevention of this infection. Common antibiotics were not useful. One uncommon antibiotic, polymyxin B, did the job, but was considered too toxic for common use in humans. The most effective agent in the treatment of the *Pseudomonas* infected animal has proved to be human gamma globulin.

Now proved effective in the laboratory this therapeutic agent has been scheduled for clinical testing. The result may well be a valuable therapeutic agent effective in saving human lives now lost due to the fatal effects of postburn infections.

Progress against galactose diabetes

Last year Institute scientists reported their discovery of the cause of galactose diabetes (galactosemia) and their subsequent development of a comparatively simple and safe diagnostic test. Since that time pediatricians and other practicing physicians throughout the world have indicated much interest in that test, for early diagnosis of the disease is highly important and may well be lifesaving.

Infants suffering from this disease face serious consequences, including jaundice, blindness, mental retardation and death, if diagnosis is not prompt and accurate. Diagnosis has been difficult because the early symptoms of the disease (such as diarrhea) resemble those of other, less serious afflictions.

The cause of galactose diabetes was shown by Institute scientists to be a specific metabolic defect due to the hereditary absence from body cells of a single enzyme necessary for the metabolism of the galactose (a component of lactose, or milk

sugar) in milk. If the diagnosis is made in time milk can be removed from the diet and the affected infant may then grow and develop normally.

Progress has been made during the past year toward making the test available on a broad scale. A test kit has been developed and a commercial pharmaceutical firm has been interested in producing it. Availability of the kit and widespread use of the diagnostic test should materially reduce the number of casualties traceable to this disease, which although comparatively rare, may be more common than is now supposed.

New diagnostic test now standard procedure

At Children's Medical Center, Boston, an Institute grantee has developed a new diagnostic test for mucoviscidosis (cystic fibrosis) which now has been established as a practical clinical procedure. This disease, affecting young children, is almost always fatal, but if found early enough can now be more successfully treated, prolonging life. The test is based upon analysis of the concentration of sodium and chloride in the sweat of patients. A report on this procedure states, "The diagnostic value of this test surpasses any previously described procedure, and this includes the elaborate studies involving assay of duodenal fluid for pancreatic enzyme activity." This investigator has also established the fact that the disease is not necessarily due to insufficient function of the pancreas, as was formerly believed, but is a generalized disease, affecting all mucous secreting glands. Children suffering from mucoviscidosis cannot properly digest food. The disease has been estimated to occur in about 1 out of every 1,000 infants.

New method detects, measures intestinal blood loss

Institute clinicians have devised a new method for the detection and measurement of blood loss from the gastrointestinal tract which already has proved to be of immediate practical value. A significant advance in diagnostic techniques, the new method is much more effective and precise than older procedures, including X-ray, for localizing the site of bleeding in the intestines. The new method involves "tagging" the patient's red blood cells with radioactive sodium chromate and analyzing subsequent stools and samples obtained by passing a rubber tube down the intestinal tract.

In their work, the NIAMD investigators have shown that it was possible for a patient to lose as much as a pint of blood a day without detection by commonly used tests, but the new method easily reveals the loss of a fraction of this amount as well as the precise location of the site of bleeding.

The method's unusual value has already been demonstrated in six research patients in whom sources of bleeding previously had been missed by standard methods. In each of these cases the blood loss was detected and the site of bleeding determined, making possible prompt surgical correction of the diseased conditions.

Newly developed method aids fat metabolism studies

At Cornell University Medical School a scientist, in work supported by an NIAMD grant, is developing a method for preparing suspensions of animal fat and of cholesterol in water for intravenous use suitable for humans. The availability of such a suspension will constitute a tremendous advantage in the care of patients following surgery who are maintained entirely on feeding by vein. This fat suspension, of subparticle size, offers a valuable tool for the investigation of the metabolism of fat in the body since the particle size is small enough to enter the cell directly. The preparation, according to a preliminary report, can be reconstituted in a way which removes one of the hazards involved in the routine use of fat emulsions. In addition, the availability of a nontoxic, aqueous suspension of cholesterol suitable for intravenous use will open new possibilities for the investigation of this important lipid.

Nucleic acids synthesized by isolated enzymes

The nucleic acids in the body serve, among other functions, as the reservoirs of chemical information essential to the cell and its offspring, and are believed to be the materials which are responsible for the genetic transmission of inherited characteristics and defects, among which is diabetes. The nucleic acids also are responsible for the ability of a cell to generate, without variation, identical molecule after molecule of a protein such as insulin.

A major achievement of the year is the accomplishment by an NIAMD scientist and his collaborator, a grantee at New York University, of the synthesis of nucleic acids by enzymes isolated from living cells. This discovery of the

manner in which the nucleic acids are synthesized, in view of the key role these substances play in the body's chemistry, is an event of major importance, a significant accomplishment increasing measurably the depth and scope of our understanding of metabolic processes.

ALLERGY AND INFECTIOUS DISEASE ACTIVITIES

STATEMENT OF DR. JUSTIN ANDREWS, DIRECTOR, NATIONAL INSTITUTE OF ALLERGY AND INFECTIOUS DISEASES; ACCOMPANIED BY DR. JAMES A. SHANNON, DIRECTOR, NATIONAL INSTITUTES OF HEALTH; DR. LEROY E. BURNEY, SURGEON GENERAL; ROY L. HARLOW, CHIEF FINANCE OFFICER; AND JAMES F. KELLY, DEPARTMENT BUDGET OFFICER

APPROPRIATION ESTIMATE

“[Microbiology] *Allergy and infectious disease* activities: For expenses, not otherwise provided for, necessary to carry out the purposes of the Act relating to [microbiology, \$13,299,000] *allergy and infectious diseases*, \$17,400,000, of which \$150,000 shall be available for payment to the Gorgas Memorial Institute for maintenance and operation of the Gorgas Memorial Laboratory.”

APPROPRIATION LANGUAGE CHANGES

The first two changes are proposed to have the appropriation language conform to the new title of the Institute which was changed so that its functions and responsibilities will be more readily apparent.

The final change will permit the inclusion of the estimate for the Gorgas Memorial Laboratory in this appropriation since the functions of this laboratory most nearly parallel the activities of this Institute. This action is being taken to reduce the number of appropriation accounts in the Public Health Service.

Amounts available for obligation

	1957 appropriation	1958 budget estimate	1958 House allowance
Appropriation or estimate.....	\$13,299,000	\$17,400,000	\$17,400,000
Additions: Comparative transfers from other accounts.....	197,000		
Total obligations.....	13,496,000	17,400,000	17,400,000

Obligations by activities

Description	1957 appropriation		1958 budget estimate		1958 House allowance	
	Positions	Amount	Positions	Amount	Positions	Amount
1. Grants:						
(a) Grants for research projects.....		\$8,212,000		\$10,824,000		\$10,824,000
(b) Research fellowships.....		117,000		117,000		117,000
(c) Training grants.....				650,000		650,000
2. Direct operations:						
(a) Research.....	486	4,720,000	509	5,342,000	509	5,342,000
(b) Review and approval of grants.....	11	191,000	11	202,000	11	202,000
(c) Administration.....	11	256,000	11	265,000	11	265,000
Total obligations.....	508	13,496,000	531	17,400,000	531	17,400,000

Obligations by objects

Object classification	1957 appropriation	1958 budget estimate	1958 House allowance
Total number of permanent positions.....	508	531	531
Full-time equivalent of all other positions.....	6	6	6
Average number of all employees.....	464	493	493
Number of employees at end of year.....	499	523	523
01 Personal services.....	\$2,593,500	\$2,741,500	\$2,741,500
02 Travel.....	67,600	67,600	67,600
03 Transportation of things.....	30,900	30,700	30,700
04 Communication services.....	28,600	28,600	28,600
05 Rents and utility services.....	15,400	15,400	15,400
06 Printing and reproduction.....	3,500	3,500	3,500
07 Other contractual services.....	46,200	46,200	46,200
Reimbursement to "General research and services, National Institutes of Health, Public Health Service"	1,849,900	2,047,000	2,047,000
08 Supplies and materials.....	422,800	549,700	549,700
09 Equipment.....	107,400	132,700	132,700
11 Grants, subsidies, and contributions.....	8,329,000	11,591,000	11,591,000
Contribution to retirement fund.....		142,900	142,900
15 Taxes and assessments.....	8,200	10,200	10,200
Subtotal.....	13,503,000	17,407,000	17,407,000
Deduct charges for quarters and subsistence.....	7,000	7,000	7,000
Total obligations.....	13,496,000	17,400,000	17,400,000

New positions requested, 1958

Title	Grade	Positions	Annual salary
Research:			
Scientist.....	GS-11.....	3	\$19,815
Do.....	GS-9.....	1	5,440
Research technician.....	GS-6.....	2	8,160
Administrative staff assistant.....	GS-5.....	1	3,670
Research technician.....	GS-5.....	1	3,670
Clerical assistant.....	GS-4.....	1	3,415
Do.....	GS-3.....	2	6,350
Research technician.....	GS-3.....	5	15,875
Do.....	GS-2.....	4	11,840
Grades established by act of July 1, 1944 (42 U. S. C. 207):			
Full.....		1	8,012
Senior assistant.....		2	12,636
Total positions and annual salaries.....		23	98,883
Less lapses.....			24,721
Net cost.....			74,162

Summary of changes

1957 actual appropriation.....	\$13,299,000
Transfers:	
Comparative transfer from "General Research and Services, NIH".....	+50,000
Comparative transfer from "Gorgas Memorial Laboratory, Public Health Service".....	+147,000
Adjusted 1957 appropriation.....	13,496,000
1958 appropriation request.....	17,400,000
Net change requested.....	3,904,000

	Positions	Estimate	Positions	House allowance
For mandatory items:				
Annualization.....		\$78,300		\$78,300
Retirement.....		224,500		224,500
Social security.....		1,100		1,100
Pay in excess of 52-week base.....		13,500		13,500
Wage board.....		26,000		26,000
Total.....		343,400		343,400
For program items:				
Increased overhead cost.....	0	701,000	0	0
Expansion of research-grant program.....	0	1,908,000	0	2,609,000
Inception of training-grant program.....	0	650,000	0	650,000
Increased support for Gorgas Laboratory.....	0	3,000	0	3,000
Expansion of allergy, virology, and germ-free research.....	23	234,400	23	234,400
Expansion of services furnished centrally.....	0	64,200	0	64,200
Total change requested.....	+23	3,904,000	+23	3,904,000

STATEMENT BY DIRECTOR, NATIONAL INSTITUTE OF ALLERGY AND INFECTIOUS DISEASES

Mr. Chairman and members of the committee, the National Institute of Allergy and Infectious Diseases (formerly the National Microbiological Institute) supports and conducts research on the infectious and parasitic diseases and on allergy, through direct operations, grants, and fellowships. These diseases are the chief causes of illness in the United States, and some of them lead to disability of long duration.

Research on viruses continues to be productive and promising. Many new viruses are being discovered, and we are learning through virus research more about the fundamental processes of all living matter. By using tissue culture it is possible to follow the course of viruses through selected human populations, to identify them with specific illnesses, and to learn how they spread. A new experimental vaccine against one form of acute respiratory illness ("grippe") has proved gratifyingly effective. The exploration of the destructive effect of certain viruses on cancer continues.

Encouraging progress is being made in breaking up micro-organisms in order to provide better and less toxic vaccines. An experimental trial of a tuberculosis vaccine produced in this manner is underway.

The program on allergy, a new responsibility of this Institute, has begun vigorously. Growing interest in the use of germ-free animals has been signified by increased requests for grant assistance and by intensification of direct research.

There is an acute need for additional highly qualified scientists to carry forward the research programs which are now so promising. It is imperative that more of our brilliant young people be stimulated to enter the field, and that opportunities be provided for their academic development.

Funds requested for fiscal 1958 total \$17,400,000. This is an increase of \$4,101,000. It is proposed to use \$2,612,000 for grants-in-aid of research, and \$650,000 for the initiation of a training program. The remainder will be used in extending our direct research, particularly in allergy and virology.

INTRODUCTION

The National Institute of Allergy and Infectious Diseases, formerly the National Microbiological Institute, supports and conducts research on the diseases caused by micro-organisms (viruses, bacteria, fungi, protozoa, and parasitic worms), and on fundamental aspects of the reactions of the infected host to the micro-organism or its products. It has a primary responsibility for the conduct, stimulation, and support of research on allergic diseases. The ultimate goal is improvement in diagnosis, prevention, and treatment of human illnesses directly or indirectly caused by parasitic organisms and allergy-producing substances.

The infectious diseases are the greatest cause of illness and absenteeism from schools and industry. In infancy and early childhood they are the most frequent cause of death; in older children and preadults they rank among the first four causes. The allergies affect many millions of people of all ages, over a million

of them to a severe degree. Beyond the immediate effects of infections and allergic diseases there is a poorly understood cumulative or delayed action which is increasingly regarded as contributing to the development of certain chronic illnesses that occur later in life.

Despite our achievements in the prevention and treatment of infectious diseases, there are still large numbers of persons who, at any given time, suffer from one of the illnesses of this group. The appropriation increase requested is to provide support for the development of promising leads which have resulted from research in the recent past, to extend our efforts into these two major areas, and to assist in the production of additional highly qualified research workers.

These proposals support the intentions of the President in continuing the Nation's attack upon disease through expanding medical research. The House of Representatives, in the passage of this appropriation bill, took action to change some of the premises upon which these proposals as submitted by the President were based. I will comment directly upon those later in the statement.

This statement indicates some of the accomplishments as well as some of the important problems requiring attention in the broad areas of the allergic and infectious diseases.

VIRUSES AND VIRUS VACCINES

Virus discoveries.—Some of the greatest advances in medical research are being made in the study of viruses, the smallest known forms which have the attributes of life. Scientists all over the country are pushing forward the frontiers of our knowledge of the process of life itself, using these minute microorganisms as tools. At the present time, we are learning more about how to deal with them as disease-producing agents. Discoveries of an increasingly significant nature are coming rapidly as new and revolutionary methods are evolving for dealing with viruses. First of these techniques was the use of the chick embryo, which enabled us to learn how viruses invade cells and what they do after they get in. This technique made possible the vaccines against encephalitis, mumps and influenza. Next was the suckling mouse, which gave us the entry to the study of the Coxsackie viruses, to be mentioned later. Now we have tissue culture—receiving its original impetus as a technique for cancer study, it has created a wide forward surge in virus research. Tissue culture has given us the newly recognized adenoviruses (about which more will be said in this statement), and other viruses whose significance remains to be discovered, a whole class of these now being designated as ECHO (enteric, cytopathogenic, human, orphan) viruses.

Those newly discovered viruses which have been definitely identified with specific diseases produce at least the following illnesses, and doubtless many others which will come to light:

- Exudative pharyngitis
- Nonbacterial conjunctivitis
- Epidemic keratoconjunctivitis
- Herpangina
- Pleurodynia
- Grippe and severe coldlike illness
- Aseptic meningitis and polioliike conditions

There are wide variations in degree of illness, from severe febrile conditions such as pneumonia, to complete absence of detectable disease with only antibody production to indicate that infection occurred.

Adenovirus vaccines.—During the past fiscal year, two successful investigations on a new vaccine for certain respiratory virus infections have been completed. Both concerned the adenoviruses, formerly called APC viruses. The adenoviruses cause a variety of illnesses, which resemble or are associated with severe colds, grippe, influenza, and streptococcal sore throat. These infections are widely prevalent and easily transmitted. There are many types of viruses in the group, and the vaccines dealt with a single type in one instance and with three types in the other.

The first study of the protective value of adenovirus vaccine, which was in cooperation with an investigator from the Johns Hopkins University, was carried out with the aid of 83 volunteers at two prisons. Vaccine against type-3 adenovirus was given to 45 of these, and the other 38 were untreated. Later, each volunteer was exposed to live virus. In the vaccinated group only 10 percent became ill as contrasted with 71 percent of those unvaccinated.

The second study was in collaboration with the United States Navy, and took place at the Great Lakes Training Center. Vaccine against adenovirus types 3, 4, and 7 was administered to 4,000 recruits. By comparing antibodies and in-

cidence of illness among those vaccinated with 12,000 unvaccinated, it was found that a substantial reduction in acute febrile respiratory illness had been achieved.

These vaccines will not prevent the condition generally regarded as the "common cold" but they are a promising step toward practical reduction in illnesses of the "grippe" type.

These vaccine studies required the close cooperation of laboratory scientists and epidemiologists, and such teams are pushing ahead with the investigation of the recently discovered adenoviruses and with others newly coming to our attention.

Salivary gland virus.—One of these new agents is the "salivary gland" virus. This, like the adenoviruses, has come to light during studies on tissue cultures which have yielded previously hidden or latent viruses. This particular one is often associated with the adenoviruses found in adenoids. Sometimes a culture of adenoid tissue will yield both adenovirus and the salivary gland virus. The latter is widespread: perhaps 4 out of 5 people are infected with it at some time in life. It may persist in cells for long periods. This persistence and wide prevalence, and the fact that it occurs in other areas in the body, suggest that it may relate to chronic and other illnesses whose origin is still obscure. Further studies are going on to show to what degree the salivary gland virus is similarly identifiable with specific human illnesses.

Scientists are eager to explore the possibilities that other viruses, too—some as yet unknown—may be causally identifiable with chronic or debilitating diseases.

Coxsackie viruses.—Another group of viruses which have been known for only a few years, and about which new knowledge is constantly being uncovered, are those called the Coxsackie viruses. It has been known for 3 or 4 years that they cause 2 specific epidemic diseases, pleurodynia and herpangina. More recently, they have been implicated in illnesses resembling poliomyelitis but without residual paralysis. Still more recently there have been two interesting and quite important discoveries involving these viruses; these are discussed below.

Virus and cancer.—One of these has been the demonstration of the ability of certain strains of Coxsackie viruses to destroy cancer tissue under experimental conditions. The cancer cells now widely used for tissue culture—called HeLa cells—have been grown in the abdominal cavities of rats, and later Coxsackie viruses have been introduced into these rats. The viruses developed an ability to destroy the cancer cells rapidly and completely. They were equally active when given by vein or injected directly into the abdominal cavity. A study is now in progress, in cooperation with the National Cancer Institute, to determine the effects of these viruses in selected cases of human cancer. These investigations, using the Coxsackie viruses, resemble the earlier ones previously reported to the committee, in which the adenoviruses were employed. The human trials with the viruses of the Coxsackie group are in the beginning stage.

There is growing interest in the possibility that viruses may be involved in the cause of certain cancers. In lower animals, this is known to be so. Work now under way will give us more information regarding this important question as it concerns human cancer.

Crystalline virus.—The other development has been the preparation of the virus in crystalline form. Many years ago Dr. Wendell Stanley obtained pure crystals of the virus which causes mosaic disease in tobacco plants. Recently his coworkers crystallized the virus of poliomyelitis from tissue cultures. The recent work in the National Institute of Allergy and Infectious Diseases with Coxsackie virus is the first time that a virus has been obtained in crystalline form directly from an infected animal. This is the sort of precise scientific study which may eventually help to disclose the chemical nature of viruses and contribute to our understanding of the fundamental nature of infection.

Partial virus synthesis.—There have been other accomplishments which bring us closer to comprehending what a virus really is. One of these, by a grantee of the Institute, has been the coupling of fragments from two different strains of the tobacco mosaic virus to form a new virus strain. This means that a complete virus with characteristic attributes has been created artificially by combining two inert building units. Another related achievement has been the demonstration that the nucleic acids of viruses—the ultimate constituents which determine the nature of the virus and what it will do—are chemically the same in different strains of a given virus, even though these strains behave differently. Evidently these differences in behavior must be related to structural features of the nucleic acid which are as yet undetermined. Nucleic

acids of different viruses—as distinguished from separate strains of the same virus—are chemically distinct.

More is being learned about what a cell requires in order to produce virus material. Unlike higher forms of life, viruses do not multiply by simple division and growth. Instead, they disarrange the infected cell's activities in some way which causes the latter to produce virus particles instead of normal cellular materials. It has been shown by scientists of the Institute that there are three critical factors in the production of poliovirus by certain cells in tissue culture. These are: a sugar (glucose), an amino acid (glutamine), and salts. The cell will survive without these factors, but will produce virus only when they are supplied.

More progress in virus research and related areas will continue to be forthcoming. The funds made available by the Congress last year, and those requested for fiscal year 1958 are an important factor in assuring the proper exploitation of the present momentum.

ANTIGEN FRACTIONATION

While some scientists are taking viruses apart and putting them together again, others are breaking bacteria down into their basic elements in order to separate out those portions which are useful to us as vaccines, and to discard the rest. An NIAID team has been in the forefront of this work for several years; they are now using *Salmonella enteritidis*, a common cause of food poisoning, as a model for their experiments. The main mass of bacterial substance is removed from its normal location inside the walls of the bacterial cells, and the empty capsule thus created is purified by chemical means. Toxic and irritating elements are thus removed, and the remaining cell wall is used to make a protective vaccine for experimental animals. The procedure is called antigen fractionation. Purification of vaccines is an important goal in infectious disease research, and this is a significant advance.

TUBERCULOSIS

An important disease for which better prevention and treatment are needed is tuberculosis. Though it has been decreasing steadily, there were more than 100,000 cases reported in 1954, and over 16,000 deaths. Prevention thus far, under conditions in the United States, has required laborious case-finding, isolation, and the use of treatment to reduce infectiousness. What is needed is a safe method of immunization which can be widely administered, and more effective agents for the cure of active cases.

Unfortunately, the body does not react to infection with the tubercle bacillus in the manner that characterizes its response to many other microorganisms. The clear-cut and lasting immunity which allows us to control smallpox, diphtheria, typhus, and other epidemic afflictions does not occur in tuberculosis. Once a person is infected, he is likely to remain so for a very long time; the bacteria may be completely dormant for years, or may show renewed activity without warning.

Infected individuals may be identified by their positive reaction to the tuberculin test. Studies in the United States have shown that the tuberculin-positive members of our population ultimately account for the great majority of active cases of the disease. For example, in the Navy, an investigation of more than 75,000 men indicated that in 3 years the rate of tuberculosis among tuberculin positives was more than 6 times that among negatives.

The significant practical point is this: the tuberculin positives, who account for the great majority of our tuberculosis illness, cannot be immunized by any method available today. This is because any such procedure exposes the tuberculin positive person to an unacceptable hazard—the likelihood of acute flareup. Thus, immunization as we know it now—BCG for example—can be used only in individuals who are first shown to be tuberculin negative—and in the United States today these are not the people who are going to get much tuberculosis or who constitute danger to others by spreading it.

The answers which we are seeking must therefore depend upon (a) improving our understanding of what makes the human react as he does to the tubercle bacillus, and (b) devising a better vaccine than any now available. The first approach lies in the field of basic allergy and immunology, one which is now being vigorously developed by our Institute; the second is being advanced by studies now underway, by NIAID scientific staff and grantees, to extract from

the tubercle bacillus those components which immunize, eliminating those which produce harmful reactions.

Among the nearly 50 research projects supported by the Institute in the area of tuberculosis at a total cost of more than three-quarters of a million dollars, both immunization and therapy are receiving attention. The antigen fractionation technique, mentioned previously, is being applied to the problem of tuberculosis immunization in the laboratory, the pilot plant, and the clinic. And new drugs, plus more effective use of drugs already known, are under close study in experimental animals and in man.

As knowledge increases regarding all phases of tuberculosis research, ranging from the fundamental problems of host reaction to infection, all the way to the practical ones of vaccine and chemotherapy trials, answers to the continued threat of this disease will emerge more rapidly. Until more adequate knowledge is available, it is important to emphasize that there is not now in hand a specific preventive that can be safely and effectively used in the population of the United States, nor a universally applicable, solidly reliable cure.

HYPOGAMMAGLOBULINEMIA

If any vaccine is to be effective, it is essential that the person vaccinated be capable of responding in the manner expected. Recently our clinical scientists have completed a study of a patient who was constitutionally incapable of the normal response, either to vaccines or to living microorganisms. This condition is called hypogammaglobulinemia. It really means, in practical terms, an inability to produce antibodies in adequate quantities. It has been known only for a few years, because in the days before antibiotics persons with this condition died of infection before the underlying reason was discovered. In the particular patient referred to here, lymph tissue from a normal sister was transplanted into the patient. For more than 5 months this tissue produced antibodies in the patient, and enabled her both to ward off infection and to respond normally to vaccines. The very fact that she did not make antibodies herself enabled the foreign tissue to survive; in a normal person antibodies would have destroyed it in a week or two.

ALLERGY

Response to antigens of various kinds—vaccines, serums, microorganisms, plant pollens, animal dander, food, and others, varies greatly among individuals. The hypogammaglobulinemic is one extreme—he fails to respond at all, and hence is the victim of an endless succession of infections. At the other pole is the allergic person, who responds so violently that he is made ill by the mechanism of the response itself. During the current fiscal year, our new program on allergy and related aspects of immunology has gotten underway with funds supplied by the Congress for fiscal year 1957. Support has been given to about 100 projects primarily directed to these problems, at a cost of about \$1½ million. At Bethesda, Dr. Jules Freund, a distinguished scientist of international renown, has accepted the responsibility of recruiting a scientific staff and giving further impetus to the program of research in allergy and immunology. The funds requested for fiscal year 1958 will permit this program to move forward. Scientists already in the Institute who have interest and competence in this area of research are directing their efforts toward emphasis on this new aspect of our program.

ANTIBIOTIC RESISTANCE

An instance of abnormal host response to infection which is attracting increasing notice is the condition known as fibrocystic disease. This is an inherited condition in which there is malfunction of the pancreas, and chronic lung disease. These patients are peculiarly susceptible to infection, especially with staphylococci. The antibiotics have made it possible to save many of them, at least for a time, but the condition still carries a high fatality. The problem of susceptibility to infection with staphylococcus and its underlying cause are of fundamental interest. They are also of immediate practical importance as an example of resistance to this organism to antibiotics. This is giving increasing concern to physicians because many strains of staphylococci are developing which seem highly resistant to antibiotics. An investigator supported by an NIAID grant has recently shown how the use of antibiotics on a hospital ward caused the development of a reservoir of drug-resistant staphylococci in the hospital environment. These resistant strains are sometimes highly virulent and difficult to control.

PLASMAPHORESIS

One project supported by a research grant which has intriguing possibilities in regard to production of antiserums is based on a procedure called plasmaphoresis. This means that blood is removed from a donor and separated into two parts: the liquid and the cells. The latter are put back into the patient's veins; the fluid is available for transfusion or other use. When whole blood is taken from the donor, it is generally considered that 5 pints a year is all he should give. With plasmaphoresis, volunteers are now giving 26 pints a year, and it is probable that this could be doubled—a pint a week—with no harm to the donor. Some of the volunteer donors have been given vaccines to make them immune to certain infections; these individuals develop potent antibodies which can then be used to treat sick persons. Here is a possible means for making antibodies in human serum, instead of using horses and other animals whose serums cause annoying and sometimes dangerous reactions in patients treated with them.

GERM-FREE ANIMALS

Increasing interest.—Scientists are becoming impressed with the importance of germ-free animals in contributing to our understanding of how various microorganisms react with one another in affecting the animals which harbor them. The use of animals which are entirely free of germs was pioneered some years ago at the University of Notre Dame (Lobund), and the group there continue to play a leading role in this field of research. In addition to contributing to the Lobund enterprise by grants-in-aid, the National Institute of Allergy and Infectious Diseases is currently developing a program of research in germ-free animals at Bethesda. Equipment has been installed, and staff members trained at Lobund are at work in the Bethesda laboratories.

Amebiasis.—One of our scientists has been at Lobund for several years, and collaborative research by him and members of the Lobund staff has revealed the critical importance which bacteria play in the production of disease in guinea pigs by the protozoan parasite, *Endameba histolytica*. Recently, it has been shown that germ-free animals are free of their common parasites (protozoa and worms) as well as of bacteria, except that certain parasitic worms of dogs have survived the germ-free techniques. It is anticipated that the germ-free studies will continue to improve our understanding of the diseases caused by parasites of this sort.

Parasitic worms.—An example of progress now being made in respect to the parasitic worms is the recent cultivation of a nematode, *Nippostrongylus muris*, in artificial media through its entire life cycle. Normally, the larva of this worm invades the skin of the rat, and migrates to the lungs. After certain developmental changes there, the worm enters the rat's small intestines, where it becomes an adult. Then it lays eggs, which pass out of the host to start a new cycle. All of this has now been done by keeping the worms under proper conditions in the laboratory, without use of the rat or any host animal. As with the viruses, studies of this sort enable scientists to understand how disease-producing microorganisms maintain their existence, and how their damage may be prevented. The acquisition of capabilities for germ-free research will aid in these investigations.

SCHISTOSOMIASIS CONTROL

One of the most serious and widespread of parasitic diseases—schistosomiasis—is caused by worms. There are perhaps 110 million cases of this disease in the world, many of them in countries where the United States has vital interests. Infections with this parasite are prolonged and difficult to cure. Our scientists have recently demonstrated that striking reduction in the hazard of schistosomiasis can be achieved by chemical destruction of the snails which carry the worms. Under field conditions in an area where nearly 50 percent of children were found infected on a single survey, a 79-percent reduction in snails was accomplished by a single application of sodium pentachlorophenate, a compound produced easily and cheaply in the United States and abroad. Completely satisfactory results in terms of snail eradication followed 1 or 2 applications a year. It is too soon to expect definite results regarding human cases of disease, but an early downward trend has been observed.

OTHER TROPICAL DISEASES

Diseases of the tropics are of importance to the United States because of our numerous commercial and political ties with tropical countries, and because of the ever-present possibility that dangerous diseases may be introduced into our continental domain. Increased emphasis is being placed on this area of research within the National Institute of Allergy and Infectious Diseases, with special attention to the numerous viruses that are indigenous to the tropical regions. Current emphasis is on Central America; since this is the region contiguous to our borders it presents the greatest potential hazard to us. The northward progression of yellow fever toward Mexico is of special concern, and indicates that other viruses transmitted by mosquitoes and other insects must receive our serious attention.

TRAINING OF SCIENTISTS

One of the most acute needs in our area of responsibility is that for additional highly qualified scientists. Many of our most brilliant youngsters are being lost to research when, with proper stimulation and support, they could be induced to develop their valuable capabilities. This Institute has never been able to make a significant contribution to the solution of this problem, and funds are requested for fiscal year 1958 to enable us to begin a program of training grants. Our council has strongly urged that this program be begun as soon as possible. All students of scientific manpower have emphasized the importance and urgency of developing on a nationwide basis our scientific research potential much more fully and rapidly than we have been doing. It is hard to imagine an investment that would be sounder than this.

GORGAS MEMORIAL LABORATORY

The Gorgas Memorial Laboratory is the operating research agency of the Gorgas Memorial Institute of Tropical and Preventive Medicine, Inc., and is located in Panama City, Republic of Panama. An act (H. R. 8128) to authorize a permanent annual appropriation up to \$150,000 for the maintenance and operation of the Gorgas Memorial Laboratory was passed by the United States Government in May 1928.

The Laboratory has been in continuous operation since 1929 and has functioned solely as a research institution dealing with tropical diseases and their prevention. In the 26 years of research activity the Laboratory has contributed materially to the advances in the field of tropical and preventive medicine.

In addition to the work carried on by the resident staff of the Laboratory, visiting scientists have been afforded the opportunity and facilities for research.

It is projected that the funds for fiscal year 1958 will be utilized for research on tropical viruses, parasitic diseases, and fundamental problems related to them.

Among the diseases caused by viruses, yellow fever is most important, since it has been advancing northward through Central America for several years and is a definite threat to the continental United States. Many other viruses indigenous to the tropics have been identified in recent years, and their role in production of human illness must be defined.

Long-term studies on malaria, leishmaniasis, and trypanosomiasis receive the chief emphasis among the parasitic diseases. All are important in much of Latin America. Another parasitic disease, toxoplasmosis, exists in all the Americas, including the United States, and is receiving increasing attention.

Fundamental research includes investigation of animal and insect reservoirs of the viruses and parasites, which are transmitted from or by them to man. A great deal of information on the tropical environment, its animal and human inhabitants, and their interrelationships is being obtained.

SUMMARY

During the current century there has been great progress in the control of a number of diseases caused by the animal parasites; e. g., malaria, leishmaniasis, amebiasis. These are ordinarily spoken of as "tropical diseases," though none of them is limited to tropical regions. But little has been achieved in regard to a large group of ill-defined fevers common in the tropics, caused by a variety of viruses, many of which have been discovered quite recently. Another virus disease of the tropics, yellow fever, formerly regarded as almost "conquered," has again become a threat to the United States by moving northward through

Central America and into the Caribbean. Most of the parasitic and virus tropical diseases are transmitted by arthropods (insects, ticks, mites), mosquitoes being especially important.

It is important that further research on these tropical diseases be developed. There is always a danger that some of them—particularly the viruses—may initiate epidemics in the United States, and in their native tropical habitat all are a constant menace to our citizens who travel to those areas for business, military, and other reasons. Teams of scientists, including virologists, entomologists, and parasitologists, must be organized and supported both to extend our knowledge of these diseases and to avoid the danger of losing our scientific competence just at a time when we are most likely to need it. Plans for a more vigorous approach to this problem are included in our fiscal year 1958 program.

Research progress in allergy and infectious diseases continues to be gratifying. Many studies are intriguing in their promise of continued and greater achievements for the future. No one can foresee exactly what discoveries will be made at any given time in the future, nor accurately predict which projects or even major areas of investigation will be most productive. There is only one way in which it has ever been possible to advance scientific knowledge; that has been to give adequate support to those who have basic competence, imagination, and incentive. As a corollary, it is essential that the number of persons who have these qualifications must be not only maintained, but increased. This means that we must help to produce scientists as well as help them fulfill their own productive potentials after they have entered the field. We shall never know all that we need to know. No matter how much we have accomplished, there is infinitely more that remains to be done in all fields of health and medicine.

CHANGES IN 1958

The increases in obligations proposed for 1958 amount to \$3,904,000. It is anticipated that they will be used as follows: (a) \$650,000 for the initiation of a training program. The initiation of this program is of paramount importance because of the acute shortage of highly trained scientists in our area of responsibility.

(b) Research grants: An increase of \$2,612,000 permits the activation of \$624,000 worth of grants recommended for approval by the November Council and permits \$1,284,000 for expansion in the areas of allergy and immunology, virology, and tropical medicine (including parasitology and mycology). It further provides for anticipated increased overhead amounting to \$701,000 and \$3,000 additional support for the Gorgas Memorial Laboratory.

(c) Direct operations: The increase requested for direct operations is \$642,000. Of this, \$227,700 is available for the expansion of the research program. It will provide for 23 new positions which will be allocated among the research projects on germ-free animals, allergy and virology.

The remainder of the increase will be for additional support of services performed on a centralized basis (\$197,100), retirement and social security (\$145,300), annualization of current operations (\$61,200), and for cost of regular pay above 52-week base (\$10,700).

The House, acting upon this appropriation, has prohibited making an increase of from 15 to 25 percent in overhead costs for research grants. Dr. Shannon, in his opening statement, has commented upon the adverse effect that this action will have upon research activities in the long run. I should like also to ask that these increases in indirect costs be allowed.

Senator HILL. Dr. Andrews?

TRIBUTE TO DR. ANDREWS

Dr. SHANNON. Senator Hill, could I comment on Dr. Andrew's being with us? As the committee knows, Dr. Victor Haas has been in charge of this institute, and he has done a superb job for us. He felt he would like to return to the field of research. In casting around for a successor, it was our good fortune to have the Surgeon General make available Dr. Andrews to us.

During World War II, as a part of the Army setup, he was preventive medicine officer for the Pacific theater, working out of the Surgeon

General's Office. Subsequent to the war he joined the Public Health Service as a Regular Corps officer and has more recently been elected president of the American Society of Tropical Medicine and Hygiene, this in partial recognition of the fact that he is one of the outstanding leaders in the field of malaria control.

We present him to you, sir, as another example of how we go out and corral the people we need to have for NIH.

You might want some more formal information about Dr. Andrews, but these are some of the highlights.

Senator HILL. May I say that we are familiar with the outstanding work that Dr. Haas did as Director of the Institute, and of course we regret that he has left the Institute.

Dr. SHANNON. He has not left the Institute.

Senator HILL. Oh, he is still with the Institute. That is fine. From what you said, I was afraid he had gone.

Well, I am delighted he is still with you, and we are also delighted that you have a man of Dr. Andrews' ability and outstanding reputation here with us today to carry on for us.

We welcome you here, Doctor. We are delighted to have you here, sir.

GENERAL STATEMENT

Dr. ANDREWS. Thank you very much. This is my first appearance before this committee since 1953, when I had been, for several years, presenting the case for the Communicable Disease Center and defending its budgetary estimates.

Inasmuch as the Communicable Disease Center had many interests in common with what used to be known as the Microbiological Institute, I am familiar with at least part of the program pursued in the Institute of Allergy and Infectious Diseases, as it is now known. And I would like, Mr. Chairman, to take this opportunity, if I may, to record my own appreciation of my predecessor's efforts, together with those of Dr. Shannon and his immediate associates, in giving leadership and guidance to the development of what was a very modest-sized Institute into one which is becoming more substantial, particularly with the recent addition of allergy as well as infection to its field of coverage.

I should also express my thanks to this committee, because without the increasing support which this committee has given, this Institute could hardly have evolved and developed the way that it did.

I hope that I can return to you this next year with a more detailed and comprehensive familiarity with the program of this Institute, than I now possess.

I have been on duty somewhat less than 2 weeks, and I want to report progress in the elements of this program which the Congress may see fit to support.

BUDGET REQUEST

We have requested, for this year, a total of \$17,400,000. This involves a sizable increase, \$4,101,000, over fiscal 1957. About two-thirds of this increase is proposed to be used for research grants, and I was told by our research grants officer yesterday that we still had 2.2 million of approved but unpaid grants, and that there is now on file

something like \$3.7 million worth of grant applications, some of which will undoubtedly be approved; presumably not all of them.

In addition to the utilization of these funds for research grants, where the principal emphasis will be in grants for research on allergy and immunology and tropical medicine and parasitology, and in increase of \$3,000 to the Gorgas Memorial Laboratory in Panama, we are anxious to start a training grants program. We are behind the other Institute as there has been no opportunity for making training grants thus far, and \$650,000 of the increase is planned for that purpose.

As in other fields of medical science, we feel the critical need for more competent scientists and hope that we may increase their numbers of financial assistance to the training centers from which they may be produced.

INCREASE IN SENIOR STAFFING

A modest part of the increase, less than \$900,000, is to extend our direct operations, and those will be primarily to increase the senior staffing of our allergy and immunology program, for which a good beginning has been made, and to support the research in virology and in tropical medicine.

These communicable and infectious diseases are of great importance, I think, not only because of the amount of suffering that they cause, particularly to the young, and also a considerable mortality as well in the youngsters, but because of the chronic disease conditions which stem from some of these acute episodes.

I suppose the venereal diseases are as contributory in that respect as any group of acute infectious diseases. Tuberculosis is another example. Certain types of sleeping sickness, carried by mosquitoes, or another type carried by certain flies, have as their end result a prolonged period of chronic illness, ending in a state of comatose, almost vegetable existence.

The base funds at our disposal will be used to carry on and extend our current activities, largely research, in immunology and allergy, in the field of viruses, and in tropical disease.

DEVELOPMENT OF IMMUNIZATION AGENTS

I think that the outstanding accomplishments of the year would include development of the ability to disintegrate certain of the organisms which carry disease, with the idea of finding which fraction of these agents is most potent from the standpoint of immunizing persons with vaccines against these diseases.

I thought you might be interested in seeing a portrait of one of the organisms which has been used for this purpose. It looks like a bunch of old socks, or of empty pea pods, perhaps. And really, this is not a bad comparison, because what has happened is that the peas have been taken out, and nothing but the pods remain.

It turns out, in this particular organism, that the pods are much more valuable, from the standpoint of immunizing people, and so we throw away the peas and use the pods for that purpose.

This is not necessarily true with all of the bacterial or viral agents which may be used for vaccinating purposes, but certainly in some instances that seems to be the case.

ISOLATION OF COXSACKIE VIRUS

We hope, therefore, to be able by this means to produce more specific and more potent immunizing agents as a result.

Another accomplishment that I think is of interest is the isolation and crystallization of one of the human viruses. This is the Coxsackie virus, the second human viral agent to be reduced to its purest crystalline form. This we regard as a major achievement.

DEVELOPMENT OF GERM-FREE ANIMALS

One of the activities which has engaged my interest since I came on the scene here, and about which I knew little, is the development of germ-free animals, which I am sure will play a large role in our future understanding of the cause of certain diseases.

We have, for example, among the agents which are suspected of causing more or less acute, sometimes fatal, intestinal disease, particularly with very young infants, a number of organisms whose causative role in producing these diseases has not been clearly established or which is very difficult to define.

I believe that with the use of these germ-free animals, where the effect of one particular agent can be ascertained free from the interference of others, we may possibly achieve acceptable answers to these problems.

NATURE OF AGING PROCESS

There is another element of the germ-free animal experimentation which I think may be of interest to you. This development may possibly shed some light on the nature of the aging process.

At the last National Advisory Council meeting, the possibility was discussed at some length that aging is perhaps not just the wear and tear of the years, but to some degree at least the accumulated insults of infectious processes which have gone on from birth throughout life. And each of these leaves some stigma, some irreparable mark on the general health economy of the body.

Senator HILL. Some wear and tear, you would say, in ordinary language.

Dr. ANDREWS. That is right. And it is going to be possible, I would think, from carefully designed experiments, to see whether the germ-free animals, descendants of those that have been exposed to the various infectious organisms, will live longer and more healthfully than their exposed brothers and sisters.

DISCOVERY OF NEW HUMAN VIRUSES

The number of viruses of which we now know has increased and is increasing by leaps and bounds. Hardly a week goes by but what somebody finds some new human viruses. And it will be a long time, I expect, before we grasp the complete significance of these tiny agents which can cause acute sickness and whose physiology and metabolism seems to have some similarity and perhaps some relationship to very fundamental life processes.

With each improvement in the technique of isolating these agents, the last one being tissue culture, it has been possible to add to our knowledge of the existence of many more of these agents.

Now we are actually embarrassed in making the diagnosis and the identification of them, there are so many, because it requires such highly specialized biological materials with which to identify particular members of the group.

Now, some of these viruses occur in the upper respiratory tract, the nose and throat, and there they cause diseases which are perhaps of a minor nature, but are very uncomfortable, sometimes incapacitating.

COMMON COLD

Senator HILL. You could not have in mind the common cold, could you, Doctor?

Dr. ANDREWS. Well, the common cold, like the word "grippe," is a term that covers quite a domain. But I think that little by little we are splintering off some of the infections which have been called the common cold, or more particularly in this instance, the grippe. Because it has been possible now to prepare vaccines against certain of these adenoviruses, as they are usually termed in the laboratory, and these vaccines have proved to be relatively effective, both in small-scale and in large-scale experiments.

This, I think, gives the promise, or at least the hope, that the technique of immunization may be brought to bear, in the passage of time, to provide relief against some of these uncomfortable infections.

VIRUSES DESTROY SOME CANCER CELLS

You may be aware, also, that some of the viruses with which our scientists concern themselves seem to have destructive effects upon certain types of cancer cells. This suggests the future possibility that we may use one enemy to fight another.

Senator HILL. A good general always does that; does he not?

Dr. ANDREWS. That is right. And you may be sure that the battle lines are being drawn there as we accumulate more information. This work, of course, is only in its most primitive stage, and how effective it will be in time remains to be shown.

It has also been possible, in addition to crystallizing certain viruses, as you have seen, to make certain recombinations of the fragments of viruses. It is most mystifying to see how what appear to be identifiable chemicals brought together produce a compound such as you see in this picture, and which has most of the attributes of life, and the capacity to produce disease.

STUDY OF TROPICAL DISEASES

With respect to our plans for further study of tropical disease, I suggest that Dr. Shannon is better informed about this than I am, but I would like to say just a word about my own understanding of the importance of tropical-disease research, because this has been a matter of great interest to me for many years.

The bulk of the world's population is located in the Tropics, and the major portion of the world's market in the future, I expect, will be in the Tropics. And the diseases, widespread epidemic and endemic diseases, malaria, yellow fever, schistosomiasis, and a great variety of other infections, many of which are insect-borne, occur in the Tropics.

Therefore, it is necessary, in my opinion, to learn all that we can about their proper control. And it is the function of the Institute to which I belong to produce some of the basic information for that purpose.

CONTRIBUTION TO INTERNATIONAL HEALTH ORGANIZATION

Furthermore, this country is investing large sums of money through the international health organizations for the cure, and even for the eradication, of certain of these diseases. We now hear the word "eradication" used with great confidence by the World Health Organization, and by the Pan American Sanitary Bureau, which has a project for the eradication of malaria in this hemisphere. The disease, malaria, which I am sure Senator Hill was familiar with not so many years ago, has virtually disappeared from this country; we may say that it has disappeared, because I am sure that as a perennially recurring infection it is no longer here. Occasionally it is seen as relapsing or imported cases but it is no longer an endemic disease of this country.

We would like to see the same thing done in other countries. I think it is the duty and the responsibility of the National Institutes of Health to provide such new information as may be of value in making the expenditures for control in other countries more effective. So I am anxious to see us proceed in the general area of improving tropical disease control techniques.

GORGAS MEMORIAL LABORATORY

Senator HILL. Doctor, the Gorgas Institute used to be under the State Department, because it was set up as more or less of an international project. It is now under your Institute?

Dr. ANDREWS. Yes, sir.

Senator HILL. I wish either you or Dr. Shannon would just in a very few words tell us something of that Institute.

Dr. ANDREWS. I have been intimately associated with the Laboratory of this Institute over a considerable period of time. The present Director is a friend and student of mine, and the previous Director is a friend of many, many years.

In the period when we were much less certain about the use of drugs in the control of malaria, the best work in the world, I think, was done by Dr. Herbert Clark and his associates.

Senator HILL. He was the former director?

Dr. ANDREWS. He was the former director of this laboratory. And he showed a very catholic interest in all of the diseases of both man and animals in the Tropics and explored both of them with equal interest.

STUDY OF YELLOW FEVER

Gradually, as the viral diseases began to come into greater prominence, the attention of this Laboratory was directed more and more to yellow fever and to certain of the other viruses, some of which are insect-carried, and some of which are transmitted by other means, in tropical America. And at present I think the laboratory is expending its major efforts along the lines of working with the Pan American Sanitary Bureau in watching and appraising the approach of

yellow fever to this country as it comes up the isthmus. As Dr. Shannon pointed out this morning, it has already made its appearance in the state of Chiapas in Mexico. This is a problem that has to be met squarely in this country. While I do not think that an epidemic of yellow fever would get very far here, I think it is up to us to prevent the first case, so that there will never be an epidemic here.

STUDY OF JUNGLE YELLOW FEVER IN GUATEMALA

Senator HILL. The committee is glad to hear your interesting remarks about the Gorgas Memorial Laboratory. Does your own Institute engage in similar work?

Dr. ANDREWS. Yes, sir. As a matter of fact, we now have a small field party in Guatemala studying the northward march of jungle yellow fever. This work, as Dr. Shannon mentioned earlier today, is being done with the Pan American Sanitary Bureau and the Gorgas Memorial Laboratory. Until recently these two organizations have been monitoring the spread of yellow fever in this area. However, for one reason or another, several of their specialists are currently unavailable; therefore, we have temporarily joined in the collaborative work. We anticipate that the Bureau and the Gorgas Laboratory will be able to resume their original efforts on this problem and thus free some of our people for other studies which we are anxious to pursue in Central America. We have in mind studies on a number of fever-producing virus infections which are cousins of yellow fever and like yellow fever are transmitted by mosquitoes.

Of at least equal importance, we wish to explore other so-called tropical diseases which are important causes of illness and loss of manpower among the people of Central America and which pose a threat to our own people in the Gulf States. For these purposes we have earmarked funds in our proposed budget for 1958 and if these are made available to us we shall extend our activities in Central America. Under such circumstances we will establish the field party in the Canal Zone where space has been tentatively offered us at the Gorgas Hospital. This party would work closely with the Gorgas Memorial Laboratory although the efforts of the two groups would be along related but different lines. If the early efforts of the field party are as fruitful as we anticipate, then we look forward to establishing the group on a more permanent basis.

Senator HILL. Any questions?

Doctor, we certainly thank you very much. I say to you what I have said to the others. This has been most interesting. It really has.

The research highlights will be made a part of the record at this point.

(The information referred to follows:)

HIGHLIGHTS OF PROGRESS IN ALLERGY AND INFECTIOUS DISEASES, 1956

Items of interest on program developments and research studies conducted and supported by the National Institute of allergy and infectious diseases

INSTITUTE'S NEW ALLERGY RESEARCH PROGRAM GETS UNDERWAY

Efforts to expand the Nation's research to potential in the field of allergy, long one of the neglected areas of medical study, brought encouraging results in 1956. This was the first year during which the redesignated National Insti-

tute of Allergy and Infectious Diseases functioned as a research center with a directive to conduct and support a major research attack on the allergic diseases. Coupled with this expansion was a substantial increase in other areas of study, notably the virus diseases and particularly those affected by recent vaccine developments.

Principal emphasis in this first year was directed toward expansion of studies in allergy and the related field of immunology through grants-in-aid to non-Federal research institutions. By December 1, 1956, the Institute was supporting 70 allergy grants amounting to approximately \$1 million. Another group of allergy grant applications totaling \$440,000 were awaiting action at the March 1957 meeting of the Institute's advisory council.

A similar expansion had also taken place in immunology research, where 60 grants totaling about \$700,000 were receiving Institute support on December 1, 1956. Pending applications for grants in this field amounted to \$125,000.

The past year also saw the beginnings of a new research program on allergy and immunology in the Bethesda laboratories of the National Institute of Allergy and Infectious Diseases. Selected to head this program was Dr. Jules Freund, of New York, one of the Nation's most distinguished scientists and an internationally recognized authority in the field of immunology. Dr. Freund plans to direct research into such areas as investigation of the nature of antigens, the formation of antibodies, and the reactions between them; factors related to nonspecific immunomechanisms; and exploration of the basis for hypersensitivity of tissues and its importance in disease.

Allergies afflict an estimated 17 million persons in the United States and rank third in prevalence among the chronic diseases. They include such conditions as hay fever, asthma, chronic bronchitis, stomach and intestinal disturbances, skin disorders, and certain types of headaches.

A number of problems are of particular interest at present. Evidence is accumulating, for example, to indicate that allergies of the disseminated type may play a role in the production of such chronic degenerative disorders as the cardiovascular and connective tissue diseases. Studies of man's response to repeated exposures to common bacteria such as streptococci to which he may have been sensitized at an early age, may help to explain the presence of diseases which occur in later years.

Much also remains to be learned about the increasingly common allergies to various drugs, foods, and fibers. And psychosomatic factors in allergy and chronic infections have long been recognized but have received little research attention.

ADENOVIRUS VACCINE TRIED OUT SUCCESSFULLY IN NAVAL RECRUITS

Studies directed toward finding practical preventive measures for some of the widely prevalent upper respiratory diseases, which annually cost the Nation several billions of dollars, moved steadily forward in the past year. The adenovirus vaccine developed by scientists of the National Institute of Allergy and Infectious Diseases was given its first trial against naturally occurring disease. This field test was carried out in cooperation with Navy scientists at the Great Lakes Training Station in Chicago.

Preliminary results, published last summer, showed the vaccine provided substantial protection against respiratory illness characterized by fever in the 4,000 recruits who were inoculated between January and April 1956. The group was followed for the occurrence of acute respiratory illness, along with 12,000 unvaccinated recruits who served as controls. Only one dose of the vaccine was given. There were no untoward local or general reactions. The authors concluded that "the usual interference with military training routine on account of acute febrile respiratory illnesses may be reduced by adenovirus vaccines."

A similar vaccine trial is presently being carried out by the Army, with the cooperation of Institute scientists. Other studies to determine the prevalence of adenovirus infections in young children are also being conducted in the Washington, D. C., area by the National Institute of Allergy and Infectious Diseases. The objective of this work is to determine whether an adenovirus vaccine prepared for specific use in a pediatric age group would be a practical preventive weapon.

The adenoviruses, formerly known as the APC group, are responsible for illnesses of the grippé variety. They do not cause the nonfeverish, runny nose infections which most people call the common cold.

COXSACKIE VIRUS CRYSTALLIZED FOR FIRST TIME

The finding of Coxsackie viruses in a large percentage of cases diagnosed as nonparalytic poliomyelitis and determined not to be polio after followup studies has been one interesting result of work with these viruses at the National Institute of Allergy and Infectious Diseases. These agents are widespread in the population, cause a number of nonfatal illnesses, and often are found in apparently healthy individuals. The comparative ease with which they can be isolated from man and studied in the laboratory has provided the Institute with an unprecedented opportunity to study the basic nature of small viruses that are biologically similar, and also to develop new methods for mass sampling for viruses, useful in learning more about the occurrence of these small viruses in nature, specifically in man. The methods developed have been readily available for the studies of adenoviruses and salivary gland viruses discussed elsewhere in this report.

Another notable advance in the work at the Institute with the Coxsackie viruses was the first crystallization of this virus. The pure virus crystals were obtained in a series of manipulations employing muscle tissue obtained from thousands of mice over a period of 5 months. The mice had been infected with the A-10 strain of virus. The final crystallization of purified virus material yielded less than two-tenths of a grain by weight of crystals. Purification of viruses opens up new opportunities to study their chemical makeup and immunological reactions.

COXSACKIE VIRUSES "TRAINED" TO ATTACK CANCER CELLS IN RATS

It is the nature of viruses to live within and utilize and destroy the cells they parasitize, and certain strains of the Coxsackie viruses were observed to have a predilection for human cancer cells growing in test-tube cultures. Here the virus multiplied rapidly and destroyed the tumor tissues. Investigators of the National Institute of Allergy and Infectious Diseases were able to "train"—or, more specifically, to select out—strains of Coxsackie viruses particularly capable of destroying living human cancers growing in rats.

The "capable" virus is the one that penetrates and utilizes the cell best, and thus is able to multiply rapidly. By passing strains of Coxsackie through one tumor after another, the researchers eventually had a colony composed mostly of the viruses that had reproduced best—that is, of viruses most effective against the cells of this particular cancer.

The rat-human tumor system provided the nearest practicable means for studying the oncolytic (cancer destroying) action of viruses on a living, "solid" cancer. The growth of such a tumor is more vigorous than the growth of cancer cells in a test-tube tissue culture. The rats were irradiated and/or cortisoned to modify the life processes that might have rejected implants of human cancer tissue, which grew to large size in the abdomens of the rats. The method provides a readily available laboratory method which makes possible extensive studies on uniform, growing cancers. When large doses of the "trained" Coxsackie viruses were injected, the human cancers were rapidly consumed until hardly a trace of them remained, while cancers in uninoculated rats were growing luxuriantly.

There remain a number of problems in acquiring oncolytic viruses capable of killing the vigorous, rapidly propagating tumor cells in the solid milieu of the living cancer patient before or in spite of the body's defensive tactics. There have been no cures by the virus method; it is a tool for research at this point of development. Chemotherapy of cancer is a more familiar method of attempting to destroy a cancer; virotherapy is not so far removed, in concept, from this method. Virus means poison. The objective here is to develop a self-propagating poison against cancer cells growing in humans. Further extensive research will be required to determine whether or not such a method can be developed to a point of clinical usefulness.

SALIVARY GLAND VIRUS MAY BE IMPLICATED IN DEGENERATIVE DISEASE

During 1956, researchers at the National Institute of Allergy and Infectious Diseases became interested in a group of viruses classified as the salivary gland viruses when they found these organisms associated in adenoid tissue with a group of adenoviruses. They isolated adenoviruses from the top layer of tissue cells in diseased adenoids, and salivary gland virus from the cells of underlying tissue, and herpes virus from other cells. In studying this "invasion in depth,"

the scientists became involved in an area of research of apparent primary importance because of the implications that such latent viruses may have a role in the development of degenerative diseases heretofore described vaguely as "biochemical processes."

Salivary gland virus was first recovered from diseased salivary glands at autopsy by an Institute grantee at the Washington University School of Medicine, St. Louis, and has since been found in diseased adenoids, kidneys, brain, liver, and occasionally in apparently healthy organs. The researchers hypothesize that salivary gland virus may be triggered by some as-yet-unknown condition into attacking man's vital or nonvital organs, and then retreats for later return engagements. Cumulative damage could account for some forms of heart disease, cancer, or mental illnesses.

The Institute has developed and is employing new procedures for unmasking such latent viruses. These procedures involve obtaining virus from diseased human tissue, inoculating the infectious material into tissue cultures growing in test tubes, and observing the effect of the virus upon human cells in this tissue.

The work with salivary gland virus at the National Institute of Allergy and Infectious Diseases has included large-scale serological surveys of various population groups to determine prevalence of this microorganism. These studies reveal that by middle-age, 4 out of 5 people have been challenged by salivary gland virus. The earlier concept of salivary gland virus infection had been that it was primarily an infection of infancy, but Institute scientists demonstrated this infection in all age groups. Further studies will be directed toward clarifying the relationship of salivary gland virus infection to certain diseases, such as pneumonias of infancy.

FRACTIONATION STUDIES AIMED AT PURIFYING BIOLOGIC PRODUCTS

Despite advances in public health through immunization, much room remains for improvement in the biological products now in use. Vaccines developed against certain infectious diseases have often proved toxic, producing undesirable side reactions, and have often had questionable immunizing power. This has emphasized two things: the importance of developing new techniques for isolating the effective antigen (the microbial component vaccines which protects against disease) in a reasonable degree of purity; and the need for increasing the amount of immunizing material obtainable from a given amount of killed microorganisms.

Important progress in this area has recently been reported by scientists of the National Institute of Allergy and Infectious Diseases. In their studies of various kinds of microbial cells, they found that extraction with a chemical or disruption by physical methods produced two fractions: one containing the cell protoplasm, the other containing the cell walls.

The cell walls proved to be the fraction which protects against disease. When these walls are broken up by the action of ether or by physical disruption, the surface available increases markedly, producing a fraction of superior immunizing power.

These results are not limited to the study of bacterial agents. The scientists have also been able to isolate the cell walls of a fungus which is responsible for histoplasmosis, a widespread disease often mistaken for tuberculosis. During the past year they extended their studies to a common organism which causes food poisoning. Here, they were able to show that when the cell walls are subjected to treatment with ether, the toxic component is liberated, leaving the cell wall intact and able to protect experimental animals against infection. Fractionation methods are also being applied to studies of the causative agent of tuberculosis.

The results obtained in this work emphasize the importance of developing simple, practical methods for the harvesting of purified materials for production of vaccines. They also suggest that many opportunities still remain for refining and improving the biological products which safeguard the Nation's health.

ADVANCES IN BASIC STUDIES OF CELLS GROWING IN TEST-TUBE CULTURES

Since 1949, when Enders and his associates at Harvard University first demonstrated a practical method for growing poliomyelitis virus in the test tube, tissue culture has become a major tool in the study of infectious diseases and in fundamental studies of cell processes. In the development of basic knowledge concerning tissue culture methods, a scientist of the National Institute of Allergy

and Infectious Diseases has played a leading role. The main objective of his studies has been to define the specific growth requirements of various kinds of cells grown in the test tube.

In working out the nutritional requirements of 20 types of normal and cancer cells, including 18 human strains, the scientist has shown that the number of amino acids (the building blocks of proteins) needed by individual cells appreciably exceeds that required by the organism as a whole. Or what may appear to be a paradox, that the whole requires less than its individual parts.

Among the 27 substances thus far determined essential for the survival and growth of such cells as normal human liver, bone marrow and conjunctiva, and a variety of cancer cells, are 13 amino acids and 8 vitamins, including inositol, 1 of the least understood of the vitamins.

In man, there is no evidence of an inositol requirement. The demonstration of the importance of this substance is complicated by the possibility that it is synthesized by microorganisms in man's intestinal tract; that it may result from partial biosynthesis; or that its effects may depend on the presence or absence of other B vitamins.

In another study by the same investigator, the nutritional requirements for growing poliomyelitis virus in HeLa cells (a standard cell line widely used in virus studies) were investigated. The results showed that formation of virus requires three essential factors in the culture medium: glucose, glutamine, and salts. Without these substances, HeLa cells could synthesize only meager amounts of polio virus, even if the medium contained all the other growth factors needed for normal cell activities. With these substances alone, essentially normal amounts of virus were formed.

By adding glucose alone to a medium containing cells deprived of glucose and glutamine for a stated period prior to virus inoculation, the scientist was able to boost virus output one-hundred-and-seventy-fold. The addition of glutamine alone caused an average two-thousand-fold increase. And the addition of both these chemicals resulted in a forty-thousand-fold increase in virus formation.

On the question of how, precisely, glucose and glutamine are utilized, the scientist believes the most reasonable hypothesis is that the chemicals are used for viral synthesis either as sources of energy, as precursors for synthesis of viral nucleic acid, or both.

The knowledge uncovered by this scientist's intensive studies in the last few years promises to extend greatly the usefulness of tissue culture, a technique which has already revolutionized the study of virus diseases and provided a major weapon for cancer research.

CREATION OF SYNTHETIC VACCINES FORESEEN BY IMMUNOCHEMISTS

University of Wisconsin biochemists, grantees of the National Institute of Allergy and Infectious Diseases, report studies that represent a bold approach toward solving virus immunization problems.

With various synthetic polypeptide compounds they have been able to inhibit multiplication of mumps and influenza B viruses in chick embryos, and have demonstrated that some of these polypeptides and polypeptidyl proteins incite the formation of antibodies in rabbits. This is considered by immunochemists a very exciting discovery.

A preliminary announcement on this work, published in a scientific journal in France (where scientists of the Pasteur Institute in Paris have been collaborating in the studies), indicates that it is now possible to foresee the possibility of preparing synthetic vaccines from synthetic polypeptides. Since these "manufactured" compounds contain two or more of the amino acids that are basic building blocks for proteins, the principal constituents of cell protoplasm, perhaps it is not surprising that these synthetic polypeptides intercede at the cellular level against viruses.

Apparently, the manufactured compounds incite different types of antibodies, depending upon which amino acid residues were combined with peptides to form the synthetic polypeptides. The investigators theorize that inhibition of virus multiplication results from use of these polypeptides to block the receptor sites through which the virus combines with susceptible host cells. This could be either at the surface of the virus or at the surface of the host cell, literally a "walling off" to interfere with the spread of a virus infection.

LESS VIRULENT TYPHUS STRAINS USED IN NEW VACCINE TRAILS

At Tulane University a grantee of the National Institute of Allergy and Infectious Diseases reports increasing evidence during the past year of a strain of weakened typhus organism (*Rickettsia prowazeki*) that is safe to inoculate and will confer significant immunity against typhus for at least 3 years and probably considerably longer. Called type E, this attenuated form of the *Rickettsia* has been used in vaccine given to more than 17,000 persons in South America with no single known instance of truly serious illness resulting. It appears to be more effective than the so-called killed organism vaccines, and safer than inocula made of the live *Rickettsia*, modified by cold or oil or some other substance, but sometimes capable of causing unmodified inoculation typhus.

Definitive data on the effectiveness of the new vaccine against naturally occurring typhus is now being obtained through use of the protective agent in Peru for inoculations of Andean Indians. Among this Indian population typhus is highly endemic. Preliminary results offer much promise as to its superior effectiveness and safety over other types of typhus vaccine.

EGYPTIAN SCHOOLCHILDREN PROTECTED IN RESEARCH ON SNAIL-BORNE DISEASES

The year marked the end of formal participation by the National Institute of Allergy and Infectious Diseases in the Egyptian schistosomiasis (bilharziasis) control demonstration carried out through the International Cooperation Administration. The results of this project in Egypt have been highly successful, and the Government of Egypt last year asked for an extension of the United States Public Health Service technical aid. This continued assistance was regarded as a transition toward local authorities taking over the work. The goal in such public health technical assistance is to help other countries to help themselves in a way that will lead toward improved world health and mutual benefit.

With international travel increasing and thousands of persons infected with the worm-parasite of schistosomiasis crossing our borders, including returning troops, the Public Health Service began the control studies in 1943 at the request of the military. The Egyptian project has evolved from the experience of USPHS in methods of snail eradication. Since snails are hosts to the parasite, snail eradication is equivalent to schistosomiasis control.

Egypt is one of the areas where the disease is a major health problem. Eighty to 85 percent of the people are infected. The Nile and hundreds of miles of associated irrigation canals provide breeding grounds for the snails that are essential for development of the parasites. From the water where they emerge, these parasites are able to penetrate the skin of a human and begin their destructive life cycle, during which their attack upon vital organs may lead to death or disability in many different forms.

The recent demonstrations in Egypt by scientists of the National Institute of Allergy and Infectious Diseases indicated how the snails may best be killed by applications of sodium pentachlorophenate (a commercial weedkiller) to the waterways. A survey of schoolchildren in the control area, undertaken a year after the trial began, showed a reduction of 8 percent in the incidence of schistosomiasis. The investigators believe that as Egypt takes over full operation of this snail-killing project, it will be possible within 5 years to reduce the incidence of schistosomiasis in schoolchildren from its previous level of 52 percent to less than 8 percent. The project also may serve as a model for control work in similar areas.

FRACTIONATOR INCREASES POTENTIAL FOR STOCKPILING VITAL BLOOD PLASMA

Grantees of the National Institute of Allergy and Infectious Diseases at Children's Hospital, Philadelphia, announced at a 1956 meeting of specialists on blood transfusion and storage that a new method may make it possible for a person safely to donate blood plasma as often as 50 times a year, instead of the 5 times considered safe by conventional methods. These researchers have been experimenting with a blood-collecting method called plasmapheresis which may enable the United States to vastly increase its potential for stockpiling vital blood plasma.

As a pint of blood is removed from the donor, it is processed through a machine developed by the late Edwin Cohn of Harvard, internationally known for his fractionation studies of blood. The lighter part, plasma, is retained, while the

heavier part, including the red and white corpuscles, is put back into the donor. Return of these cells (which do not keep well and are discarded by ordinary plasma banks) enables the donor to recover his strength more rapidly. With this new method, volunteers have been able each to give 26 pints of blood during the past year—or once every other week—without ill effects.

Physicians who keep close check on the physical condition of the volunteers believe that under the new method it would be safe for a normal individual to give as many as 50 pints of blood a year. The blood "fractionator" is experimental and is not in commercial production. If the new method proves to be safe for large-scale use, a few thousand professional donors could supply the same amount of plasma now pooled by hundreds of thousands of irregular donors, and the professionals might be screened for safety against diseases, such as serum hepatitis, and could be immunized against a number of diseases to provide ready made disease-fighting antibodies in the transfused blood plasma.

DETOXIFYING ISONIAZID IN CHEMOTHERAPY OF TUBERCULOSIS

Isoniazid is used widely in the therapy of human tuberculosis, but the toxicity of this drug, and of several others used in TB treatment, is a limiting factor. The National Institute of Allergy and Infectious Diseases has carried out a number of studies of chemicals that might be used in combination with the therapeutic drugs to lessen their toxic effect.

One of the most promising of the detoxifying agents in recent trials is glycerin. When glycerin was used instead of water as a solvent for isoniazid there were significantly higher survival rates of mice receiving various dosage levels of isoniazid. When introduced in combination, isoniazid and glycerin were more effective against *Mycobacterium tuberculosis* in the test tube than when administered separately as individual chemicals. The investigators feel that these results suggest a possible advantage in using appropriate concentrations of glycerin as a solvent, experimentally, in the isoniazid chemotherapy of tuberculosis in humans. A streptomycin and glycerin combination also shows promise.

The new antibiotic, cycloserine, of current interest in the treatment of human tuberculosis, was employed in combination with isoniazid in mice. Unexpectedly, cycloserine permitted the mice to tolerate almost double the amount of isoniazid which was lethal per se.

ANTIBODIES TO CANINE DISTEMPER VIRUS FOUND IN HUMANS

A grantee of the National Institute of Allergy and Infectious Diseases has demonstrated a neutralizing substance against canine distemper virus in human serum, where it is found at a high level in the gamma globulin fraction.

If it is assumed that the ability of human serum to neutralize canine distemper virus represents a true antibody response, it then becomes possible to postulate that we are dealing with a widely prevalent infection of man. The infection may be benign or entirely inapparent, perhaps with important clinical disease on occasion.

The neutralizing substance is transmitted via the placenta from the mother to the newborn infant. It is lost by the 6th month and reappears in the population between the 2d and 10th years of life. It reaches an incidence of almost 100 percent in adults.

This study is being carried out by an investigator with Children's Hospital in Buffalo, N. Y. He reports that evidence so far available indicates that the neutralizing substance has the properties of a true antibody formed in response to an as yet unidentified infection with an agent identical to or closely resembling canine distemper virus.

FUNDAMENTAL STUDIES ON THE PROPERTIES AND EFFECTS OF DRUGS

One of the Nation's leading authorities on the pharmacology of drugs, particularly those employed against tuberculosis, is conducting an important series of studies at Christ Hospital Institute of Medical Research in Cincinnati. His tuberculosis investigations have been carried out in monkeys and concern fundamental aspects of tuberculous infections, together with the effects of antituberculous drugs in various doses, singly and in combinations.

As a result of these extended studies, which are supported by a grant from the National Institute of Allergy and Infectious Diseases, the clinical management of tuberculosis, in general, is just beginning to utilize pharmacologic rather

than essentially trial-and-error principles in determining dosage and administration of available drugs.

In another study, this investigator has demonstrated that pyrimethamine, an antimalarial drug recently found useful in treating certain blinding eye diseases, can—when employed in large doses—produce certain lesions in bone marrow, blood cells, bladder, spleen, and adrenal cortex. He was also able to show that these lesions can be prevented by simultaneous administration of either of the two B vitamins: folic acid and the citrovorum factor.

SYSTEM FOR ANTIBODIES TRANSPLANTED TO CLINICAL CENTER PATIENT

Researchers of the National Institute of Allergy and Infectious Diseases have been studying patients with hypogammaglobulinemia at the Clinical Center, and have made notable progress during the past year in employing this disease to elucidate the mechanisms by which antibodies are produced. Hypogammaglobulinemia offers an ideal opportunity for studying the body's systems for immunity because the lack of antibodies characteristic of the disease enables measurement of production once a system has been "installed" for making them. This system (several sections of lymph node tissue) was transplanted to a hypogammaglobulinemic patient from her sister who was undergoing an operation for another condition. The tissue lived and functioned for about 6 months. Findings thus far suggest that human lymphoid tissue normally responds with remarkable speed, versatility, and production capacity to a challenge from an invading organism, even when the organism is weakened and modified, as in the vaccines used in these experiments to elicit the response from the research patient.

The Institute researchers also have been studying four other hypogammaglobulinemic patients at the Clinical Center during the past 2 years. (Only about 25 cases of the adult form and 70 cases of the childhood form of this disease have been reported in medical literature.)

Hypogammaglobulinemia bears the same relationship to the immune mechanism that diabetes does to carbohydrate metabolism, and patients with the gamma globulin dysfunction are cooperating in studies to provide fundamental data on the distribution, the metabolism, the mode of action, and the synthesis of gamma globulins and antibodies.

Increased understanding of the basic mechanisms of the body's own defense system is an important step toward prevention of disease, the ultimate goal of medical research.

CAUSES OF EPIDEMIC DIARRHEA IN INFANTS AND NEWBORN

Several Michigan investigators employing a grant from the National Institute of Allergy and Infectious Diseases have been clarifying the cause and course of diarrhea in infants. Little definitive information has hitherto been available on the precise organisms and mode of transmission of this disease, which may spread rapidly from infant to infant in a nursery, and may have a case fatality ranging up to 40 percent. Though sporadic in occurrence, outbreaks are widely prevalent and are not limited to any area of the country.

Using the facilities of the child research center of Michigan and the department of pediatrics and microbiology of Wayne University College of Medicine, the researchers have studied actual epidemics of diarrhea of the newborn, and have conducted laboratory work. Among their findings, they have described for the first time a type of *E. coli* organism that was the cause of an extensive nursery epidemic. Studies of the epidemic further revealed that such outbreaks may be prolonged by infants who recover from symptoms of the disease after antibiotic therapy, but still excrete infective organisms and remain a source of cross-infection.

In rapidly expanding research in this area, the Michigan investigators have proceeded to develop tests to determine the presence of the *E. coli*, to study other organisms, such as viral agents, involved in the diarrheas, and to clarify the mechanisms of immunology in young infants.

DEMONSTRATION OF POLIO INFECTION IN A NEWBORN INFANT

During the past year, scientists of the National Institute of Allergy and Infectious Diseases reported isolation of type I poliomyelitis virus from an infant born at the time his mother was in a respirator suffering from acute poliomyelitis. This is believed to be the first time that a subclinical or inapparent infection with poliomyelitis has been demonstrated in a newborn infant. Followup

blood tests established conclusively that both mother and child had been infected with type I virus.

Virus was demonstrated in the mother's stool specimen collected 2 days before delivery. In the infant, virus was isolated from a rectal swab taken at delivery. The scientists also succeeded in demonstrating virus from placental tissues. These findings strongly suggest exposure to the virus at some time during the period of pregnancy. The infant's growth and development since birth have been normal.

The results of this study contradict beliefs advanced over the years about the complete immunity of the fetus to maternal poliomyelitis as well as marked resistance of the infant to the disease after birth, whether or not the mother was afflicted. The validity of these concepts has been viewed with increasing suspicion in recent years.

GERM-FREE FACILITY INSTALLED AT NIH—RESEARCH UNDERWAY

In October 1956, a scientist of the National Institute of Allergy and Infectious Diseases performed a caesarean operation on a guinea pig under sterile conditions and delivered 5 young into a germ-free rearing unit. This was the initial germ-free attempt employing the ingenious equipment for this work recently installed at NIH after several years of planning. The first attempt to produce germ-free guinea pigs at NIH and to maintain them germ-free for an extended period of time was successful.

Currently, the Institute is trying to establish *Trichomonas vaginalis* infections in germ-free guinea pigs. This protozoan parasite is associated with a variable clinical picture in women, ranging from infection without symptoms to marked vaginitis. The bacterial flora is undoubtedly a factor in such infections. Thus, it has been difficult to assess the virulence of the trichomonad and to establish whether there are strain differences associated with the variable pathology. A study of the parasite in a host without the presence of bacteria may provide information on this disease.

The investigators plan, in another study, to follow the progress and development of parasitic intestinal nematodes. Certain of these worm-parasites may gain entry into the host by burrowing through the skin and migrating through such tissues as the lungs. Host specificity is quite marked in such species—that is, they are able to survive only under the favorable conditions provided by a certain type host—and penetrating nematode larvae may be stopped by defenses at various sites in the body of a host that is not its "normal" habitat. Inasmuch as the germ-free animal would, theoretically, provide an immunologically inexperienced host, it could supply information in the broad area of host specificity and natural resistance. The investigators will observe whether the nematode is able to penetrate to the intestines of the germ-free animal without effective resistance, since this animal has had no microbiological "battle experience."

Cooperative work with the Laboratory of Bacteriology, University of Notre Dame (LOBUND), including training of NIAID scientists, and assistance in planning for the new germ-free facility at Bethesda (expected eventually to comprise some 30 germ-free chambers), has enabled the NIH to take the first steps toward making a significant and continuing contribution to germ-free research, along with other agencies participating in the nationwide advance along this front.

The focal point of early germ-free research by NIAID at LOBUND was the organism causing amebic dysentery, and continuing cooperative investigations are developing significant findings about the ameba-bacteria relationship in amebiasis. When NIAID scientists inoculated this ameba into the intestines of germ-free guinea pigs, they found it apparently could not survive in this sterile environment. Since, however, the ameba is hard to culture in a sterile environment in a test tube, this was not surprising. It grows well along with certain bacteria in a test tube culture: so the scientists gave animals some bacteria, *E. coli* or *A. aerogenes*, before infecting their intestines with amebas. Ulcerative amebiasis was thus produced.

A recent step in this research has been to see if the bacteria are always necessary to help the amebas produce disease, or whether other conditions or materials can be substituted for them. When heat-treated preparations of bacteria or certain of their products were given to germ-free guinea pigs before and after inoculation with amebas, ulcerative amebiasis was again produced.

In another of the NIAID-LOBUND cooperative studies, a parasitological survey of Notre Dame's germ-free animals was carried out. The results showed that the rats, mice, guinea pigs, and chickens were entirely negative in that they did not in any instance demonstrate the presence of animal parasites. However, examinations of a limited number of dogs revealed the presence of nematode parasites despite the fact that such animals were demonstrated to be bacteria-free. This condition could be prevented if the donor animals were known to be parasite-free prior to and during the pregnancy.

The increase in germ-free grants and grant proposals at NIH is one indication of the growing interest shown by other institutions in this type of research.

One recently approved grant (to the Syracuse University Research Institute) will make possible studies on the design, construction, and evaluation of low cost plywood apparatus for obtaining, rearing, and handling germ-free monkeys. This work is for a future study involving germ-free monkeys, which will be contaminated with known pure cultures of micro-organisms, in order to determine certain aspects of the biologic role of individual intestinal micro-organisms.

Another active NIAID grant (to LOBUND) will make use of germ-free animals in attempts to isolate and characterize agents which are related to the group of diseases ordinarily classified as the common cold.

FARMER BENEFIT IN RESEARCH ON HOST-VIRUS RELATIONSHIP

At Cornell University, Ithaca, a grantee of the National Institute of Allergy and Infectious Diseases has been studying host reaction to chronic viral parasitism. Scores of virus diseases are known today, and an increasing number of new viruses are being discovered. The Cornell investigator is employing as experimental subjects some of the important food-producing animals, and research on the mechanisms of viral diseases thus may indirectly help the farmer. Mastitis, a leading cause of poor milk production by dairy cows, can be produced experimentally by the *Miyagawanella bovis microorganism*, and this virus is presently under study.

In very young calves, for example, the researcher demonstrated that withholding one of the important food elements results in extreme susceptibility to virus attack. The studies also have indicated that the animals harbor viruses in their intestines for months after infection seems to have subsided.

Most advances in clinical medicine which save human lives represent the application of knowledge initially obtained in animal work. Conversely, the benefits for public health which may result from better understanding of virus-host relationships through these New York studies may be accompanied by extra dividends for the farmer in healthier livestock and better production.

STUDIES IN RATS SEEKS CAUSE OF ALLERGIC ENCEPHALITIS

At the University of Louisville, Ky., a grantee of the National Institute of Allergy and Infectious Diseases is undertaking research that may aid in understanding the mechanisms involved in a number of diseases such as multiple sclerosis, paralysis as complications of infectious diseases, and also paralysis that follows in some cases of vaccination against rabies. The common factor in all these conditions is damage to the sheath that surrounds nerve fiber. Studies of experimentally induced nerve damage of this type in animals have suggested that an allergic reaction may be involved in all these human diseases.

The Kentucky scientist is investigating experimental allergic encephalitis (injury of the brain and spinal cord) in laboratory animals. Injection of these animals produces acute encephalitis with regularity and uniformity. In the Kentucky experiments the rat provides a working model for the kind of processes that may lie behind the development of a number of diseases. If a specific material can be shown to be responsible for such reactions in the rat, the isolation of this antigen would be of value in understanding acute and chronic forms of diseases that involve nerve sheath damage in man, and might lead to methods for prevention and cure.

LIFE CYCLE OF NEMATODE REPRODUCED FOR FIRST TIME IN TEST TUBE

In studies of the nutritional requirements of certain parasitic worms, scientists of the National Institute of Allergy and Infectious Diseases have succeeded in cultivating in the test tube for the first time a nematode parasite of a vertebrate through its entire life cycle.

In normal development this parasite, *Nippostrongylus miris*, as a filariform or third stage larva invades the skin of its host, the rat, and migrates to the lung where it feeds and grows. It molts to a fourth stage, migrates to the small intestine and finally molts to an adult. It is this cycle of growth which has now been duplicated in the test tube from egg to adult under bacteria-free conditions.

The scientists have also determined the vitamin requirements for nematode growth and differentiation, and have developed a partially defined medium for the cultivation of the free-living stages of this parasite.

The significance of this work rests in the fact that studies can now be made with parasites exposed to a predetermined environment uncomplicated by the bacteria normally found in the rat intestine. Such research may also help to explain clinical and pathological effects of nematode infections in humans and lead to better diagnosis and treatment.

ULTRAVIOLET IRRADIATION TO INACTIVATE VIRUS IN POLIOMYELITIS VACCINE

Inactivating viruses used in vaccines so that the microorganisms will stimulate an immune reaction but will not multiply and cause disease in the host is often a difficult process, and research is continually directed toward improved methods for rendering viruses noninfective and for making vaccines more stable and more protective.

Studies of inactivating poliomyelitis virus by ultraviolet irradiation are being conducted by a group of scientists employing facilities of the Michael Reese Hospital in Chicago, with grant support from the National Institute of Allergy and Infectious Diseases. The studies have been carried out in 3,000 children residing in Morgan County, Ill.

Ultraviolet-irradiated poliomyelitis vaccine, free of active virus, was found to be capable of stimulating satisfactory levels of neutralizing antibodies against all three types of poliomyelitis virus in young children. A booster dose of the vaccine administered about a year after primary immunization effectively stimulated rises in antibody levels.

All of the children who received ultraviolet-irradiated vaccine have thus far been apparently immune to poliomyelitis, but the investigators feel that final conclusions cannot be drawn as yet, since those exposed could have escaped the paralytic disease by chance. Further observations will be necessary before the comparative advantages of this type of vaccine can be clearly defined.

PSYCHOLOGICAL STRESS AS A FACTOR IN ASSISTANCE TO INFECTION

Mice exposed to or inoculated with polio and herpes simplex viruses are more likely to die from the infection if they have previously been under chronic emotional stress and anxiety, according to findings by University of California investigators, whose studies are supported by a research grant from the National Institute of Allergy and Infectious Diseases. The experiments in this interesting but relatively unexplored field not only showed a significant increase in death rates for the "stressed" mice over control animals, but also indicated that survival time is in direct ratio to the length of the stress period.

One of the situations of stress required mice to jump a barrier repeatedly in response to a light-buzzer signal in order to avoid electrical shock.

It has been evident to medical scientists for some time that there are factors other than specific immunity involved in the degree of susceptibility to infectious diseases. Emotional stress is known to have a bearing on susceptibility, but whether there is a positive or negative influence is not known, nor is it clear to what degree and in what manner psychological stresses affect susceptibility. Even less is known of possible relationships between emotional disturbances and activation of infective micro-organisms that often are found dormant or latent in apparently healthy individuals.

The grantees plan additional studies to determine whether tranquilizing drugs will change the statistics. Other virus agents and bacterial organisms will be tested and larger experimental animals will be used for comparative tests.

MEETING THE PROBLEM OF ANTIBIOTIC-RESISTANT MICROORGANISMS

Resistant microbes are causing a gradual but significant reduction in the effectiveness of antibiotics. Some organisms, notably staphylococci, are more likely to have resistant varieties than others, and several investigators have

found that a high proportion of staphs "native" to the environment of hospitals have become resistant to penicillin.

At Harvard University an internationally known microbiologist is employing a grant from the National Institute of Allergy and Infectious Diseases to study this broad problem, and a number of significant findings are evolving from the investigations he is directing; for example, the demonstration that there is considerable difference in response of staphylococci to exposure to different antibiotics, used separately and in combinations. Resistance developed regularly and rapidly with streptomycin, penicillin, and erythromycin, and somewhat less regularly with terramycin, and least with chloramphenicol. When used in combinations, those pairs which included chloramphenicol produced the longest delay and greatest depression of the resistance.

In one study recently reported by the Harvard group, based on work at Boston City Hospital, the data suggests that there is no definite evidence of antagonism of certain antibiotics—such as erythromycin and penicillin "G"—when used in combination. This work has shown that the antagonism observed in reported experiments may be due only to different rates at which the drugs are absorbed by the body. Obviously, there can be much advantage in using combinations of antibiotics, so that there is less chance of failing to control a strain of microbes resistant to one of them; thus it is important to rule out findings which might discourage use of a beneficial compound.

NEUROLOGY AND BLINDNESS ACTIVITIES

STATEMENT OF DR. PEARCE BAILEY, DIRECTOR, NATIONAL INSTITUTE OF NEUROLOGICAL DISEASES AND BLINDNESS; ACCOMPANIED BY DR. JAMES A. SHANNON, DIRECTOR, NATIONAL INSTITUTES OF HEALTH; DR. W. PALMER DEARING, DEPUTY SURGEON GENERAL; ROY L. HARLOW, CHIEF FINANCE OFFICER; AND JAMES F. KELLY, DEPARTMENT BUDGET OFFICER

APPROPRIATION ESTIMATE

"Neurology and blindness activities: For expenses necessary to carry out the purposes of the Act relating to neurology and blindness, **[\$18,650,000]** \$18,887,000."

Amounts available for obligation

	1957 appropriation	1958 budget estimate	1958 House allowance
Appropriation or estimate	\$18,650,000	\$18,887,000	\$18,887,000
Additions: Comparative transfer from "General research and services, National Institutes of Health, Public Health Service"	+50,000	0	0
Deductions: Unobligated balance, estimated savings	900,000	0	0
Total obligations	17,800,000	18,887,000	18,887,000

Obligations by activities

Description	1957 appropriation		1958 budget estimate		1958 House allowance	
	Positions	Amount	Positions	Amount	Positions	Amount
1. Grants:						
(a) Grants for research projects.....		\$9,130,000		\$9,750,000		\$9,750,000
(b) Research fellowships.....		500,000		500,000		500,000
(c) Training grants.....		3,750,000		3,750,000		3,750,000
2. Direct operations:						
(a) Research.....	225	3,868,000	242	4,315,000	242	4,315,000
(b) Review and approval of grants.....	23	310,000	23	321,000	23	321,000
(c) Training activities.....	7	50,000	7	51,000	7	51,000
(d) Administration.....	10	192,000	10	200,000	10	200,000
Total obligations.....	265	17,800,000	282	18,887,000	282	18,887,000

Obligations by objects

	1957 appropriation	1958 budget estimate	1958 House allowance
Total number of permanent positions.....	265	282	282
Full-time equivalent of all other positions.....	16	17	17
Average number of all employees.....	256	272	272
Number of employees at end of year.....	300	318	318
01 Personal services.....	\$1,606,835	\$1,684,835	\$1,684,835
02 Travel.....	98,300	99,500	99,500
03 Transportation of things.....	26,100	26,100	26,100
04 Communication services.....	10,800	11,600	11,600
05 Rents and utility services.....	4,400	4,400	4,400
06 Printing and reproduction.....	8,800	19,300	19,300
07 Other contractual services.....	77,800	96,000	96,000
Reimbursements to "General research and services, National Institutes of Health, Public Health Service".....	1,932,000	2,146,000	2,146,000
08 Supplies and materials.....	313,600	351,700	351,700
09 Equipment.....	343,500	368,200	368,200
11 Grants, subsidies and contributions.....	13,380,000	14,000,000	14,000,000
Contribution to retirement fund.....	0	80,000	80,000
15 Taxes and assessments.....	4,700	6,200	6,200
Subtotal.....	17,806,835	18,893,835	18,893,835
Deduct charges for quarters and subsistence.....	6,835	6,835	6,835
Total obligations.....	17,800,000	18,887,000	18,887,000

New positions requested, 1958

Title	Grade	Positions	Annual salary
2a. Research:			
Scientist.....	GS-12.....	2	\$15,140
Do.....	GS-11.....	2	12,780
Do.....	GS-9.....	1	5,440
Research technician.....	GS-7.....	1	4,525
Nurse.....	GS-5.....	2	7,340
Research technician.....	GS-5.....	3	11,610
Clerical assistant.....	GS-4.....	2	6,830
Research technician.....	GS-4.....	2	6,830
Clerical assistant.....	GS-3.....	1	3,175
Research technician.....	GS-3.....	1	3,175
Total positions and annual salaries.....		17	76,245
Less lapse.....			10,445
Net cost.....			¹ 65,800

¹ Excludes \$3,000 for foreign differential.

Summary of changes

1957 actual appropriation-----	\$18,650,000
Transfers: Comparative transfer from "General research and services, NIH"-----	+50,000
Estimated savings-----	-900,000
Adjusted 1957 appropriation-----	17,800,000
1958 appropriation request-----	18,887,000
Net change requested-----	<u>1,087,000</u>

	Posi- tions	Estimate	Posi- tions	House allowance
For mandatory items:				
Annualization-----		\$54,800		\$54,800
Retirement-----		169,900		169,900
Social security-----		1,700		1,700
Pay in excess of 52-week base-----		8,800		8,800
Wage Board-----		26,000		26,000
		261,200		261,200
For program items:				
Increased overhead costs-----	0	620,000	0	0
Expansion of research grant program-----	0	0	0	620,000
Expansion of direct research program-----	17	167,200	17	167,200
Expansion of services furnished centrally-----	0	38,600	0	38,600
Total change requested-----	+17	1,087,000	+17	1,087,000

STATEMENT BY DIRECTOR, NATIONAL INSTITUTE OF NEUROLOGICAL DISEASES
AND BLINDNESS

Mr. Chairman, members of the committee, last year, before this committee, I had the honor to report on the research gains of the National Institute of Neurological Diseases and Blindness in its first full-fledged attack against the crippling neurological and sensory disorders. These include more than 200 diseases. They affect about 20 million Americans.

These proposals support the intentions of the President in continuing the Nation's attack upon disease through expanding medical research. The House of Representatives, in the passage of this appropriation bill, took action to change some of the premises upon which these proposals as submitted by the President were based. I will comment directly upon those later in the statement.

This Institute was formed at a time when there was a general awareness that a research attack upon the neurological and sensory disorders would pose many problems. The Congress understood the nature and scope of these problems but, in the face of them, acted to make possible the launching of the Institute. The judgment of the Congress has been demonstrated by the course of events. We in the Institute have felt a deep sense of responsibility to use the opportunity presented by congressional action to advance every phase of the attack against the sensory and neurological disorders.

The sequence of events over the years has followed a broad strategic plan worked out with a group of scientific and lay advisers of the highest caliber. Thus far we have been able to deal effectively with one of the most complex and delicate problems in science. This is the mounting of a planned attack on disease without reducing the essential freedom of the individual investigator.

This has been a most stimulating experience for all of us in the Institute and for our advisers, and I should like to sketch the story briefly. Then I should like to note the state of research in some important areas, including those in which we have grounds for considerable optimism and also those in which the ultimate goal continues to seem remote.

Before discussing the progress in 1957 and the budget proposal for 1958, permit me to sketch the Institute's program and budget history.

PROGRAM HISTORY

In August 1950 Congress authorized the establishment of the National Institute of Neurological Diseases and Blindness, the youngest of the National Institutes of Health. The period from 1952, when the Institute was first activated with an appropriation of \$1,250,000, to 1954, when it received its first direct appropriation of \$4,500,000, was a period of planning and staffing.

The period from fiscal 1954 to 1956, when the appropriation was increased to \$9,861,000 was one of attack on specific vulnerable areas in the field of neurological and sensory disorders—an attack which opened new vistas of knowledge in brain surgery, in the biochemical basis of epilepsy, in regeneration of central nervous tissue, and in other basic problems confronting neurological scientists. This same period witnessed the Institute's successful organization of cooperative and collaborative projects which produced an effective preventive for retrolental fibroplasia, the then most common cause of blindness in infants. The Institute also achieved better understanding of the nature and prevalence of multiple sclerosis and amyotrophic lateral sclerosis (Lou Gehrig's disease)—problems which must be resolved before a fundamental research attack can be mounted.

The 1954-56 period was one in which—for the first time—there was an opportunity to launch a realistic training grants program in order to increase the number of neurologists, ophthalmologists, and laboratory scientists, the shortage of which was threatening the Institute's promising potential for developing a truly national program. The period was also characterized by special emphasis and support by the Congress of particularly neglected areas under the Institute's research responsibility, notably, cerebral palsy and mental retardation. Finally, during 1954-56, the Institute developed projects calculated to implement previous findings such as testing the effectiveness of glutamine and asparagine in the control of epileptic seizures.

From the beginning of fiscal year 1957, when the Congress appropriated \$18,650,000, until today, the Institute has continued to pursue the promising research leads which its scientists had previously uncovered in epilepsy, cerebral palsy, mental retardation, and multiple sclerosis. In addition, the Institute has implemented certain other parts of its program which received special attention from this committee and the Congress. It has enlarged toward full potential its graduate training grants program, initiated a promising research program in hearing disabilities, and activated its plan for long-term collaborative field investigation projects.

As I stated to you last year, in these long-term collaborative field investigation projects, the Institute serves as a central laboratory and coordination center for studies which require the collaboration of many institutions and many scientific disciplines, both clinical and basic. The first collaborative field investigations, organized in fiscal year 1957, were directed toward those crippling conditions—cerebral palsy, mental retardation, epilepsy, and certain forms of deafness and blindness—which arise in infancy and early childhood as the result of adverse biological factors (mostly unknown) that operate before, during, or shortly after birth (the perinatal period). It is expected that the collaborative field investigations of perinatal morbidity, to which I shall refer in more detail later, will provide the basic knowledge which is necessary before we can seek effective treatment or prevention of many types of cerebral palsy, mental retardation, and other tragic aftermaths of the perinatal period.

In the development of its new programs for fiscal year 1957, the National Institute of Neurological Diseases and Blindness has had the benefit of expert counsel from professional leaders and societies throughout the world. We have also had the interest and support of the many fine voluntary health organizations dedicated to the welfare of neurological patients. Through the National Committee for Research in Neurological Disorders, the Institute has continued its close liaison with constituent members: United Cerebral Palsy, the National Multiple Sclerosis Society, National Epilepsy League, Muscular Dystrophy Associations of America, the National Society for Crippled Children and Adults, National Association for Retarded Children, Society for the Aid of Crippled Children, and the National Foundation for Infantile Paralysis.

In reviewing the Institute's program trends in fiscal year 1957, it is logical to proceed into a consideration of sound program policy and needs for fiscal year 1958. Since 1952 there has been a gradual shift of emphasis from the specific to the more general type of research attack—from a narrow to a broader program design. First, there was the "tooling up" for a pinpointed research attack on specific vulnerable areas; then the attack and its rewards. Next came badly

needed support for specific projects which eventually evolved into support for wider spectra of disease and, in 1957, rose to a peak in the broad collaborative projects on the early life cycle of man, the perinatal period.

In view of this evolutionary process, it is my feeling that 1958 is a critical period in which we should pause, take stock, and consolidate our broader program gains while retaining that flexibility which permits the pursuit of specific breakthroughs when and where they occur.

I shall develop this theme further, but first allow me to review briefly some of the Institute's achievements during the past year. These may best be presented by relating them specifically to disease categories.

Cerebral palsy

The condition which most of us label as cerebral palsy has been attributed to numerous causes, among them hereditary factors, malformation of the brain, disease or injury to the mother, prematurity, deprivation of oxygen (anoxia), and mechanical injury at birth.

In one type of cerebral palsy, kernicterus, we have managed to relate the disease specifically to blood incompatibility (the Rh factor) and—to a considerable extent—the disease in newborn babies can now be prevented by multiple transfusions.

During the past year, some important clues as to the relationship between anoxia (lack of oxygen) and cerebral palsy have been developed in experiments with guinea pigs which were asphyxiated, resuscitated, and observed. A close correlation was found between the degree of asphyxia and the severity of the neuromuscular damage once the guinea pigs were resuscitated. In previous experiments, it had been established that, following the resuscitation, the guinea pigs underwent a series of twitchings of the muscles of the face and limbs not unlike the overt symptoms of cerebral palsy in humans.

On the clinical side, efforts to relate cerebral palsy in humans to the biologic state of the mother during pregnancy are going forward both at the Institute and through various grantee projects. One Institute scientist, on the basis of a study of 43 absorbed embryos with cerebral abnormalities, has been able to determine—in more than half of the 43 cases studied—that the abnormalities were positively or probably associated with the clinical state of the mother during pregnancy. The establishment of the relationship is of considerable importance.

Last year, Congress made available funds for the launching of a planned experimental program using the rhesus monkey. The rhesus monkey lends itself particularly well to studies in the cerebral palsy, mental retardation, and allied disease areas. It is easier to get a brain-wave recording from a monkey than from a rat or a guinea pig. Further, a baby rhesus monkey can learn certain problems when it is 5 days old and can then be tested for deficits in learning ability caused by adverse factors deliberately induced during the prenatal period—factors such as nutritional deficiencies and infections.

The experimental program involving rhesus monkeys is now underway. A laboratory of perinatal physiology has been established in Puerto Rico in collaboration with the University of Puerto Rico and a free-range colony of monkeys has been acquired on an offshore island.

Mental retardation

An estimated 4,500,000 Americans—1,500,000 of them children—are mentally retarded. Five to ten percent of these people are institutionalized at an estimated cost to the community of \$50,000 per individual over that individual's lifetime. Through its own research efforts and through those of grantees, the Institute is probing the problems of cause, prevention, and cure or amelioration. This, we must say, is an area where progress to date has been slow. But such progress as has been made augurs genuine hope for significant findings that will help alleviate mental retardation in the future.

Laboratory experiments with guinea pigs and the pending experiments with rhesus monkeys mentioned in conjunction with cerebral palsy also bear on the problems of retardation. Lack of oxygen (anoxia) has definitely been shown to have a retarding effect upon the guinea pigs and on other animals. As the monkey experiments get underway, the effects of induced retardation will be carefully studied and various drugs will be used to determine their impact on these effects.

The guinea-pig experiments have also led to the development of a new (with guinea pigs) technique for applying scalp electrodes. The technique, which in-

volves affixing the electrodes to the surface of the skull through the use of an adhesive substance, makes it possible to secure effective brain-wave recordings without subjecting the animals to anesthesia for electrode-implanting purposes. Further, the technique allows the recording of brain waves over a sustained period of time without in any way adversely affecting the animal through the recording process.

Previously used methods saw the electrodes implanted within the guinea-pig brain and were, therefore, not nearly as effective from the research point of view.

Multiple sclerosis and other demyelinating diseases

Multiple sclerosis and related demyelinating diseases afflict many thousands of people in this country. A long-term disease, multiple sclerosis is extremely difficult to detect in its early stages. Relatively little is known about the specific manner in which the disease progresses. The disease attacks the various parts of the central nervous system through a process known as demyelination in which myelin (a fatty sheath which covers the nerve fibers in healthy individuals) disintegrates or fails to regenerate.

In later stages, multiple sclerosis produces symptoms ranging from weakness or paralysis of the parts immediately served by the nerves of the brain or spinal cord which have been demyelinated to double vision, tremor, difficulties in articulation, and occasional emotional disturbances. Several drugs which it was thought held some promise for treating the disease have been carefully tested and found to be of little value. There is no known cure.

However, over the past several years, steady progress has been made by Institute scientists and by investigators working on grants from the Institute or under other grant programs. This progress has been in basic research directed primarily to discovering the nature and structure of myelin, the forces or substances which regulate its growth and existence, and the manner in which it deteriorates.

An important breakthrough in the attack against multiple sclerosis came in 1955 when an Institute grantee, using the electron microscope, discovered that the myelin sheath of peripheral nerves (as opposed to nerves of the brain and spinal-cord area) developed as the result of a spiraling of the membranes of certain satellite cells around the nerve—cells known as Schwann cells. This clue led to the development of the idea that satellite cells of the central nervous system, known as neuroglia, play an important role in the formation and sustenance of the myelin sheath surrounding the nerve fibers of the spinal cord and the brain.

Last March, the Institute arranged a conference—attended by the world's leading authorities on neuroglia—for the purpose of devising ways and means of exploiting the research breakthroughs I have just mentioned. That conference has since borne fruit. Specifically, an investigator in St. Louis has since demonstrated conclusively that myelin in the central nervous system originates from the neuroglia specifically known as the oligodendroglial cells. Another investigator, an Institute grantee, has developed a method for producing in experimental animals lesions in myelin similar to those which occur in multiple sclerosis.

Muscular dystrophy and neuromuscular disorders

Over the past several years, the Institute has concentrated heavily on research into disorders involving muscle or the nerve-muscle junction. Muscular dystrophy, a crippling and killing disease characterized by wastage of muscle, is an ailment for which there is no known cure. Myositis is a related disease directly involving the muscle. Mlathenia gravis, a problem of the nerve-muscle junction, involves a failure of impulse transmission at that junction. Unlike dystrophy and myositis, this last disorder is susceptible to treatment and control in many cases though, once again, there is no known cure.

Because we still know relatively little about muscular dystrophy and neuromuscular disorders, our primary research efforts in relation to these disorders have been directed to learning everything possible about nerve and nerve-muscle transmission and about the electrical, chemical, and other influences which play a role in that transmission. During the past year, there have been a number of developments in this regard at the Institute which we feel are quite promising. I should like to cite some of them.

Institute scientists have developed a means of detecting and accurately measuring acetylcholine, a chemical substance essential to the transmission of im-

pulses between nerve and muscle. Acetylcholine, when associated with another compound (tetraphenyldiboronoxide), gives off fluorescence which is, in turn, measured by an electronic device. The new technique makes it possible to detect and measure minute quantities of acetylcholine in the nerve.

Working with a ganglion (nerve system) of a squid, one Institute scientist has developed an ingenious microelectrode recording technique. Using equipment capable of recording electrical impulses of millionths of a volt lasting for millionths of a second, this investigator has actually probed the synapse area in the squid ganglion—that is, the almost infinitesimal space in which one nerve transmits impulses to another.

In concluding this section, I should like to note that this new microelectrode recording technique will—in the next year—be used for recording impulses at the nerve-muscle junction in patients with myasthenia gravis. And this, of course, is an excellent example of how rapidly research developments at the basic laboratory level can be adapted to clinical needs.

Epilepsy

Epilepsy represents a problem of tragic proportions, the psychological, social, and economic consequences of which are—in many respects—more devastating than the seizures. All too often, the epileptic finds himself shunned by his neighbors and refused employment he is qualified to hold.

Epilepsy is not a disease in the conventional sense. It is a manifestation of abnormally discharging brain cells which is apparent only at the time of a seizure and which handicaps otherwise normal individuals at that time. Only a small percentage of epileptics with extensive brain damage are mentally retarded or in any way affected in mental function.

A highly significant finding of the past year is the tracing of certain complex seizure patterns to specific and localized areas of the human brain. Previously, these particular patterns could only be described. The significance of the discovery lies in the possibility that the seizure patterns in question may now lend themselves to effective therapy or surgical intervention once their localization has been adequately pinpointed.

Careful, around-the-clock observation of patients at the Clinical Center has revealed a specific sequence of events during spontaneous seizures based upon temporal lobe epilepsy. This detailed observation of spontaneous seizures provides additional accurate data as to the seizure pattern and also makes it possible to relate the specific bodily movements involved more precisely to the brain areas controlling such movements. The establishment of such precise relationships is of value both in the treatment of epilepsy and in increasing our overall understanding of brain function—an understanding vital to the development of preventives and therapies for dealing with all neurological disorders involving the central nervous system.

The impact of hypothermia on epileptic discharges was studied during the year and the available evidence indicates that cold slows down the electrical discharge (firing) of brain cells. Furthermore, hypothermia has proved useful in the removal of brain tumors and other brain operations, particularly when the person undergoing surgery is in a weakened condition.

I should like to say a few words about our experiments with chemicals designed to control or reduce epileptic seizures. You will recall that Institute scientists discovered several years ago that one vital chemical (glutamic acid) does not form in sufficient quantity in the brain cells of epileptics, and that another chemical (acetylcholine) does not form in sufficient quantity in reserve.

Initially, we sought to correct this chemical deficiency through administration to epileptic patients of two substances known as glutamine and asparagine. These have now been tested with extreme care, and while they have been found to be effective in reducing or controlling epileptic seizures in many of the persons to whom they have been administered, they have also had adverse reactions in some cases and annoying side effects in others.

The Institute has therefore shifted to experimentation with two other drugs—gamma-amino-butyrate and 2-pyrrolidinone—and preliminary results with these drugs are encouraging. Both substances have been found to reverse seizures in cats and the addition of either to tissue taken from human epileptic brains causes a revision of the brain tissue to normal insofar as glutamine and glutamic acid are concerned.

Parkinson's disease

Parkinson's disease, sometimes known as the shaking palsy, is a slow, progressive disabling illness which strikes at the brain stem nerve system and is char-

acterized by muscular rigidity, bodily tremors, slowness of movements, sleepiness, abnormal postures and loss of normally automatic movements. There is no known cure for the disorder.

The institute took an important step forward against the disorder during the past year with the creation of conditions in monkeys which closely resemble the clinical signs of Parkinsonism in humans. The administration of the drug reserpine daily over long periods of time has produced in these animals tremor, rigidity, and other Parkinsonlike symptoms. We have also found that these Parkinsonlike symptoms can be diminished or abolished by injection of an anesthetic into the brain ganglia known as the globus pallidus and ansa lenticularis.

Reserpine, it should be noted, is widely used in the treatment of emotionally disturbed humans. Animal studies involving use of reserpine have shed considerable light on means of coping with the side effects the drug has been found to produce in people being treated with it. For these side effects are Parkinson-like symptoms not unlike those produced in animals. It is therefore of interest to record that, only a few months ago, an investigator using reserpine in the treatment of patients developed a drug which eliminates or reduces the Parkinson symptoms in those undergoing such treatment.

Brain tumors

During the past year, there have been several technical advances of promise in the field of brain surgery. One of these is a technique developed by Institute scientists for the detection and localization of brain tumors. The technique, which makes use of the isotopic tracer method coupled with electronic devices, has been shown to be 80 percent effective and efforts are already under way to increase its effectiveness.

A second development, still at the animal experimental level, involves the use of ultrasound for surgical purposes. Experiments in this area are being carried on by an Institute grantee at the University of Chicago. The grantee reports that he has developed ultrasonic equipment and techniques whereby high frequency sound waves may be used to excise tumors and diseased areas deep in the animal brain and not normally susceptible to surgery by knife. The grantee has reported that he has produced both small and large lesions in animal brains with extreme precision without any damage whatsoever to the healthy brain tissue in the path of the sound waves.

The grantee believes that he is on the threshold of making the ultrasonic technique applicable to human surgery. The Institute is watching his progress with a great deal of interest.

Eye research

Today, there are about 320,000 blind persons in our country, and an estimated 27,000 will go blind during the next 12 months—about half of them blinded by disease. Glaucoma, uveitis, retrolental fibroplasia, diabetic retinopathy, cataract, tumorous growths—these have hitherto been among the major blinding diseases, and most of them continue to wreak havoc upon the human eye.

You may recall my comments last year relative to retrolental fibroplasia in which I pointed out that this disease, which once blinded thousands of premature infants yearly, was well on its way toward conquest as the result of collaborative research involving the Institute and 75 outside investigators in 18 different hospitals.

I can now report that—as the result of these research findings and the cooperation of physicians and hospitals throughout the country—retrolental fibroplasia as an active disease is rapidly disappearing. A recent survey of New York City hospitals, for example, revealed that the number of premature babies blinded by the disease had dropped 78 percent in 1 year. The retrolental fibroplasia story is but indicative of how the findings of a specific research project can be translated into broad-based collaborative action with exceedingly fruitful results.

During the past year, progress has been made in developing diagnostic and treatment techniques for uveitis, a blinding disease caused by tuberculosis, syphilis, and brucellosis. An Institute scientist has developed a promising new test for diagnosis of toxoplasmosis infection, a form of uveitis brought on by a parasite. This development, which is still undergoing validation, is expected to surpass any known diagnostic method insofar as toxoplasmosis of the eye is concerned. Early treatment may thus be instituted and blindness averted.

Last year, I reported that the administration of the drugs, pyrimethamine and sulfadiazine, provided a cure for uveitis in some cases and tended to keep it from progressing further in others. We are now in the process of evaluating a new

drug—a steroid compound—which shows promise of giving even better results with less toxic effect upon the patient.

Institute researchers have continued to concentrate upon glaucoma, the dread disease which blinds many thousands every year. The testing of various types of drugs directed to reducing intraocular pressure is going forward. As you know, the increase of this pressure in the eye is a main cause of blindness in cases of glaucoma. In this connection, I should like to note that we have discovered the existence of a rich nerve supply in an area of the eye directly involved in the regulation of intraocular pressure. This new finding gives us a promising lead to explore in the effort to develop more effective treatment and preventive techniques for glaucoma.

During the past year, Institute scientists—working under the overall direction of Dr. Ludwig von Sallmann, one of the world's most eminent ophthalmologists—have fathered a number of electronic developments and allied techniques which are directed to early diagnosis and treatment of diseases of the retina. Among these advances is one involving the use of electroretinograph. This will make it much easier for physicians to distinguish relatively early between congenital or hereditary degenerations of the retina on one hand and clinical diseases which are very similar in form and development on the other.

Hearing research

Today, there are an estimated 15 million Americans with some kind of hearing defect. An estimated 4,500,000 of these are seriously handicapped by deafness and about 760,000 are totally deaf. Yet, in the face of this tremendous problem, we must admit that 50 percent of all deafness is either chronic or congenital and that, insofar as congenital deafness is concerned, the causes are virtually unknown.

During the past year, the Institute has taken two significant steps which hold genuine promise for the future of hearing research. First, we have launched an extensive hearing research grant program which I want to discuss in more detail later. Secondly, an Institute scientist has made some key discoveries as to the relationship between the ear and the seat of the higher mental functions in the brain. Knowledge in this area is of vast importance if we are to understand the basic causes of hearing loss and deafness as well as the cause and nature of such complex disorders as aphasia.

Among these findings was one involving the olivo-cochlear bundle, a group of nerve fibers which arise in the lower part of the brain (the medulla) and terminate in the cochlea, the tiny organ in the inner ear which translates sound waves into nerve impulses. Originally, it was felt that hearing was a "one way" process with outside acoustic stimuli being received and screened by the ear and then carried to the upper auditory centers of the brain. In short, it was believed that the brain itself exercised no positive or activational influence on the hearing process but merely reacted to sound waves received from the external environment.

The finding of the olivo-cochlear bundle and the tracing of its course from brain to inner ear has led to experiments at the Institute and elsewhere which indicate that hearing is determined not only by external stimulus but also by stimulus from the brain itself. What this "feed back" mechanism means in specific terms to our understanding of deafness and neurological disorders involving the ear awaits further study. But that it opens up broad new vistas of research into the nature, cause, and treatment of these disorders cannot be questioned.

GRANT PROGRAMS : RESEARCH AND TRAINING

The growth and expansion of the Institute's extramural research and training programs over the past few years have been gratifying. This, of itself, lends support to the thesis that the time has come to think more in terms of consolidating our progress to date with more emphasis on the broad team attack on related diseases as opposed to the specific project research approach.

The research grant program

In 1952, the year of the Institute's activation, we awarded 119 grants totaling \$1,015,000 for extramural research. In fiscal 1956, the comparable figures were 414 and \$4,350,000. During the current fiscal year, we are awarding an estimated \$9,130,000 in support of 690 research projects. This committee will be interested in knowing that 29 grants totaling more than \$427,000 have been awarded for hearing research alone, a development of some significance in light of the relatively recent start made in the hearing research area as a whole.

The number of institutions participating in the research grant program has continued to increase. At present, there are extramural projects underway in institutions in 41 of the 48 States and Puerto Rico. Not a few of the research developments which I have already brought to your attention had their inception in the extramural research program.

The training program

Like the research grant program, the training effort has had a steady growth and the results to date are most encouraging. The indications are that the Institute would be well advised to concentrate upon (1) maintaining the existing training level in terms of number of trainees; and (2) fostering the completion of training for those now in process and encouraging their entry into research or teaching positions in neurology and related fields.

Let me present just a few indications of the progress we have been making. Graduate training grants totaled 52 at an investment of \$900,000 in fiscal year 1955. Last year, the comparable figures were 86 and \$1,525,000. During the current fiscal year, we are awarding an estimated \$3,250,000 for 120 grants. A similar situation prevails insofar as traineeship and fellowship awards are concerned. Fellowships, which totaled 41 at an investment of \$150,000 in 1956, will this year number 183 totaling an estimated \$500,000 by the end of the current fiscal year.

At present, 60 hospitals, universities, and other educational institutions in 31 States and in Puerto Rico are participating in the training program. And, despite the fact that the program is now only in its third full year, 148 specialists have already completed their training, 147 of them in neurology and 1 in ophthalmology.

As in the research grant field, the training area has also seen the development of interest in hearing. To date, 3 training grants totaling \$57,464 have been made in the otology field and 4 others totaling \$121,000 are pending.

NEW PROGRAM TRENDS: COLLABORATIVE AND COOPERATIVE FIELD INVESTIGATIONS

In the first section of this testimony, I summarized the program history of the National Institute of Neurological Diseases and Blindness. The trend has been from dedication of interest to specific projects or individual disease categories to a broader attack on a wider spectrum of related neurological and sensory disorders. As I mentioned previously, the most advanced of the programs symbolic of the new trend is to be found in the institute's collaborative attack on perinatal morbidity which concerns primarily cerebral palsy, mental retardation, epilepsy, and certain forms of deafness and blindness.

The proposal to inaugurate this type of collaborative field investigation was made to this committee and the Congress last year.

With the discovery of the effects of German measles in the pregnant mother on the newborn and the observation that blood incompatibility between the mother and the fetus may produce kernicterus, a malignant form of cerebral palsy, the evidence is mounting to incriminate adverse biological factors in the perinatal period (from the time of conception to the first month of life) as the source of most cases of cerebral palsy and mental retardation. Moreover, such adverse biological factors—in a more lethal form—probably account for the many stillbirths and other reproductive failures which in this country destroy one-fourth of each succeeding generation before or at the time of birth.

To track down valid leads as to the nature of these noxious perinatal factors, it is essential to examine and follow up thousands of pregnant women and newly born infants. Further, it is necessary to do so under uniformly controlled conditions over a period of years. This approach requires the active collaboration of many institutions united under a central plan, as well as of many clinical disciplines—obstetrics, pediatrics, neurology, and orthopedic surgery among them.

Moreover, this collaborative research effort demands the active participation of many basic scientists—geneticists, embryologists, anatomists, pathologists, chemists, psychologists, and biostatistician. Finally, experiments bearing on cerebral palsy and mental retardation now being performed in smaller animals must be applied to the higher primates in order to provide an experimental situation more comparable to the situation of human beings. As I noted earlier, the institute has already begun such a project in the monkey colony in Puerto Rico.

This collaborative field investigations program, a long-range effort, is expected to continue for a decade or longer. When in full operation, the project will see

15 or more institutions collaborating with the National Institute of Neurological Diseases and Blindness and some 15,000 persons under study. Two institutions, Yale University's School of Medicine and Brown University, are already active in the investigations. Yale is carrying on its work within its own medical facilities, whereas Brown will be utilizing the Meeting Street School, the Providence Lying-In Hospital, and the Cerebral Palsy Clinic of the Rhode Island Hospital. Grants totaling \$1.3 million have now been awarded to seven participating institutions including Yale and Brown.

The collaborative field of investigation of perinatal morbidity has been associated with a spontaneous growth of interest on the part of the country's scientists to initiate cooperative field investigation projects in other broad areas of neurological and sensory disorders, notably cerebral vascular disease, multiple sclerosis, the aftermaths of infectious neurological diseases, and the process of aging in the central nervous system. A total of 24 of these projects have now been awarded in the amount of \$745,560.

To summarize, awards totaling over \$2 million have been made for collaborative or cooperative field investigations during the current fiscal year.

In this presentation I have endeavored to show the nature of the activities of the National Institute of Neurological Diseases and Blindness from 1952 through 1957; the evolutionary shift in its program design to broader and more coordinated objectives; and the continuing productivity of its research marching in step with an accelerated program expansion.

The increases in the 1957 appropriations for neurological research were well timed, coming as they did in a period when the Institute program was in transition to a broader and more inclusive type of research effort, and when there was a rising tide of interest in the training of scientific manpower. As a result of the 1957 increases, the entire field of neurological and sensory disorders has been vitalized.

It is estimated that the 1957 increases will be expended during the current year, or approximately so, without compromise to the quality of research. But perhaps even more important is the fact that the 1957 program objectives subscribed to by this committee and the Congress have been realized. To the training program has been added needed momentum. The collaborative and cooperative field investigations are in active operation. Eye research has been rounded out, and, for the first time, a truly national research and training program in deafness and hearing impairments has begun.

This brings my statement to plans for 1958. In view of the changing scene of program emphasis from single projects in individual disease categories to an increasing number of team attacks on wide spectra of neurological and sensory disorders, it is proposed that our Institute give continued support to the collaborative and cooperative field investigations. Also, because of the cross-fertilization of the many clinical and scientific disciplines required to man these projects, it is proposed that the training programs be maintained at their current levels.

As I have previously indicated, fiscal year 1958 is a propitious year for the consolidation of the Institute's new gains, a year also in which there should be some time out for sharp directional evaluations. These proposals call for a budgetary flexibility if major achievements are to be consolidated wherever they occur.

The House, acting upon this appropriation, has prohibited making an increase of from 15 to 25 percent in overhead costs for research grants. Dr. Shannon, in his opening statement, has commented upon the adverse effect that this action will have upon research activities in the long run. I should like also to ask that these increases in indirect costs be allowed.

The House directed that the funds that would be saved by this action be used to start a research program in the field of hearing and speech defects. As important as this program is, it is my feeling that, in the long run, permitting the increase in overhead allowances may have the more far-reaching beneficial effect.

STORY OF GLUTAMINE

Senator HILL. Dr. Bailey?

Doctor, before you make your statement, I want you to take just a minute to briefly tell Senator Pastore, here, the story of glutamine.

Dr. BAILEY. Mr. Chairman and Senator Pastore, glutamine arose in our search for control of epileptic seizures. It was found that

animals—dogs, for example—that were treated with a certain type of flour, known as Agenized Flour, had running fits. You may have heard about it. Certain types of bread produce fits in dogs, really a certain type of flour, which has been treated with nitrogen Trichloride.

Senator HILL. In other words, if you fed this flour in bread to dogs, it would cause certain dogs to have epileptic fits?

Dr. BAILEY. That is right.

And we examined the brains of these dogs, the living brains—the living brain cells—from a metabolic standpoint, and found out that the brain of the epileptic dog was deficient in glutamic acid, as compared to the brain of the normal dog.

So the next question that came up was to see whether this principle applied to humans.

FOCAL EPILEPSY

Now, there is a certain form of epilepsy which we call focal epilepsy. That means the epileptic discharge starts in a particular focus or locus in the brain, usually the temporal lobe. These epileptic patients, when carefully selected, benefit considerably by operation and removal of the epileptogenic focus, as they call it.

So we had several of those patients admitted to the Clinical Center. And in each case we removed the epileptogenic focus. The patients got better, but instead of discarding the slices of living brain which had been removed, we preserved them, put them through many elaborate metabolic tests and found out that they were deficient also in glutamic acid.

This led to the speculation that possibly all epileptic seizures had this metabolic deficiency. So we tried to find a substance to overcome this deficiency. Glutamic acid itself will not cross the blood brain barrier, that is, the barrier between the circulation and the brain. And so we had to find a derivative substance that would pass the barrier, that we could demonstrate experimentally did pass, and that would build up in the brain cells as glutamic acid. We found that an amide of glutamic acid, namely, glutamine, did pass that barrier and increase the concentration of glutamic acid in the brain.

Then the question came of applying this to clinical tests. And in the first two patients tested, we noticed when we gave them glutamine intravenously and recorded their brain waves at the same time, the abnormal brain waves became normal, and the seizures were controlled.

This procedure is not as simple as it sounds.

Then the question came of applying our hypothesis across the board, as it were, to all varieties of epileptic patients, and we did this through a cooperative venture with several neurological centers, which is now about completed. The results as to its being effective are about 60 percent.

The advantage of glutamine is that, unlike phenobarbital or other antiepileptic drugs now used, it does not depress the nervous system. It is a natural part, a metabolic building block, of the body.

Therefore, a child—in particular one who is going to school—will not suffer from sleepiness, dopiness, et cetera, when taking glutamine.

Now, why does it not work in all the cases? That is the problem we are tackling at the present time.

We have found another derivative that we think works a little better than glutamine, or asparagine, which we now use. The question is or rather the problem seems to be that in some cases glutamic acid does not build up high enough concentrations in the brain itself to control the stability of the brain cells.

So that is the next problem to meet.

We also are using—I cannot mention the name, because it is still too experimental—an activating agent, to see if that will enable glutamic acid to build up in higher concentrations in the brain cells.

Senator HILL. Then you would get a higher than 60 percent result?

Dr. BAILEY. We hope.

Senator HILL. That is what you are working for now?

Dr. BAILEY. That is what we are working for now.

Senator HILL. And when you get it to 60 percent, you will want to raise it to 100 percent if you can?

Dr. BAILEY. That is correct, theoretically.

Senator HILL. But, as you say, this process is not as simple as it might sound, as you have briefly summarized it here.

EXPERIMENTAL WORK ON LIVE BRAIN TISSUE

Dr. BAILEY. Oh, no. It is extremely complex. After all, one of the big troubles in brain research has been that we have previously had only dead brains to examine pathologically. But here we had a good excuse, with this operation which helps 80 percent of the patients, to get samples of abnormal living brain tissue, and then test it chemically against normal brain tissue. And that, by itself, has opened a new vista in experimental work.

Senator PASTORE. How did you know where the damage would be in the brain?

SURGICAL TREATMENT OF EPILEPSY

Dr. BAILEY. We do that by a system first of all of clinical or neurological examination, which gives us an idea, and then by testing with the electroencephalograph, a brain wave instrument. The electroencephalogram gives a certain characteristic pattern usually if there is an epileptogenic focus. We get the general pattern with scalp electrodes. Say it (pointing) about right here in my head. Then we would open the skull in this area and take the electrodes of the electroencephalogram and put them right on the brain. We would then stimulate the brain electrically, which, if there are epileptogenic tissues, gives an abnormal electrical after-discharge on the electroencephalogram. We continue to stimulate until we find areas where there are no abnormal after-discharges, and we tab the areas of afterdischarges as the focus that was causing epileptic seizures. Finally we remove this focus. And we preserve the tissue for chemical tests.

Senator THYE. And once you removed it, that corrected it?

INSTANCES OF SUCCESSFUL TREATMENT

Dr. BAILEY. In 80 percent of the selected cases. For instance, we have done almost a hundred cases. The first patient was a 42-year-old man who had had on the average of 10 to 15 major convulsions every day of his life since the age of 5. He was operated on 3 years ago—it was our first operation—and he has not had a seizure since.

Senator PASTORE. But how about the normalcy of the person after you did the operation. He is perfectly normal?

Dr. BAILEY. That is right. He is as normal as he was before the operation because most of these lesions are in a part of what is known as the temporal lobe of the brain, which is right about here (indicating). Particularly if the epileptic focus is on the nondominant side, the speech areas are not affected by removal of this tissue. It is a so-called silent area of the brain, though probably not quite as silent as we think it is.

Senator THYE. Silent insofar as you found any adverse reactions to the physical being after you removed it?

Dr. BAILEY. That is right. After all, you have 2 brains, and 1 can pretty well take over some of the functions of the other.

Mr. Chairman, I realize it is very late, and if you would permit me, I could dispense with generalities and bring up a few specific features of our program.

Senator THYE. Only one question before you depart: Did the increased funds permit you to expand in this field of research that has enabled you to accomplish some of the things that you have just related to us?

Dr. BAILEY. Oh, yes. We have expanded our program almost a hundred percent.

Senator THYE. That, in itself, Mr. Chairman, justifies some of the efforts that have been put forth to increase these appropriations.

Dr. BAILEY. Excuse me. That was one of the generalities I was speaking of.

Senator HILL. Get everything in the record now, Doctor, generalities and specialties.

Senator PASTORE. We are living in an age now where even a doctor has to be a good salesman.

Dr. BAILEY. Most of these things are contained in my prepared statement and summary.

RETROLENTAL FIBROPLASIA

Dr. BAILEY. I would like to emphasize the development of some shift of emphasis in our program from individual research projects aimed at specific targets, to planned collaborative field investigations, which incorporate many research centers and scientific disciplines into a single coordinated attack on a wide spectrum of diseases. This is not exactly new to us. We did it in retrolental fibroplasia. You remember our attack on that blinding illness of premature infants was a cooperative venture with 75 different hospitals. Today retrolental fibroplasia has practically ceased as a major disease. And it is a cooperative project where you can really chalk up a savings. We calculate that we will save the Government \$100 million in the next 20 years.

NEW FIELD INVESTIGATIONS PROGRAM

The thing I am referring to now, though, is our new collaborative field investigations program in cerebral palsy, mental retardation, and certain types of epilepsy, blindness, and deafness, which arise in the perinatal period.

The perinatal period, as we define it, is the year from conception until shortly after birth. It is because of adverse biological influences

in the perinatal period that it is estimated that about one-fourth of each succeeding generation dies before it is born, or shortly thereafter, and those that survive do so as neurological cripples.

A good many of those cases seem to trace back to that period of life where something goes wrong biologically. Even retrolental fibroplasia was a perinatal catastrophe.

CASES OF SIAMESE TWINS

Knowing of your interest in our collaborative program, I have here a picture of a rare perinatal malformation—a pair of siamese twins, more correctly craniopagus twins, joined at the head, as you can see [indicating] and which we operated on.

The twins were 2 months old in this first picture, and they are 6 months old in second picture [indicating].

Senator HILL. These youngsters were once joined in that picture?

Dr. BAILEY. Yes. There have been only three operations in this country on this specific type of malformation. In the first operation, the two twins died; in the second, one died. The operation at the Institute is the first one in which both twins survived—at least so far.

Senator PASTORE. And in these cases where they are joined together at birth, is there independence of the brain cells that to the extent when you sever it each one is whole?

Dr. BAILEY. In this particular case they were joined in the frontal region, and the brains were meshed together, but there was no interconnection of brain cells between the two brains.

Senator PASTORE. The connection was bone?

Dr. BAILEY. There were connections with the bone, but the hardest thing we had to deal with was that there was a crossing of some of the large blood vessels from one twin to the other.

Senator PASTORE. And how did you overcome that?

Dr. BAILEY. We had to cut and clamp the blood vessels, and that was the hardest part, because of the great danger of hemorrhage, and the maintenance of the blood count.

You see, one twin was supplying most of the blood to the other, and, therefore, the blood count of the latter went way down. But with multiple transfusions we were able to bring the operation to a successful termination by a complete separation of the twins.

Senator THYE. What are the chances of complete recovery?

Dr. BAILEY. The chances are very good.

FACILITIES FOR NEUROSURGERY

Senator HILL. In that connection, Doctor, we gave you additional funds last year for your facilities for your neurosurgery. How are those facilities coming along?

Dr. SHANNON. Well, sir, they are coming along, but not as rapidly as Dr. Bailey or I would like. We had a great deal of difficulty initially, as the committee staff knows, because we figured that this was the last place to be covered, and we found difficulty convincing the Budget Bureau that it was absolutely essential to provide for the future as well as for the following year, and we envisioned going forward with tremendous increases in instrumentation.

We finally won our point, and the contract for the architect was let.

At the time the contract was let, we were given a target date for completion of the facilities as January 1, 1959. And we have had many conversations and conferences with the architect now, and he says that is a very optimistic date. This is a complex thing to design. It is a complex thing to build. The architect convinced us that the preliminary design that we provided the committee with last year was not the best we could do, and he said it would not take him more than 4 weeks to do a complete resurvey of the physical relationships of this new facility with the blood bank, the surgical wards, and the like.

We thought that this was extremely important because we are building not only for our own convenience, but we are building a model to be copied by surgical facilities across the country.

The architect is now proposing that we not build a 2-story building opposite the cafeteria, because the flow of patients into that would be very difficult. What he is proposing is a building shaped roughly like this. This is a half, and this is the south, and this is the north, and we have proposed an area in here [indicating].

He now tells us that he would advise, from the standpoint of the flow of patients and the services, and from the standpoint of getting ultimately much more adequate facilities within the same dollar value, that instead of a 2-story building here, we should build a 3-story building here, with less floorspace per story. This would give us complete separation of the neurosurgery on the one hand and cardiac surgery on the other, with the servicing area in between, and a building that would come in here that could be connected to the main stem of the elevator system by a series of bridges. In the long run this arrangement would serve us much more adequately and the architect has just been authorized to proceed on this basis. We are advised that this change in site will not delay the overall project.

As I say, the architect said that he felt that the original date that we had set with PBS, with a January 1, 1959, date, was unrealistic in terms of the time it took us to finish the type of facility we were giving permission to build. We said "Go ahead and take the additional weeks if in the long run you can give us something better." He is doing that at the present time, and our hope and expectation is that this will be a going concern well before July 1, 1959, but sometime after January 1, 1959.

Now, this is not holding up the detailed planning of the surgical facility itself, and this being a complex series of interrelationships with the surgical facilities themselves it depends not only upon the the contract but it depends upon the willingness of our own staff to take time away from their research and really plan for the future.

We have two services here, and we are committed, from the standpoint of the scientists' time, for them not to be the bottlenecks for further planning.

Senator HILL. You have the neurosurgery and you have the cardiac, any they are different.

Dr. SHANNON. They are completely different.

Senator HILL. And the needs are different, I suppose.

Dr. SHANNON. The only thing in common is recording devices and things like that. We are going into the concept of remote-control devices, so that the operating room will not be clogged unnecessarily with these many recording machines, which we know we now can

monitor by television techniques and things of that general sort. So I think for the first time we are a little optimistic about having made real progress.

But this, Senator Hill, has been a very frustrating experience, and I must confess that a good part of the delay has been our own fault and our willingness to compromise with a second-rate operation.

Senator HILL. I am glad you did not compromise.

I want to compliment you on that, and I am glad that you now feel you are really going forward on it.

NEW METHOD OF DIAGNOSING BRAIN TUMORS

Dr. BAILEY. While we are on the neurosurgery, Senator, may I add a matter that is quite pertinent? That is, a new method that we have devised for the diagnosis of brain tumors.

You may remember that one of the purposes of enlarging the surgery program was to establish a program in brain-tumor research which constitutes about 2 percent of all tumors.

One of the difficulties in brain tumors has been to make a diagnosis without penetrating the skull. The X-ray has little value unless the tumor is calcified. There are methods of injecting air into the ventricles of the brain, and if the normal contour of the ventricle is distorted by the presence of a tumor, sometimes one can rather accurately localize the tumor. This is called air encephalography.

More recently there has been developed what is known as angiography which is an injection in the large arteries of the neck with a radio-opaque substances which on X-ray reveals the structure of the cerebral vascular tree. If there is any distortion of the normal vascular tree by a tumor, it can sometimes be localized by the character of the distortion.

Our method, however, consists of injecting a radioisotope, specifically zinc-65, into a vein of a patient. This isotope concentrates more in brain-tumor tissue than in the surrounding normal brain tissue.

Senator HILL. It shows up better?

Dr. BAILEY. Yes; and it is more accurate. We created in cooperation with the Oak Ridge Laboratories a tumor-detection device which picks up the radioactive rays and concentrates them, finally transmitting them to activate a mechanical writer. The technique is called brain scanning with a collimator. I won't go into the details because of the lack of time. The general instrumentation is shown in this picture [indicating].

I would like to show you one example. We have done about 80 cases now. And we are running about 88 percent positive diagnoses. We have, for example, this man here, a 59-year-old obstetrician. That is his skull in this picture [indicating]. This is the way it shows up. You will notice the more concentrated dots are in one area than in the others. I have outlined this concentration of the dots here in pencil [indicating]. This man had headaches and dizzy spells, which he first noticed when he was doing a Caesarian operation. He gradually developed some mental symptoms and paralysis on one side. He went into a very well known medical center and was X-rayed and given an electroencephalogram. He also was given an angiogram, and he was studied with air encephalography. All these tests were normal. The doctors diagnosed him as having a stroke and asked if we would

use this new scanning technique of ours to see if there was anything there.

Well, as you can see by the picture [indicating] the tumor occupies more than half his head. It was missed by all the other diagnostic devices.

Senator HILL. All the other devices missed it?

Dr. BAILEY. Yes; and, of course, it was too late by that time for us to do anything in a surgical way. But this has been proved at autopsy to be the exact locus of the tumor.

Senator HILL. In other words, just what you found before he died was what the autopsy proved to be the fact?

Dr. BAILEY. That is right. This would greatly expedite any program we wish to pursue on brain tumors, because we have a method of diagnosing which seems to be effective without doing any harm to the patient, without injecting any material into the neck or running a needle into the ventricles of the brain and injecting air. This last approach is not without its dangers.

Coming back once again to this collaborative field investigation study, we know that most cases of mental retardation, cerebral palsy, epilepsy, congenital deafness, and blindness, arise in the perinatal period. Therefore, this is the common denominator that we must attack, and as to which we must take some initiative.

RESEARCH IN CEREBAL PALSY

Studies have been made, and discoveries made, on perinatal casualties previously. We have, for instance, the hemorrhagic disease of the newborn, which was a vitamin K deficiency. We have discovered that kernicterus, a very malignant form of cerebral palsy, is caused by blood incompatibility between the mother and the fetus. We know now that German measles seems to cause cerebral palsy; and we have always known that syphilis does the same thing. We know the situation in retrolental fibroplasia; but these things have been discovered in a piecemeal way over a period of years. Why not tackle them all at once, instead of waiting for the answers during a hundred years of piecemeal operation?

That is what we have attempted to do with this new collaborative study, which means the alinement of about 15 medical centers and many disciplines in these centers, so that there will be no gaps in the accumulation of data.

For instance, you have to have the collaboration of the obstetrician, the pediatrician, you have to have an neurologist, an ophthalmologist, plus many basic scientists. And they are brought into a common pool of effort, all following the same criteria of collecting data.

We believe that if we can couple this with experimental work, we will save at least 25 years in the making of important discoveries. The experimental work has been very small in this field. Only 15 papers that I know of have been prepared, and mostly on small animals. That is one reason we are developing a collaborative project in Puerto Rico, this free-range colony of monkeys that we have there, in order to create experimental mental retardation and cerebral palsy, which can be measured more easily in the monkey.

COLLABORATING INSTITUTIONS

In this collaborative project so far, we have Yale University, Brown University, the University of Minnesota, which usually is very alert in research opportunities, the Medical College of Virginia, the University of Pennsylvania, the Johns Hopkins University, and Harvard University.

Grants to these institutions have been approved by Council action, and two other applications have been approved by preliminary review and await Council action.

There are many other things I could mention, Mr. Chairman.

Senator HILL. Make sure we have it all on record, Doctor.

(The information referred to follows:)

TESTIMONY OF DR. PEARCE BAILEY, DIRECTOR, NATIONAL INSTITUTE OF NEUROLOGICAL DISEASES AND BLINDNESS

As I have indicated to the subcommittee, such crippling disorders as cerebral palsy, mental retardation, epilepsy and various forms of deafness and blindness are brought on by brain damage or brain malformation sustained in the perinatal period. That is, the time span from conception to shortly after birth. For this reason, I should like to consider in some detail the Institute's collaborative investigation directed to the collection and evaluation of data on the perinatal period.

The need for such a study has been underscored during the past few years by a number of specific findings linking various neurological and sensory disorders to the perinatal period. German measles in the mother was found to be a definite factor in bringing on neurological deficits. Kernicterus, a malignant form of cerebral palsy, was traced to the so-called Rh factor—a blood incompatibility between mother and fetus. Retrolental fibroplasia, which has blinded thousands of premature infants, is clearly a perinatal period disorder. And, certainly, the available evidence indicates that mental retardation is the product of adverse perinatal factors.

It is significant that, in definitely relating diseases like kernicterus and retrolental fibroplasia to the perinatal period, the road has been opened to effective prevention. Kernicterus in many cases yields to multiple blood transfusions administered during the first 48 hours after birth. Retrolental fibroplasia is well on its way toward extinction due—interestingly enough—to a nationwide collaborative research effort which determined both its cause and a means of prevention.

The surgery done at the Institute last year in the successful separation of craniopagus twins jointed at the forehead was a landmark because it saved two lives which otherwise would have been lost and because it was the first operation of its specific type in which both twins survived for more than a few months. The operation also shed considerable light on the nature of brain malformation during the perinatal period and emphasized the vital need for much more data on the perinatal period than is now available. The twins, who were admitted in October 1956, at the age of 2 months, were 4 months old at the time of surgery.

In carefully weighing whether or not to operate on the twins, Institute surgeons determined that—while the right frontal lobes of the twins appeared to be mashed together—there was no brain connection between them. There was, however, considerable crossing of some large arteries. Just how considerable that linkage was became apparent during surgery.

There was a good deal of bleeding from a large artery that led from the lower frontal lobe of one twin to the frontal lobe of the other. The bleeding was stopped and, when a big drop was noted in the blood count of the twin supplying the blood for this particular artery, the blood loss was overcome by transfusions.

A large channel was made in the bone structure which the twins had in common and the twins were gradually rotated outwardly until they were completely separated. The hole remaining in the twins' foreheads is, of course, a large one and must be coped with through long-term plastic surgery. Today, the twins are more than 8 months old and are getting along well.

Though twins joined at the head are relatively rare, human wastage during pregnancy is certainly not. It is estimated that of every 1,000 babies conceived,

78 die during pregnancy whereas an additional 7 die from 1 week to 1 year after birth. Another 15 live on for many years with such serious disorders as cerebral palsy, mental retardation, epilepsy, deafness, and blindness. Thus, 1 pregnancy in every 10 results in the death or crippling of the infant in question.

We know, then, that the perinatal period factors represent a deadly and devastating threat. We have traced various specific disorders back to such factors. We know that influences such as lack of oxygen, radiation, vascular disease and injury before, during, or immediately after birth play a role in producing crippling and killing disorders.

Still, we know very little about the biologic factors which take their toll of human life in the perinatal period. We know very little about the specific manner in which these adverse factors operate to bring on death or disorder. Up to now, there has been no uniform criteria for recording data before or during pregnancy and very little opportunity for the obstetrician, the pediatrician, the neurologist, and other specialists to pool information and efforts in a common cause—the reduction of perinatal morbidity and mortality. In fact, there has been very little basic research directed to this end.

The collaborative perinatal period study directed against cerebral palsy, mental retardation, epilepsy, and allied disorders got underway last year with a view to correcting this situation—to mobilizing a nationwide coordinated research attack participated in by the many disciplines and many basic scientists who must be involved if the perinatal period mysteries are to be plumbed and the terrible human reproduction losses brought under control. The study of rhesus monkeys, being carried on by the Institute in collaboration with the University of Puerto Rico, is linked with this broad collaborative investigation and is dedicated to filling the existing basic research gap.

At present, there are seven institutions collaborating with the Institute of Neurological Diseases and Blindness in the perinatal period study. These are: Yale University, Brown University, the University of Minnesota, the Medical College of Virginia, the Children's Hospital of Philadelphia (which is linked with the Pennsylvania Hospital for study purposes), Johns Hopkins University, and Harvard University. It is hoped that at least 15 research institutions will ultimately join in the study which may well endure for a decade or more. Assuming that each institution will study 1,000 births per year, the 15,000 births which would then come under study annually would constitute a statistically valid sample. Fifteen participating institutions located in different parts of the country would also make for an adequate geographical distribution.

It should be noted, that judging from the applications now under consideration that there is great interest in the perinatal period investigation among institutions in many parts of the country. There are also many research organizations—not now participating—with facilities adequate to the task of participation.

The broad-based collaborative study technique directed against cerebral palsy, mental retardation, and related disorders is also being employed against other targets such as the cerebral vascular diseases, nerve disorders resulting from infectious diseases, and the aging problem.

In March of this year, the Institute launched the first nationwide cooperative research attack on the cerebral vascular diseases commonly referred to as "stroke." It has been estimated that brain stroke, in one form or another, kills 175,000 Americans every year. The new cooperative program is expected to shed new light on the nature and causes of stroke and to open the way to more effective treatment methods. It is also designed to make possible the more accurate selection of stroke patients.

At present, 10 institutions are involved in the cerebral vascular research project, the data for which are to be collected and collated at the University of Iowa in Iowa City. The nine other participating institutions are: University of Minnesota; Massachusetts General Hospital; University of Michigan; Duke University; University of Pennsylvania; Columbia University; Indiana University; Buffalo General Hospital; and Washington University in St. Louis. It is expected that from 25 to 30 additional institutions will eventually join in the new cooperative program.

A third broad collaborative investigation which is about to get underway is that in the field of nervous disorders resulting from infectious diseases. The foundation for this broad investigation was laid only last month with a conference at Bethesda of leading virologists and neurologists. The conference, devoted specifically to the insect-borne encephalitis viruses, pooled available data on the various forms of encephalitis and discussed a protocol for the guidance of collaborating research institutions.

The protocol, which sets out the aims, nature and procedures of the investigation, is expected to be worked out in detail in the near future. Once this has been done, the Nation's first large-scale study directed against the various forms of encephalitis—a disease which plagues both man and animals—will be well on its way toward realization.

The groundwork for still another collaborative investigation was laid at a conference in Bethesda late in January—a conference attended by many of the Nation's leading neurologists, anatomists, psychologists and other specialists concerned with the process of aging in the nervous system. This conference not only canvassed the gap areas in aging research but also pointed up several major findings and hypotheses.

The conferees agreed that there was a vital need for more basic research as to the impact of aging on the nervous system and, in particular, stressed the shortage of research animals of known age. A significant thesis advanced at the conference was that man's nervous system was potentially capable of surviving for many years longer than the average life span in this country today. Specifically, it was noted that animal studies demonstrate that there is no significant loss of nerve cells due to aging.

In summary, then, the Institute's research attack against the neurological and sensory disorders is tending to emphasize the broad, collaborative investigation directed to a group of related disorders. This is being done without in any way neglecting research directed to specific diseases. Collaborative or co-operative projects concerned with cerebral palsy and other disorders with a common genesis in the perinatal period and with the cerebral vascular diseases are already underway. Broad studies directed to the encephalidities and the process of aging in the nervous system are being launched.

Senator HILL. I am sure I express your sentiments, Senator Thye, in thanking Dr. Bailey for his very interesting testimony and expressing our appreciation to Dr. Shannon and Dr. Dearing and all these gentlemen that have been here today, and have brought us this not only interesting but most challenging and constructive and helpful testimony.

I think this has been an exceptionally fine hearing. I believe you agree, Senator Thye.

Senator THYE. Mr. Chairman, it is not only amazing to me, but it is most encouraging to see what you scientists will do if you are given the opportunity and the facilities to work with.

And I believe that you have proven that in your testimony here today, that the moneys made available, the increased research facilities that are made available, because of the appropriations, permit you to go into the field and do what you want to do but would be denied if you did not have the facilities or the funds to do it with.

It is most gratifying.

Senator HILL. Thank you, gentlemen, very, very much.

The highlights on research progress will be inserted in the record at this point.

(The information referred to follows:)

HIGHLIGHTS ON RESEARCH PROGRESS IN NEUROLOGICAL AND SENSORY DISORDERS, 1956

Significant items on program developments and research studies conducted and supported by the National Institute of Neurological Diseases and Blindness

SUMMARY

The past year has been one of considerable achievement in the development of knowledge bearing on the prevention, treatment and control of neurological and sensory disorders. The year was one of significant transition in that the National Institute of Neurological Diseases and Blindness began shifting its emphasis from specific disease projects to many-pronged collaborative and co-

operative research attacks against broad categories of diseases. It was also one in which the Institute's level of progress was such as to demonstrate the need for consolidation of gains in many areas while retaining the flexibility to exploit promising specific leads.

The year 1956 saw many important developments in both clinic and laboratory. These included: A new diagnostic technique which will make possible the early detection and treatment of a virulent form of uveitis, a major blinding disease; a tool for precisely defining the location and size of brain tumors far more effectively than has hitherto been possible; the discovery and tracing of a nerve system linking the cochlea in the inner ear with the brain, thus shedding new light on the hearing process and on factors involved in the cause of congenital deafness; the development of an important clue as to the nature and method of attack of multiple sclerosis; and the use of high-frequency sound waves for the precise destruction of tissue deep within animal brains—an achievement which may prove applicable to human brain surgery.

In addition to these and other specific advances during 1956, the Institute continued its pursuit of previously developed or newly found research leads bearing on the broad gamut of neurological and sensory disorders.

I. Collaborative and cooperative field investigations

The shift of emphasis from concentration upon specific projects or individual disease categories to the broad, nationwide assault upon a wide range of related neurological and sensory disorders is perhaps the most significant development of the past year. For this shift is both indicative of a solid foundation laid in specific disease project research and of a mass mobilization of resources involving all medical disciplines concerned with neurological research.

Today, there are more than 30 broad-scale collaborative or cooperative investigations of this nature underway. Typically, the Institute serves as both a collating and coordinating force in the collaborative investigations which, for the most part, are long-range efforts running anywhere from several years to more than a decade. Among the disease categories currently under attack in collaborative investigations are those in the cerebral vascular group, the infectious neurological ailments, and multiple sclerosis and related demyelinating diseases.

Perhaps the most advanced of collaborative team efforts underway is the Institute-sponsored assault against cerebral palsy, mental retardation, epilepsy and certain types of deafness and blindness. This attack is directed primarily to developments during the perinatal period—the time span from about 1 month after conception to about 1 month after birth. Mounting evidence indicates that adverse biological factors during this period may be the sources of most cerebral palsy and mental retardation cases. There is also good reason to believe that disorders arising during pregnancy are responsible for the deaths of about one-fourth of the babies conceived in this country annually.

The aforementioned collaborative investigation, which is expected to involve about 12 institutions throughout the Nation and the study of 6,000 persons when in full swing, is dedicated to running down every conceivable lead as to the nature and impact of the destructive perinatal factors. In addition to bringing many research agencies into play under a central plan of operation, the investigation is drawing upon many disciplines, among them obstetrics, pediatrics, neurology and orthopedic surgery. The basic scientists—the geneticists, embryologists, anatomists, pathologists, chemists, psychologists and biostatisticians—will also play key roles.

Two institutions—Yale University School of Medicine and Brown University—are already active in the perinatal period investigation. In March 1957, the National Advisory Neurological Diseases and Blindness Council, which approved grants of \$107,799 and \$97,633 respectively to Yale and Brown, will review 15 new grant applications totaling almost \$2 million which relate to the collaborative project.

II. Progress in individual disease categories

The trend during 1956 toward broad-scale collaborative and cooperative attacks in no way slowed the research being done in specific disease categories nor is it likely to do so in the years ahead. The emphasis upon the broad, team approach continues to leave the Institute free to pursue promising individual research leads and to exploit research breakthroughs in specific project areas. Following are some of the more important elements of progress during 1956 relative to the specific disease categories with which the Institute is concerned.

CEREBRAL PALSY

Cerebral palsy, the broad category of disorders to which the collaborative perinatal period investigation is primarily directed, afflicts some 2½ million adults and 500,000 children in the United States. The disorders themselves are of a wide variety affecting the brain and central nervous system. Symptomatic results include paralysis, postural abnormalities, bizarre and uncontrollable movements, speech defects, and, upon occasion, the retardation of mental growth.

Diagnostic and treatment advances

In one type of cerebral palsy, kernicterus, it was earlier determined that in many cases the disease was related specifically to blood incompatibility (the Rh factor). It was also found that multiple blood transfusions could—to a considerable extent—prevent the disease in newborn babies. At the present time, an Institute grantee is making a more definitive evaluation of the multiple transfusion technique by studying children who have been exposed to it at birth a year or more following the transfusions.

Efforts to relate cerebral palsy in human infants to the clinical state of the mother during pregnancy are being pushed both at the Institute and by Institute grantees. An Institute scientist has studied 43 aborted embryos with cerebral abnormalities and has determined that—in more than half of the cases studied—the abnormalities were definitely or probably associated with the clinical state of the mother during pregnancy. Among the specific clinical conditions to which some of the abnormalities were related were diabetes and pelvic complications. The establishment of these relationships has significance as further evidence that prenatal (before birth) factors do play a key role in the development of cerebral palsy.

Basic research developments

During the past year, further progress was made through animal studies in the effort to establish specific relationships between anoxia (lack of oxygen) during the birth process and the cerebral palsy disorders. In previously reported experiments involving guinea pigs, it was found that the animals—after having been asphyxiated and resuscitated—underwent a series of twitchings not unlike the typical cerebral palsy symptoms. During 1956, it was found that there was a close correlation between the degree of asphyxia and the severity of the damage to the nervous system. This finding tends to strengthen the evidence that anoxia does play an important role as a causative factor insofar as disorders involving the brain and central nervous system are concerned.

Of basic importance during the past year was the inauguration of a planned experimental program using the Rhesus monkey. Experiments using primates have been almost nonexistent in the neurological research field heretofore and it is felt that such experiments are particularly important in light of the fact that animals of the primate group are similar to man in many respects.

The Rhesus monkey lends itself particularly well to studies in the cerebral palsy, mental retardation, and allied disease areas. It is easier to obtain an electroencephalogram and to make neurological and behavioral studies on a monkey than on a rat, guinea pig, or other laboratory animal. The female Rhesus has a regular 28-day menstrual cycle like the human being and usually gives birth to a single baby. Further, the Rhesus infant is capable of learning certain problems within the first 5 days after birth which makes it possible to test it during this time for deficits in learning ability due to adverse factors deliberately induced during the prenatal period.

In commencing its monkey experiments, the Institute of Neurological Diseases and Blindness has established a laboratory of perinatal physiology and acquired a colony of rhesus monkeys in Puerto Rico. The Institute is cooperating with medical faculty members of the University of Puerto Rico in these studies.

MENTAL RETARDATION

Mental retardation is among the disorders about which it is expected much will be learned during the broad, collaborative investigation into perinatal period morbidity previously discussed in connection with cerebral palsey. Today, the number of mentally retarded persons in the United States is estimated to be 4,500,000. About one-third of these are children. About 5 to 10 percent of the mentally retarded are institutionalized at a cost to the community of about \$50,000 per individual for that individual's life span.

The need for extensive research into the causes and prevention of mental retardation is essential not only because of the great numbers of persons directly affected but also because of the economic, social, and other consequences both for the families of such persons and for the community as a whole.

Survey of mental retardation research resources

Dr. Richard L. Masland, of the Bowman-Gray Medical School of Wake Forest College in Winston-Salem, N. C., has completed a comprehensive survey of the research potential in the mental retardation field. The survey was conducted under the joint sponsorship of the National Association for Retarded Children, the National Institute of Neurological Diseases and Blindness, and the National Institute of Mental Health. A final report is in the process of preparation.

On the basis of preliminary reports, however, it has been determined that there are numerous educational and allied institutions throughout the Nation commencing or engaged in research projects bearing on mental retardation. Furthermore, the survey itself has stimulated interest in such projects and the number of applications for related research grants received by the Institute has been increasing.

Expansion of animal experiments

The guinea pig and rhesus monkey experiments mentioned in connection with cerebral palsy also bear directly on the problem of mental retardation. Anoxia (lack of oxygen) has definitely been shown to be a retarding factor upon both guinea pigs and other animals. And, now that experiments have begun utilizing rhesus monkeys, the nature and symptoms of induced mental retardation can be studied in a situation more comparable to that of man and there is the likelihood that a much more precise relationship can be established between cause and effect.

Given a more precise definition of the role of anoxia in mental retardation produced in primates, a good start will have been made toward determining the specific impact of oxygen lack upon the central nervous system of man. And this, in time, will lead to both effective preventive and rehabilitative treatment methods for mental retardation.

MULTIPLE SCLEROSIS AND OTHER DEMYELINATING DISEASES

Multiple sclerosis and the related demyelinating diseases afflict several hundred thousand Americans. No precise figure as to the number afflicted is available if only because multiple sclerosis is a disorder which is extremely difficult to detect in its early stages. Generally speaking, multiple sclerosis produces symptoms ranging from double vision to tremor, speech difficulties, inability to maintain balance, extreme weakness, emotional disturbances and paralysis of parts of the body.

A disease of relatively long duration—multiple sclerosis often live what has come to be known as a "normal" life span—the disorder attacks various parts of the central nervous system through a process known as demyelination in which myelin, a fatty sheath which covers the nerve fibers in healthy individuals, is destroyed. At present, there is no known cure for the disease.

Background of progress

Over the past several years, scientists at the Institute and investigators working under Institute grants and other grant programs have made considerable progress at the basic research level. The efforts of these investigators have been directed primarily to ascertaining the nature and structure of myelin, the forces or substances which control its growth and existence, and the specific course of deterioration when it comes under attack.

Perhaps the first major development in the assault against multiple sclerosis came in 1955 when an Institute grantee discovered that the myelin sheath of peripheral nerves developed as the result of spiraling of the membranes of certain satellite cells—the Schwann cells—around the nerve. The discovery, which was made by electron microscope, led to development of the hypothesis that satellite cells of the central nervous system, known as neuroglia, play an important part in the formation and maintenance of the myelin sheath surrounding the nerve fibers of the central nervous system.

These promising research breakthroughs led—in March 1956—to the arrangement of a special conference by the Institute. The conference, attended by some of the world's leading authorities on neuroglia, was dedicated to devising new approaches for exploiting the research breakthroughs. The success of the conference must be measured by the developments which succeeded it.

Recent developments of crucial importance

Only a few months ago, a St. Louis investigator demonstrated conclusively that myelin in the central nervous system originates from the neuroglia specifically known as the oligodendroglia glial cells. This finding, in turn, strongly indicated that multiple sclerosis attacks the originating glial cells rather than moving directly against the myelin sheath itself. If this assumption is found to be true—and it is currently being tested—a promising new research approach will have been thrown open.

Another significant development of the past year was the result of work done by an Institute grantee. The study of multiple sclerosis has heretofore been hampered by our inability to create the disease in animals. The grantee devised a method for producing in experimental animals lesions in myelin similar to those which are found in actual cases of multiple sclerosis. This development holds great promise in terms of its impact upon efforts to determine the nature and specific causes of the disorder.

MUSCULAR DYSTROPHY AND NEUROMUSCULAR DISORDERS

An estimated 100,000 persons in the United States—more than half of them children—are afflicted by muscular dystrophy. The disorder itself is chronic and progressive and is characterized by weakness and wasting of the voluntary muscles. At present, the specific causes of muscular dystrophy are unknown and there is no known cure. The same must be said of related diseases like myasthenia gravis which attacks the nerve-muscle junction rather than the muscle itself. Myasthenia gravis, which involves a failure of nerve-impulse transmission at this junction, is however, often susceptible to treatment and control.

Research concentrated in basic laboratory area

Because so little is known about muscular dystrophy, myasthenia gravis, and other disorders affecting the muscles or the nerve-muscle juncture, the Institute of Neurological Diseases and Blindness has concentrated upon basic or fundamental research in these areas during the past several years. The past year, however, has seen several important advances of a fundamental nature.

A chemical substance, acetylcholine—which plays an essential role in neuromuscular transmission—can now be detected and accurately measured through use of a newly developed fluorescence method. Specifically, acetylcholine, when associated with another compound (tetra-phenyl-diboronoxide), gives off fluorescence which is, in turn, measured by an electronic device. The device makes possible effective measurement of even the most minute quantities of acetylcholine in the nerve. Inasmuch as the quantity of the compound involved in nerve impulse transmission may be a factor in disorders of the nerve-muscle junction, this development is very promising.

Another development of importance in the electronic measurement area during the past year was the devising of an ingenious microelectrode recording technique. An Institute scientist has used this technique to record electrical impulses of millionths of a volt lasting for millionths of a second in the synapse areas of the ganglion (nerve system) of the squid. The synapse is the almost infinitesimal space in which one nerve transmits impulses to another.

During the year, Institute researchers also conducted experiments designed to determine the impact of temperature, pressure, and usage upon nerve fiber. It is hoped that concrete, specific relationships can be established between these forces and the nerve fiber—relationships which can be measured both quantitatively and qualitatively.

Potential clinical applications of laboratory findings

The microelectrode recording technique used in probing the squid ganglion synapse will this year be used for recording impulses at the nerve-muscle junction in patients with myasthenia gravis. Laboratory results with the technique in question indicate that the findings may well be important.

An interesting clinical byproduct of the temperature and pressure experiments referred to above is the discovery that the narcotizing action of some drugs—alcohol for one—can be counteracted by lowering body temperature or by applying high pressure. It may be that this will have practical value in surgery when the situation is such that the effects of anesthetics must be limited or counteracted.

EPILEPSY

There is no precise figure available as to the number of epileptics in the United States, estimates ranging anywhere from 800,000 to 1,500,000. The lack of a precise figure is not too difficult to understand because social and economic pressures generated against the epileptic often tend to drive him "underground."

Epilepsy represents a grave problem in the psychological, social, and economic respects as well as in its purely physical consequences for those who are afflicted with it. Epileptics are often shunned by their neighbors. Many are denied employment which they are physically and mentally qualified to hold. In some States, outmoded legislation bars them from having children and even from getting married.

The fact is that epilepsy is not a disease in the conventional sense. It is a manifestation of abnormally discharging brain cells which is apparent only at the time of seizure and which handicaps otherwise normal individuals at that time. Only a very small percentage of epileptics—those with extensive brain damage—are mentally retarded or in any way affected in mental function.

In its attack against epilepsy, the Institute of Neurological Diseases and Blindness has moved ahead on all research fronts which stand between the epileptic and the realization of his full physical and mental potential. Pin-pointing the cause of epilepsy, the prevention and control of seizures, animal reactions to seizure-induction, State legislation bearing on epilepsy—these are some of the areas in which research in epilepsy at the Institute and through Institute grantees has gone forward.

Clinical advances

A very significant development of the past year is the tracing of patients' seizure patterns involving bizarre epileptic movements to specific and localized parts of the brain in the temporal lobe and other areas as well. Previously, these patterns could not be traced in specific terms. The importance of the findings lies in the possibility that the seizure patterns involved may lend themselves to effective therapy or surgical intervention once they have been precisely localized.

Careful around-the-clock observation of epileptic patients—a procedure introduced during the past year—has revealed a specific and particular sequence of events during seizures based upon temporal lobe epilepsy. These observations have made for more precision in relating the epileptic movements of specific parts of the body to the areas of the brain controlling those parts; but the establishment of such precise relationships also adds much to our understanding of brain function which is vital in plumbing the nature and causes of all neurological disorders involving the central nervous system.

The effect of hypothermia on epileptic discharges in the human brain was studied during the year. The available evidence indicates that cold slows down the electrical discharge (firing) of brain cells. Cold was also found to affect brain color, consistency, and intracranial blood pressure. Hypothermia, it should be noted, has already been found useful during surgery of various types, particularly where the persons being operated upon are in a weakened condition.

Laboratory developments

Animal studies in the epilepsy field continued during the past year with epileptic lesions being produced in mice by direct application of low temperatures. Epilepsy has been induced in several chimpanzees and brain wave recordings taken and their movements observed during the induced seizures.

Bearing directly on these experiments was an electronic development of the past year which has made it possible to conduct such experiments with greater ease and precision. The induction of epileptic seizures in animals by electrical means has taught us much about the nature and cause of epilepsy in man. Heretofore, one of the problems in pursuing such experiments effectively has been the necessity of fastening conducting cables directly to the animal with the result that the experiments were often ruined when the cables were broken or became disengaged during the experimental process.

Institute scientists have now solved this problem by developing a means of inducing seizures in animals by remote radio transmission. Coupled with remote radio recording system, this new development holds great promise for the field of animal experimentation in general.

Experiments with anticonvulsants

Several years ago, an Institute scientist discovered that there were certain chemical deficiencies in the brain cells of epileptics. Specifically, it was found that one vital chemical—glutamic acid—did not form in sufficient quantity in the epileptic brain cell and that another chemical—acetylcholine—did not form in sufficient quantity in reserve. It was felt that if these chemical deficiencies could be corrected epileptic seizures could be controlled or reduced.

Initially, Institute researchers sought to rectify the deficiencies through the administration of glutamine and asparagine. These have now been tested with great care and have been found effective in reducing or controlling seizures in many of the persons to whom they have been administered. However, it has also been determined that the compounds create adverse reactions in some people and annoying side effects in others.

During the past year, the Institute shifted to experimentation with two new drugs: gamma-amino-butyrate and 2-pyrrolidinone. Preliminary results achieved with these drugs are encouraging. The new substances have reversed seizures in cats and either one—when added to human epileptic brain tissue—causes a reversion of the tissue to normal insofar as glutamine and glutamic acid content are concerned.

PARKINSON'S DISEASE

Parkinson's disease is a slow, progressive, disabling illness which strikes at the nerve system in the brain stem—at the regions particularly concerned with the regulation of muscle tone, automatic acts, and control of posture. The disorder is characterized by muscular rigidity, bodily tremors, slowness of movement, sleepiness, abnormal postures, and loss of normally automatic movements.

The specific causes of the disease are unknown and there is no known cure. No exact figure is available as to the extent of the disease in this country but—on the basis of a limited survey—it appears that Parkinsonism afflicts two males for every female it strikes.

Laboratory progress

During the past year, the Institute has continued to pursue previously developed laboratory leads which appear to bear upon Parkinsonism. Reserpine, a drug widely used in the treatment of emotionally and mentally disturbed persons, is being administered to monkeys and other experimental animals in sufficient quantities (over an extended period of time) to bring on tremor, rigidity, and other phenomena generally associated with Parkinson's disease.

Institute scientists have now found that the Parkinsonlike tremors can be diminished or abolished by the injection of an anesthetic (such as novocain) into a part of the brain. They have also discovered that even more effective results can be achieved by producing a lesion in the brain ganglia known as the globus pallidus and ansa lenticularis.

Clinical application of data developed through animal experiments

Animal studies involving reserpine have shed considerable light on means of coping with the side effects which this drug has been found to produce in human beings treated with it. These side effects have been Parkinsonlike symptoms not unlike those produced in the animals. During the past year, an investigator studying the impact of reserpine on emotionally disturbed patients found that there was a substance which eliminated or reduced the Parkinsonlike symptoms brought on in these patients.

BRAIN TUMORS

One of the major problems confronting the surgeon in attacking a brain tumor or related growth is to define precisely the size and location of the growth without resorting to exploratory surgery. During the past year, Institute investigators have developed such a technique as well as others which hold great promise for the brain surgery field in general.

Development of tumor detection technique

Medical science has long been on the lookout for an effective method of detecting and localizing tumorous growths in the brain which would make ultimate surgery elective with the surgeon. Though nonsurgical methods for detecting such growths have been in use or under study for some years, no technique heretofore developed has had the sensitivity and precision required to pinpoint the great majority of tumors effectively. Particular difficulty was encountered in localizing growths in the depths of the brain with adequate precision.

The technique developed by Institute scientists represents a major breakthrough in this area. It utilizes the isotopic tracer method coupled with electronic scanning and recording devices. More specifically, the technique—which is referred to as collimation detection—makes use of a zinc isotope and of highly sensitive electronic equipment capable of recording radioactive rays given off by tumorous tissue which has absorbed the isotopic substance.

Generally speaking, tumorous tissue absorbs the isotopic substance at a faster rate than does normal tissue and thus emits rays with greater intensity. The sensitive device developed at the Institute is capable of picking up the rays emitted by tumors and distinguishing between these rays and those emitted by surrounding healthy tissue. This, in turn, makes possible the precise location of the tumorous growth.

At present, the new technique is at least 80 percent effective in precisely defining the size and location of tumors (gliomas), many of them deeply seated in the brain. This represents a considerable advance over previously known detection methods. Work is already under way to improve the technique with a view to substantially increasing its effectiveness in detecting tumors and other growths.

Ultrasonic surgery under study

A second development of the past year, still at the animal experimental level, involves the use of ultrasound for surgical purposes. Experiments in this area are being carried on by an Institute grantee at the University of Illinois. The grantee has reported the development of ultrasonic equipment and techniques whereby high-frequency sound waves may be used to destroy tumors and diseased tissue deep in the animal brain and not normally susceptible to surgery by knife.

The grantee has produced both small and large lesions in animal brains with extreme precision and reports that he may be on the threshold of making the ultrasonic technique applicable to human surgery. The Institute is watching his progress with great interest.

EYE RESEARCH

There are about 320,000 blind persons in the United States today. An estimated 27,000 will go blind during the next 12 months, about half of them blinded by disease. Glaucoma uveitis, retrolental fibroplasia, diabetic retinopathy, cataract, tumorous growths—these have heretofore been among the major blinding diseases and most of them continue to cause blindness or serious loss of vision among many thousands of Americans. During the past year, the Institute has made considerable progress in its research efforts vis-a-vis some of these diseases and opened up promising research leads insofar as others were concerned.

Retrolental fibroplasia on verge of disappearance as major disease

The Institute has worked closely with physicians and hospitals in a widespread effort to disseminate research findings which would help eliminate retrolental fibroplasia as a major cause of blindness in infants. Last year the Institute reported that retrolental fibroplasias, which once blinded thousands of premature infants annually, was well on its way toward being conquered.

Followup studies conducted this year revealed the rapidity with which research results can be absorbed and applied in general medical practice throughout the country. For example, indicative of the progress which has been made is a recent survey of New York City hospitals which revealed that the number of premature infants blinded by the disease had declined 78 percent in 1 year when new preventive techniques were employed.

Progress in the diagnosis and treatment of uveitis

During 1956, continued progress was made in developing diagnostic and treatment techniques for uveitis, a blinding disease brought on by tuberculosis, syphilis, or brucellosis. The Institute has developed a promising new test for diagnosis of toxoplasmosis infection, a form of uveitis caused by a parasite. This new development, which is still being tested, is expected to surpass any known diagnostic method insofar as toxoplasmosis of the eye is concerned. A sound diagnostic technique such as this makes early treatment possible and thus tends to avert blindness.

Last year, the Institute reported that pyrimethamine and sulfadiazine were drugs which provided a cure for uveitis in some cases and tended to keep the disease from proceeding further in others. Today, Institute scientists are in

process of evaluating a new drug which shows promise of giving even better results with less toxic effect upon the patient. The new drug is a steroid compound.

New findings relating to glaucoma

Glaucoma, a disease which blinds thousands yearly and severely limits the sight of thousands more, represented an area of intense concentration during the past year. The testing of various drugs directed to reducing intraocular pressure was continued as were studies of the relationship between intraocular pressure and blood pressure. The increase of intraocular pressure in the eye is the main cause of blindness in glaucoma.

One of the major findings of the past year insofar as glaucoma is concerned was the discovery of a rich nerve supply in an area of the eye directly involved in the regulation of intraocular pressure. Institute scientists are now in the process of defining the specific role of this nerve supply in the regulation process. In any event, the finding provides a promising new lead for exploration in the overall effort to develop more effective treatment and preventive techniques for glaucoma.

Progress in the field of retinal disease

The past year has seen the development of several important electronic devices and techniques directed to early diagnosis and treatment of diseases of the retina. Among these advances is one involving the use of the electroretinograph in a manner which makes it easier for physicians to distinguish relatively early between congenital or hereditary degenerations of the retina on one hand and clinical diseases which are very similar in form and development on the other.

An Institute grantee has developed some significant statistical findings bearing on diseases of the retina and other diseases of the eye as well. In a survey of 1,000 older persons, the grantee found that the macula, which is the center of the retina, is directly involved in blinding diseases affecting many of our senior citizens. The statistical evidence developed by the grantee also showed that more than 60 percent of the survey group had cataract formation in some degree and, further, indicated that there is no significant increase or decrease in glaucoma expectancy in persons over 70.

HEARING RESEARCH

There are an estimated 15 million Americans with some kind of hearing defect, about 4,500,000 of these being seriously handicapped and roughly 760,000 being totally deaf. The gravity of the hearing problem is underscored by the fact that the causes of congenital deafness—and 50 percent of all deafness is either chronic or congenital—are virtually unknown.

Last year, the Institute—in collaboration with other interested organizations—moved against this vast hearing problem through a several-pronged research attack.

Key research planning conference held

In October 1956, the Institute took the initiative in organizing a conference involving its own staff and an invited group of otolaryngologists and others active in auditory research. The conference was dedicated to discussing the Institute program for support of auditory research, to assessing gap areas in the research field, and to considering ways and means of stimulating research in these areas.

The meeting is believed to have been the first effort of its kind devoted to a comprehensive assessment of gap areas in hearing research and to pointing the way to coping with these gaps. Among the areas in which it was generally agreed research was vitally needed were those having to do with the anatomy and function of the hearing system, the development and use of new electronic techniques for analysis of that system, the impact of noise upon hearing, the relationship between deafness and psychological factors, and the neurological aspects of deafness.

Major finding made involving role of brain in hearing process

An Institute scientist has—during the past year—made a major finding as to the relationship between the ear and the seat of the higher mental functions in the brain. Knowledge of this relationship is of great importance if we are to understand the basic causes of hearing loss and deafness as well as the cause and nature of such complex disorders as aphasia.

The discovery in question involves the oliva-cochlear bundle, a group of nerve fibers which arise in the lower part of the brain (the medulla) and terminate in the cochlea, the tiny organ in the inner ear which translates sound waves into nerve impulses. Originally, it was felt that hearing was a one-way process with outside acoustical stimuli being received and screened by the ear and carried to the upper auditory centers of the brain. In short, it was believed that the brain itself exercised no positive or activational influence on the hearing process but merely reacted to sound waves received from the external environment.

The discovery of the oliva-cochlear bundle and the tracing of its course from the brain to the inner ear has led to experiments at the Institute and elsewhere which indicate that hearing is determined not only by external stimulus but also by stimulus from the brain itself. What this feedback principle means in specific terms insofar as our understanding of deafness and other disorders involving the ear is concerned is currently under study. What is certain, however, is that the finding and tracing of the oliva-cochlear bundle opens up broad new vistas of research into the nature, cause, and treatment of these disorders.

GRANTS FOR CONSTRUCTION OF HEALTH RESEARCH FACILITIES

STATEMENT OF DR. C. J. VAN SLYKE, ASSOCIATE DIRECTOR, NATIONAL INSTITUTES OF HEALTH

APPROPRIATION ESTIMATE

"Grants for construction of health research facilities: For grants pursuant to the Health Research Facilities Act of 1956, \$30,000,000: *Provided*, That this appropriation shall be available only upon enactment into law of S. 849, Eighty-fourth Congress]."

Amounts available for obligation

	1957 appropriation	1958 estimate	House allowance
Appropriation or estimate.....	\$30, 000, 000	\$30, 000, 000	\$30, 000, 000

Obligations by activity

	1957 appropriation	1958 estimate	House allowance
Grants for construction and equipment.....	\$30, 000, 000	\$30, 000, 000	\$30, 000, 000

Obligations by object

	1957 appropriation	1958 estimate	House allowance
Grants, subsidies, and contributions.....	\$30, 000, 000	\$30, 000, 000	\$30, 000, 000

Senator HILL. The next, and concluding, item for the day is "Grants for construction of health research facilities," for which the budget estimate is \$30 million, allowed in full by the House.

I shall insert in the record with the other material the list of projects financed out of the current year's appropriation of \$30 million.

Dr. Van Slyke, your prepared statement will be placed in the hearings at this point, and give you an opportunity to add anything additional which you might wish to say.

Dr. VAN SLYKE. I think the prepared statement pretty well covers the necessity for the requested appropriation, Mr. Chairman, and in

view of the press for time I have nothing further to add unless the committee has some question.

Senator HILL. Are there any questions on this item? Very well, Doctor, thank you.

(The prepared statement referred to follows:)

STATEMENT BY ASSOCIATE DIRECTOR, NATIONAL INSTITUTES OF HEALTH, PUBLIC HEALTH SERVICE, ON "GRANTS FOR CONSTRUCTION OF HEALTH RESEARCH FACILITIES, PUBLIC HEALTH SERVICE"

AUTHORITY

Mr. Chairman, members of the committee, the Health Research Facilities Act of 1956 (title VII of the Public Health Service Act, as amended by Public Law 835, 84th Cong.) provides for "grants-in-aid to non-Federal public and nonprofit institutions for the constructing and equipping of facilities for research in the sciences related to health * * * medicine, osteopathy, dentistry, and fundamental and applied sciences when related thereto."

For this purpose, the act authorized an appropriation up to \$30 million for fiscal year 1957 and for each of the 2 succeeding fiscal years. In its supplemental appropriations for fiscal year 1957, the Congress appropriated the amount of \$30 million for activities under the act.

The legislation established the National Advisory Council on Health Research Facilities, consisting of 12 appointive members and an ex officio member from the National Science Foundation, with the Surgeon General of the Public Health Service as Chairman. The Council advises and assists the Surgeon General in policy matters arising in the administration of the act, aids in preparing general regulations for the program, considers all applications for grants, and makes recommendations to the Surgeon General with respect to their approval and the amount to be granted. The grants, by the act's provisions, are made, upon a basis of not more than 50 percent for the Federal share, following submission of a formal application, to institutions throughout the country, and only if recommended for approval by the Council.

The Health Research Facilities Act also provided that "on or before January 15, 1957, and annually thereafter, the Surgeon General, in consultation with the Council, shall prepare an annual report and submit it to the President for transmission to the Congress, summarizing the activities under this title and making such recommendations as he may deem appropriate."

Such a report has been prepared and submitted concerning this new program during its first 5 months, from the time the bill was signed by the President, on July 30, 1956, through December 31, 1956. The material contained herein is to some degree derived from that annual report. However, this attachment also furnishes information related more specifically to the fiscal year 1958 appropriation request for this construction-grant program.

RÉSUMÉ OF EARLY ACTIVITIES

The National Advisory Council on Health Research Facilities was established as soon as possible after the President signed the bill into law, the 12 appointees being announced on September 10, 1956. Here a clear sign of nationwide realization of the new program's importance was seen, for all of the 12 distinguished individuals, from all parts of the country, who were asked to undertake this public service, gladly accepted the charge.

The Surgeon General placed administrative responsibility for the program with the Public Health Service's research bureau, the National Institutes of Health; a Health Research Facilities Branch was established in the Institutes' Division of Research Grants; and staff were immediately transferred or recruited to the Branch to carry out the program. Institutions doing research in the health sciences throughout the Nation were informed and advised concerning the program through the press, professional journals, special announcements, letters, meetings, and so on.

The immediate and continuing response has been both enthusiastic and significant—in terms of interest, the nationwide geographic distribution of this interest, the variety of types of health science institutions interested, the kinds of needs disclosed, and the dimension of these needs.

Though cognizant of this strong interest, the National Advisory Council on Health Research Facilities, at its first meeting on September 24-25, 1956, was

necessarily occupied with discussion of its responsibilities under the act and with advising upon the regulations required for administering the act. Achieving these things, the Council at this meeting also considered some 31 applications for research construction grants, and recommended 7 of the more urgent requests. The Surgeon General subsequently approved these recommendations, and the applicant institutions are being paid the grants. The remaining 24 applications were deferred by the Council to permit project-site visits by its members and to obtain more adequate information upon broad needs of the program throughout the country.

Some 54 project-site visits were made by teams of Council and NIH staff members in the 2-month period between September 25 and the second Council meeting on December 3-5. At the same time, the Council was studying additional applications submitted during this period of time.

FURTHER ACTION AND SIZE OF THE NEED

Requests totaling \$66,046,507 in 129 formal applications were before the Council when it met again in December. The Council deferred or disapproved 56 applications, for \$27,102,305. The Council recommended 73 applications in the amount of \$24,460,467 for payment from fiscal year 1957 funds, and they were later approved by the Surgeon General.

A list is appended of these 73 grants and of the 7 recommended at the September Council meeting.

The formal applications, however, represented only a partial indication of the need. For the Council also reviewed "notices of intention" to submit applications by 89 institutions in the additional amount of \$49,160,774.

The need for assistance in the construction of research facilities in the health sciences are thus demonstrated to be nationwide and extensive, although the exact size is as yet not completely determined. Since the Council meeting, information has continued to come in to the Health Research Facilities Branch. By January 15, 1957, some 140 institutions had formally applied and some 88 others had officially indicated their intention of doing so. The demand for Federal funds by these 228 institutions is over \$116,600,000. This figure, too, is expected to rise significantly because over 320 other institutions, which have not so far applied or indicated their intentions, have asked for application forms. At midpoint of the program's first year, the Council has recommended grants totaling over 85 percent of the current fiscal year's available funds. In recommending these awards, the Council has given careful attention to the law's provisions calling for equitable distribution, and the awards recommended thereby reflect a wide geographic distribution. There is appropriate correlation between the grants and such regional factors as population, location of institutions doing or capable of doing research, numbers of scientific investigators, and training facilities for the health professions.

In view of the pressing need for construction funds, the Council thus far has recommended only such grants as would get actual construction started, and deferred until later requests for research equipment which could not be installed until construction was completed.

It is clear that the available funds under this 3-year program will provide assistance for only a portion of the meritorious applications. It is also clear that matching funds are widely available from private or other non-Federal sources as a result of the stimulus provided by the Health Research Facilities Act. The Council has scheduled two additional meetings this fiscal year, on March 18-20 and May 27-29, when the members will again review projects on which action was deferred and review those new applications received since the December meeting.

Health research facilities construction grants recommended and approved following September and December 1956 meeting of the National Advisory Council on Health Research Facilities

State and institution	Facility	Amount
Alabama:		
University of Alabama Medical Center, Birmingham, Ala.	Clinical research laboratories: new 6-story research facilities building.	\$1,033,500
Southern Research Institute, Birmingham, Ala.	Medical research laboratory: new 5-story research facilities building.	250,000
California:		
Stanford University Medical School, Stanford, Calif.	Basic science research building: new 3-story and basement medical research building.	1,500,000
Palo Alto Medical Research Foundation, Palo Alto, Calif.	Medical research in health and health-related sciences: new medical research building.	258,145
California Institute of Technology, Pasadena, Calif.	Basic science laboratory for medical research: new 3-story and basement building for biological research.	477,000
University of Southern California, Los Angeles, Calif.	Medical research laboratories: new 4-story basic medical sciences building for medical school.	854,500
Colorado:		
National Jewish Hospital at Denver-----	Medical research facilities: new medical research laboratory building.	250,000
Colorado Agricultural and Mechanical College, Fort Collins, Colo.	Research facility for animal diseases and their relation to man: new 1-story contagious-disease animal laboratory building.	96,000
Connecticut: Yale University School of Medicine, New Haven, Conn.	New research laboratories for anatomy and biochemistry: addition of a 3-story and basement research wing to Sterling Hall of Medicine.	461,612
District of Columbia:		
Georgetown University, Washington, D. C.; Rev. T. Byron Collins, S. J.	Animal research laboratories:-----	75,000
Children's Hospital, Washington, D. C.---	To increase research activities and improve the diagnosis and treatment of pediatric diseases: 6th floor addition to existing building, and 3d floor addition to planned new building.	144,625
Florida: University of Miami, Miami, Fla.---	Basic medical research laboratories: New 8-story medical science research building.	941,720
Georgia: Emory University School of Medicine, Emory University, Ga.	Medical research facilities for medical school: remodeling and expansion of research laboratory facilities.	200,000
Illinois:		
University of Chicago, Division of Biological Sciences, Chicago, Ill.	Medical research laboratories: remodeling of existing isolation facility into research laboratories.	250,000
Do-----	Laboratory of physiological psychology: remodeling of an existing building.	22,950
University of Illinois Research Laboratories, Chicago, Ill.	Research laboratories for studies in immunology: remodeling of present structure.	50,000
University of Illinois College of Dentistry, Chicago, Ill.	Dental research facilities: remodeling 10th floor of existing building.	26,250
University of Illinois Department of Anatomy, Chicago, Ill.	Basic medical research laboratories: remodeling of anatomy laboratories.	2,600
University of Illinois Department of Biological Chemistry, Chicago, Ill.	Biochemical research laboratories: remodeling of existing laboratories.	8,500
University of Illinois Medicine-Allergy Unit, Chicago, Ill.	Basic research laboratories for allergy research: remodeling of existing laboratories.	8,400
Indiana:		
Indiana University Psychiatric Research, Indianapolis, Ind.	Psychiatric research institute: to provide built-in equipment for the Institute of Psychiatric Research.	36,124
Indiana University, Bloomington, Ind.----	Research animal care facility: a new 1-story animal care facility.	18,375
Do-----	Medical science building: Basic scientific equipment grant for research areas of the medical science building.	109,500
Indiana University Dental School, Indianapolis, Ind.	Research and teaching laboratories in dentistry: a new 5-story and basement wing on dental building.	127,283
Iowa:		
State University of Iowa College of Dentistry, Iowa City, Iowa.	Dental research facility: 2-story research building (new).	122,500
State University of Iowa College of Medicine, Iowa City, Iowa.	Animal care facilities for medical school: remodeling, equipping, and expanding of animal care facilities.	75,000
Do-----	Medical research in otolaryngology: remodeling of present facilities.	20,000
Kentucky: University of Kentucky, Lexington, Ky.	Research laboratories for basic sciences in medical school: new 6-story and basement medical sciences research building.	1,208,992

Health research facilities construction grants recommended and approved following September and December 1956 meeting of the National Advisory Council on Health Research Facilities—Continued

State and institution	Facility	Amount
Maryland:		
Baltimore city hospitals, Baltimore, Md.	Medical research laboratory: conversion of tuberculosis building to a research laboratory building.	\$115,000
Johns Hopkins University, Baltimore, Md.	Basic science facilities for medical research: new 11-story and basement research building.	960,000
Massachusetts:		
Massachusetts General Hospital, Boston, Mass., James C. White, M. D.	Neurosurgical floor, Warren Medical Science Bldg.	95,045
Tufts College (Tufts University) Department of Biochemistry, Boston, Mass.	Research laboratories, biochemistry and nutrition: remodeling 3 existing research laboratories.	19,648
The Boston Dispensary, Boston, Mass.	Rehabilitation research laboratory: Addition of 1 research floor to research building under construction.	125,000
Massachusetts General Hospital, Boston, Mass.	Psychiatric research and teaching laboratory: Completion of an unfinished research laboratory, 6th floor, Warren Bldg.	86,503
New England Deaconess Hospital, Boston, Mass.	Additional space for animal care facilities: addition of 1 floor to existing laboratory.	120,000
Retina Foundation, 30 Chambers St., Boston, Mass.	Basic research laboratory in field of diseases of the eye: New basement and 3-story research building.	300,000
New England Center Hospital, Boston, Mass.	Medical science research laboratory: Completion of 4 unfinished floors into research laboratories.	400,000
Austen Riggs Center, Inc., Stockbridge, Mass.	Psychiatric research and treatment: Extensive remodeling and addition of wings to existing building.	180,647
Worcester Foundation for Experimental Biology, Shrewsbury, Mass.	Biological and chemical research in the medical sciences: Expansion of animal-care facilities and remodeling of cancer laboratory facilities.	241,000
Michigan:		
Wayne State University College of Medicine, Detroit, Mich.	Medical research laboratories: New 8-story and basement research wing on present structure.	900,000
University of Michigan School of Public Health, Ann Arbor, Mich.	Research facilities for School of Public Health: A new research laboratory addition to the existing structure.	605,000
University of Michigan, Ann Arbor, Mich.	Medical research facilities: remodeling 7th floor of research building.	58,522
Do-----	Mental health research: new structure for research laboratories.	600,000
Minnesota:		
University of Minnesota Medical School, Minneapolis, Minn.; Dr. Harold S. Diehl.	Department of anatomy research facilities, Jackson Hall.	26,110
University of Minnesota College of Medical Sciences, Minneapolis, Minn.; Dr. Harold S. Diehl.	Department of physiological chemistry, physiology, and pharmacology research facilities, Millard Hall.	161,000
Missouri:		
University of Kansas City School of Dentistry, Kansas City, Mo.	Dental research: completion of 4th floor of the existing dental building.	49,975
Washington University, St. Louis, Mo.	Basic health sciences laboratory facilities: new 3-story research laboratory addition to present building.	149,955
Washington University, David P. Wohl, Jr., Memorial Hospital, St. Louis, Mo.	Medical research laboratories: a 2-story addition to existing research building.	71,005
New York:		
Cornell University Veterinary College, Ithaca, N. Y.	Research facilities for disease-free animals: new fireproof laboratory building.	75,000
Sloan-Kettering Institute for Cancer Research, New York, N. Y.	Basic science research institute in the field of cancer and allied diseases: new research building of 12 stories plus penthouse.	900,000
Roswell Park Memorial Institute, State of New York Department of Health, Buffalo, N. Y.	Basic science research institute in the field of cancer and allied diseases: new 7-story basic science research building.	646,000
New York University, Bellevue Medical Center, New York, N. Y.	Research in clinical medicine: remodeling existing laboratories in Bellevue Hospital.	75,298
Rockefeller Institute for Medical Research, New York, N. Y.	Basic medical science research: new 9-story research building of reinforced concrete.	600,000
Columbia University College of Physicians and Surgeons, New York, N. Y.	Animal-care facilities for medical school: remodeling and expansion of animal-care facilities.	366,300
University of Buffalo School of Medicine, Buffalo, N. Y.	Basic science research laboratory: new 4-story research laboratory.	463,020
Albany Medical College of Union University, Albany, N. Y.; Harold C. Wiggers.	Construction of new animal quarters.	45,000
North Carolina: Duke University, Durham, N. C.	Medical research laboratory: addition of a new 4-story wing to William B. Bell Medical Research Building.	105,000

Health research facilities construction grants recommended and approved following September and December 1956 meeting of the National Advisory Council on Health Research Facilities—Continued

State and institution	Facility	Amount
Ohio:		
University of Cincinnati College of Medicine, Cincinnati, Ohio.	Medical research facility: new medical research building.	\$865,688
Ohio State University College of Medicine, Columbus, Ohio.	Medical research facility: new 11-story research laboratory addition to existing building.	900,000
Ohio State University College of Dentistry, Columbus, Ohio.	Dental research laboratories: new research laboratory addition to an existing structure.	290,000
The Elizabeth Gamble Deaconess Home Association operating the Christ Hospital Institute of Medical Research, Cincinnati, Ohio; L. H. Schmidt.	Construction and equipment of fourth floor on institute of medical research building.	184,000
Pennsylvania:		
Jefferson Medical College of Philadelphia, Philadelphia, Pa.	Research laboratory for blood and plasma fractionation: remodeling of second floor of existing building into laboratories.	24,572
Do.....	Department of surgery research laboratories: remodeling of portion of 10th floor to provide surgical research laboratories.	51,883
Do.....	Psychiatric research laboratories: remodeling of portion of 10th floor to provide laboratories for the psychiatric department.	22,235
Do.....	Basic science research laboratories: remodeling of 3d floor of existing structure into research laboratories.	30,755
University of Pittsburgh Division of Natural Sciences, Pittsburgh, Pa.	Research laboratories for biological sciences, biophysics, and psychology: provision of built-in research equipment in new laboratory.	41,054
University of Pittsburgh, Pittsburgh, Pa.	Basic health research laboratory: completion of new laboratories and installation of equipment.	649,312
University of Pennsylvania, Philadelphia, Pa.; Norman H. Topping, M. D.	The William H. Donner Center for Radiology.	179,004
University of Pennsylvania School of Dentistry, Philadelphia, Pa.	Research laboratories for School of Dentistry: (a) renovation of existing facilities and (b) new building consisting of a basement and 2 floors.	150,000
University of Pennsylvania, Medical Division, Philadelphia, Pa.	New research facilities for the School of Medicine: new 7-story research laboratory plus portions of 2 other new structures.	400,000
Bryn Mawr College, Bryn Mawr, Pa.....	Biology research and teaching laboratory: new 3-story laboratory building.	300,000
The Woods School, Langhorne, Pa.....	Center for child study, treatment, and research: new research laboratory building.	150,000
Rhode Island: Brown University, Providence, R. I.	Psychology laboratory: new psychology laboratory for teaching and research.	411,002
Tennessee: Vanderbilt University School of Medicine, Nashville, Tenn.	Medical research facility: expansion, remodeling and equipping of health, research facilities.	173,548
Utah:		
University of Utah College of Medicine, Salt Lake City, Utah.	Basic medical research laboratories: new medical science research building.	1,500,000
Utah State Agricultural College, Logan, Utah.	Research facilities for animal metabolism and nutrition studies: expansion and remodeling of existing animal research structure.	26,157
Vermont: University of Vermont, Burlington, Vt.	Clinical and pathological research laboratories for the College of Medicine: new 2-story building.	419,000
Washington:		
University of Washington, Seattle, Wash..	Basic medical science research laboratories: remodeling and completion of existing structures.	155,000
Do.....	Research laboratory for psychology: remodeling of Denny Hall to provide research laboratories.	158,812
Wisconsin: University of Wisconsin Medical School, Madison, Wis.	Clinical research facility: new 8-story research building.	975,000

Senator HILL. The committee will stand in recess until tomorrow at 10 a. m.

(Whereupon, at 4:55 p. m., Thursday, May 2, 1957, a recess was taken until 10 a. m., Friday, May 3, 1957.)

LABOR-HEALTH, EDUCATION, AND WELFARE APPROPRIATIONS, 1958

FRIDAY, MAY 3, 1957

UNITED STATES SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, D. C.

The subcommittee met at 10 a. m., pursuant to recess in room F-82, the Capitol, Hon. Lister Hill (chairman of the subcommittee) presiding.

Present: Senators Hill and Thyé.

NATIONAL LABOR RELATIONS BOARD

STATEMENTS OF BOYD LEEDOM, CHAIRMAN; JEROME D. FENTON, GENERAL COUNSEL; ARTHUR H. LANG, DIRECTOR, DIVISION OF ADMINISTRATION; AND CLARENCE S. WRIGHT, BUDGET OFFICER

APPROPRIATION ESTIMATE

"Salaries and expenses: For expenses necessary for the National Labor Relations Board to carry out the functions vested in it by the Labor-Management Relations Act, 1947 (29 U. S. C. 141-167), and other laws including expenses of attendance at meetings concerned with the work of the Board when specifically authorized by the Chairman or the General Counsel: services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a); and uniforms or allowances therefor, as authorized by the Act of September 1, 1954, as amended (5 U. S. C. 2131); **[\$8,951,500]** *\$9,575,000: Provided, That no part of this appropriation shall be available to organize or assist in organizing agricultural laborers or used in connection with investigations, hearings, directives, or orders concerning bargaining units composed of agricultural laborers as referred to in section 2 (3) of the Act of July 5, 1935 (29 U. S. C. 152), and as amended by the Labor-Management Relations Act, 1947, and as defined in section 3 (f) of the Act of June 25, 1938 (29 U. S. C. 203), and including in said definition employees engaged in the maintenance and operation of ditches, canals, reservoirs, and waterways when maintained or operated on a mutual, nonprofit basis and at least 95 per centum of the water stored or supplied thereby is used for farming purposes."*

Obligations by activities

	1957 fiscal year	1958 estimated requirements	Comparison of 1958 estimated requirements to 1957 estimates	House allowance for 1958	Comparison of House allowance to 1958 estimated requirements
1. Field investigation of cases and informal disposition or preparation for formal processing.....	\$5,427,300	\$5,806,500	+\$379,200	\$5,698,800	-\$107,700
2. Trial-examiner hearing of unfair labor practice cases.....	728,600	781,900	+53,300	762,700	-19,200
3. Board adjudication of cases.....	1,200,500	1,269,700	+69,200	1,247,800	-21,900
4. Securing of compliance with Board orders, including enforcement through court orders.....	1,595,100	1,716,900	+121,800	1,675,500	-41,400
Total obligations incurred.....	8,951,500	9,575,000	+623,500	9,384,800	-190,200
Other obligations from "Advances and reimbursements": 2. Trial examiner hearing of unfair labor practice cases.....	20,000	20,000	-----	20,000	-----

Obligations by object

	1957 fiscal year	1958 estimated requirements	Comparison of 1958 estimated requirements to 1957 estimates	House allowance for 1958	Comparison of House allowance to 1958 estimated requirements
01 Personal services.....	\$7,615,000	\$7,710,100	+\$95,100	\$7,576,600	-\$133,500
02 Travel.....	512,900	595,100	+82,200	584,500	-10,600
03 Transportation of things.....	17,500	17,500	-----	17,500	-----
04 Communication services.....	233,200	233,100	-100	232,200	-900
05 Rents and utility services.....	40,100	15,500	-24,600	15,500	-----
06 Printing and reproduction.....	127,500	134,300	+6,800	100,800	-33,500
07 Other contractual services.....	251,400	279,400	+28,000	275,200	-4,200
Services performed by other agencies.....	17,700	17,700	-----	17,300	-400
08 Supplies and materials.....	88,700	89,300	+600	88,700	-600
09 Equipment.....	39,400	39,700	+300	39,700	-----
11 Grants, subsidies, and contributions.....	-----	433,300	+433,300	427,900	-5,400
13 Refunds, awards, and indemnities.....	-----	-----	-----	-----	-----
15 Taxes and assessments.....	8,100	10,000	+1,900	8,900	-1,100
Appropriation or estimate.....	8,951,500	9,575,000	+623,500	9,384,800	-190,200
Additional obligations from "Advances and reimbursements":	-----	-----	-----	-----	-----
01 Personal services.....	16,800	16,800	-----	16,800	-----
02 Travel.....	3,200	3,200	-----	3,200	-----
Total additional obligations.....	20,000	20,000	-----	20,000	-----

Summary of changes

1957 actual appropriation.....	\$8,951,500
Deduct nonrecurring items:	
Communication services.....	\$100
Rents and utility services.....	24,600
Total.....	24,700
Adjusted 1957 appropriation.....	8,926,800
1958 appropriation request.....	9,575,000
Net change requested.....	648,200

	Positions	Estimate	Positions	House allowance
For mandatory items:				
Annualization.....		\$24, 447		\$24, 447
Pay in excess of 52-week base.....		29, 300		28, 700
Wage-board salary increases.....		900		900
Within-grade salary increases.....		32, 900		30, 200
Executive pay-rate increases.....		30, 500		30, 500
Increase in subsistence and mileage allowance up to \$12 per day and 9 cents per mile.....		45, 000		44, 100
Estimated increase in contract stenographic reporting rates.....		22, 000		21, 500
Increase in witness-fee and travel-allowance rates.....		1, 000		1, 000
Retirement fund deposits.....		433, 300		427, 900
Social security.....		1, 900		800
Subtotal.....		621, 247		610, 047
Less amount proposed to be absorbed by the agency in fiscal year 1958.....		-40, 800		-40, 800
Total.....		580, 447		569, 247
For program items:				
1. Field investigation of cases and informal disposition or preparation for formal processing.....		54, 715	-11	-45, 304
2. Trial-examiner hearing of unfair labor practice cases.....		141		-18, 298
3. Board adjudication of cases.....		229	-2	-21, 056
4. Securing compliance with Board orders, including enforcement through court orders.....		12, 668	-4	-26, 589
Total change requested.....		648, 200	-17	458, 000

PREPARED STATEMENT

Senator HILL. The committee will kindly come to order.

Judge, we are happy to have you here with us this morning, and those who accompany you, your Counsel, Director of the Division of Administration, and budget officer, and we will be delighted to have you proceed in any way you see fit on behalf of your funds for the Board.

Mr. LEEDOM. Thank you, Senator.

We have prepared a statement to the committee in the form of a letter.

Senator HILL. Yes, Judge.

Mr. LEEDOM. And I would like to add to that just a brief statement of the general makeup of our budget.

(The statement referred to follows:)

APRIL 11, 1957.

Hon. LISTER HILL,

Chairman, Labor-Health, Education, and Welfare Appropriations Subcommittee, Committee on Appropriations, United States Senate, Washington, D. C.

DEAR SENATOR HILL: On April 4, 1957, the House of Representatives approved an appropriation of \$9,384,800 for the National Labor Relations Board for fiscal year 1958.

The House Appropriations Committee recommended a reduction of \$125,000 from the President's request of \$9,575,000 on the assumption that the resultant budget would "continue activities in 1958 on the same level as 1957." However, based on an amendment presented on the floor of the House, an additional reduction of \$65,200 was approved. This amendment was explained on the floor to provide the National Labor Relations Board, "the entire amount it had in its budget for the present fiscal year plus the mandatory contribution of \$433,300 that must be paid to the retirement fund." Further it was stated that, since the Board has been able to handle its work satisfactorily this year with its present budget, it should be able to handle its work next year with the same appropriation plus the amount required for retirement fund contribution. Therefore, a total cut of \$190,200 was made in the President's budget request of \$9,575,000, reducing this appropriation item to \$9,384,800.

It is the view of this agency, however, that the House did not recognize the full amount of the mandatory cost increases which require a higher appropriation in order that the agency continue its work at the same level in 1958 as in 1957. As indicated on a separate table submitted to your committee earlier, these mandatory cost increases, including the contribution for retirement of \$433,300, amount to \$596,650 for fiscal 1958. Of this amount, the agency had already proposed in the President's budget to absorb \$40,800, bringing the net total of mandatory cost increases in the President's budget to \$555,850.

In addition there is an increase in the President's budget of \$67,650 which may be described as program increases. Included in this \$67,650 are 2 major categories of increase—(1) \$39,000 for regional area conferences which we have found in the past materially contribute to improvement of techniques and quality of case handling by the professional employees of the regional offices, and (2) approximately \$22,000 for professional employee performance studies which we hope will provide the basis for material improvements in the various facets of professional performance throughout the agency. The data resulting from such studies would also provide much of the material necessary for the improved financial management program required under Public Law 863, 84th Congress, 2d session. Over and above these two major increases, there is a net increase of \$6,650 for all other elements of program increases.

While the program increases are not mandatory in the usual sense, the funds for regional area conferences and for professional employee performance studies are deemed by the agency to be sound investments in true economy which will pay for themselves many times in terms of improved procedures and better quality and quantity of employee performance. The elimination of such items should be resisted, the agency believes, if true economy is to be secured in this agency's operations.

As you are aware, we have no programs in the usual sense. Our activity stems from cases filed with us by the public under certain provisions of the Labor-Management Relations Act, 1947.

The National Labor Relations Board has no control over the volume of cases filed by the public. We frequently find it difficult to estimate with reasonable accuracy the amount of work that should be anticipated for the future. At the present time it appears that our estimate for fiscal 1957 was reasonably accurate. At the beginning of this fiscal year (1957) we estimated that we would receive 13,415 cases; based on our actual experience during the first 9 months (July 1956 through March 1957), it appears that we will receive approximately 13,435 during fiscal 1957. While the total statistics are almost identical, the actual experience represents an increase in work to the agency since the intake of unfair labor practice cases (which are the more difficult and the more costly to process) is heavier proportionately than originally estimated (5,265 cases estimated, and 5,600 based on 9 months' actual experience).

While the National Labor Relations Board is doing everything possible to co-operate with the present economy drive, it has authorized me to state that the reductions made by the House on April 4, 1957, in the President's budget for 1958 would have serious effect upon the work of this agency. Naturally, as a part of the Federal Government, we will continue to make every effort to achieve currency in case handling regardless of the amount finally appropriated for the work of this agency. Our past history of returning unneeded appropriations to the Treasury proves that, if we find any means of securing real economies that do not now appear possible, all such resulting savings will be returned to the Treasury.

In view of (1) the increased employee performance already estimated (see p. 4 of the NLRB justifications presented to your committee on March 25, 1957) in the President's 1958 budget; (2) the increased work requirements already appearing in our actual experience of intake over our estimate; and (3) the amount of mandatory cost increases previously described, it now appears that the problem of not allowing cases to become unduly delayed in agency case processing will be a serious problem. This agency sees no clear way by which it can further increase the performance of its various employees so as to absorb both the work increase in case filings and the additional mandatory cost increases. It is the opinion of the agency that if we are required to absorb the House reductions, staff reductions below the present level for 1957 must occur. The effect of such reductions will be an increase in time delay experienced by the parties—the very area where we are told we are already taking too long. (See testimony of the National Labor Relations Board before the House Appropriations Committee this year, pp. 340 to 342.) While serious efforts are being made by the

agency to improve this situation, the reductions made by the House would inevitably make it worse.

Therefore, the National Labor Relations Board respectfully requests that your committee restore the reductions approved by the House and return the appropriation item for this agency to the President's request of \$9,575,000 for fiscal year 1958.

Very truly yours,

BOYD LEEDOM, *Chairman.*

GENERAL STATEMENT

Mr. LEEDOM. The budget that we have requested for the next fiscal year is basically the same budget on which we are now operating. The budget for this fiscal year is \$8,951,500, and the requested budget is \$9,575,000; which makes an increase of \$623,500. Now, that \$623,500 represents nothing but an increase in cost of items included in the current budget.

INCREASE MANDATORY

Senator HILL. You mean such as mandatory retirement provisions?

Mr. LEEDOM. Yes.

Senator HILL. In other words, just to take care of obligations that you must meet?

Mr. LEEDOM. That is right.

Senator HILL. You have no discretion as to whether you meet these or not. They are statutory, are they not?

Mr. LEEDOM. That is right.

The items are covered in our submitted report.

Senator HILL. Judge, let me ask you this question, not to interrupt your statement.

HOUSE REDUCTION

I notice the House reduced you \$190,200 under the budget estimate. Is that correct?

Mr. LEEDOM. That is correct.

Senator HILL. If you had that reduction, what would that mean to you?

Mr. LEEDOM. It was a little hard to know what the House had in mind when they made the cut. I think that they actually reduced us to this year's budget, to the exact dollar, and allowed only the contribution to the retirement fund. So we had to review the budget and determine what we would do with the reduced funds. And it probably would mean a decrease in our personnel of about 25 people. That would be the way we would have to cope with it.

Senator HILL. A reduction of 25 in personnel?

Mr. LEEDOM. Yes.

TOTAL PERSONNEL

Senator HILL. How much personnel do you have today, Judge?

Mr. LEEDOM. 1,128.

Senator HILL. 1,128, you say?

Mr. LEEDOM. Right.

Senator HILL. This reduction of \$190,200—was that made by the committee?

Mr. LEEDOM. That was made both by the committee and by floor action.

Senator HILL. How much did the committee cut you?

Mr. LEEDOM. \$125,000, and the balance was given to us on the floor.

Senator HILL. And the rest was given to you on the floor?

Mr. LEEDOM. Yes, some \$65,000.

Senator HILL. By a floor member. Was there a rollcall vote on this House amendment?

Mr. LEEDOM. The staff say not.

Senator HILL. Go ahead. I did not mean to interrupt you.

EXTRA COST ITEMS

Mr. LEEDOM. I just doubt if it is worth my taking your time to enumerate these extra cost items. They are in our prepared statement. They represent such things as an extra day's pay in this fiscal year, which represents \$29,000 of this increase.

Senator HILL. I might say that the committee is pretty well familiar with these additional costs because of course they have come up in connection with the other agencies that have been here.

Mr. LEEDOM. Yes, sir.

I think I would just like to say, in support of the budget estimate, that the Labor Board has a pretty good reputation for economy, and for some years past, we have been able to effect economies that we could not anticipate and have made some refunds.

INCREASING WORKLOAD

Now, this year, with our own people who are concerned with our workload, estimating that the workload is going up—and that is borne out by our experience in this fiscal year, that our workload is going up—notwithstanding our estimate, the Budget Bureau declined to go along with us in our request for a still larger budget, largely for the reason that a year ago we had forecast a rather substantial increase that did not materialize. They said to us, "We are trying to hold you to a stable budget, even though you and even though we may think it may go up. If the funds are inadequate, we will take care of that later."

Now, then, with our actual experience this year showing an increase, and with us being held to a budget that probably is not adequate, we think certainly that the cuts that the House gave us ought to be restored to give us at least this year's budget for a bigger year that is sure to come.

Senator HILL. You speak about an increase in your workload. How much increase would this year cause you to think you would have next year?

PROJECTED CASELOAD

Mr. LEEDOM. Projecting this year's experience thus far for a full year, it shows that we will have about 350 more unfair labor practice cases this year than last year, and about 250 less representation cases. That only shows about 100 net gain in total cases, but unfair labor practice cases are the expensive tough cases. We say that it takes about 3 or 4 times as much work to get out an unfair labor practice case as a representation case. So we are expecting substantial increase in our workload indicated by our experience this year.

Senator HILL. As a judge, you say you docket. How well up are you on your cases?

Mr. LEEDOM. We are managing to keep the backlog from increasing. We are a little disappointed that we have not been able to reduce it. It is reduced a little. But we are disappointed that we have not been able to do some more. We are taking, I think, some very effective steps right now to get quicker action on the representation or election cases.

BACKLOG

Senator HILL. Do you have much backlog today?

Mr. LEEDOM. Yes. We have a fairly substantial backlog.

Senator HILL. Would you estimate the number that you might have that you would call a backlog?

Mr. LEEDOM. Yes. I would like to ask Mr. Wright, who I think has the figures right here.

Mr. WRIGHT. On a total agency basis, as distinguished from just those cases awaiting board decision—which Judge Leedom was just discussing, the total number of cases pending with the agency as of March 31 was almost 2,500 C unfair labor practice cases and slightly more than 1,700 representation cases. They are pending at various stages. A large part of them are still in the regional offices, some before trial examiners, some before the Board, and some in the courts.

Senator HILL. What would you say is the longest time that some of those cases have been pending?

Mr. WRIGHT. There are cases before the Board at the present time that have been pending around 2 years.

COMPLEXITY OF CASES

Mr. LEEDOM. I think of one, Senator, the Kohler case. We have taken testimony in that for more than a year, and we have a 19,000-page record that the trial examiner is now working on.

Senator HILL. Has it reached the point where you have had to read that record, Judge?

Mr. LEEDOM. No, sir, it has not reached that point.

Senator HILL. What would be the average time for these cases, Mr. Wright?

Mr. WRIGHT. For this year, cases that require Board decision are taking 1 year to process or slightly longer.

Senator HILL. When you say "1 year"—

Mr. WRIGHT. From the time they are filed in the regional office until a Board decision issues.

Senator HILL. Until you get a decision by the Board here in Washington?

Mr. LEEDOM. That means that they go through the investigative period, and then if a complaint is issued it is tried by a trial examiner. It means this type of case is appealed to the Board and the Board renders its decision.

Mr. WRIGHT. Of course, on representation cases, where the time to decision is much shorter, it takes about 3 months to get a Board decision or direction of election.

Senator HILL. But it is the C cases that take the year's time?

Mr. Leedom; that is right; a year, approximately.

EFFECTS OF PERSONNEL REDUCTION

Senator HILL. Now, how serious would be this loss that you had to sustain of these 25 employees? Where would they come from?

Mr. LEEDOM. If we are forced to make a reduction in personnel—and we estimate it would be 25 there—it would follow a pattern that would be in about the same proportion as our overall personnel. There would be some professional people, some lawyers, who would have to come out, and then a certain number of clericals that fit into our work pattern with the professionals.

The net result would be an extension probably of this time lapse on the cases; which disturbs us, because of the tremendous effort we have been making to reduce time.

Senator HILL. In other words, the net result, you feel, would be instead of going forward, with a reduction of the time elapsed, that you would have an extension of the time elapsed.

Mr. LEEDOM. That is bound to be the net result of a reduction in our personnel. And time, as you know, is of the essence in getting justice.

Senator HILL. "Justice delayed is justice denied." Which one of the old distinguished judges pronounced that?

Mr. FENTON. It could be Lord Coke.

BUDGET ALLOWANCE FOR PERSONNEL

Senator HILL. Now, your budget as sent up by the Budget Bureau did not allow any additional personnel at all.

Mr. WRIGHT. It allowed a very slight increase.

Mr. LEEDOM. It seems to me it was about six.

Mr. WRIGHT. That is right. It did not allow any new positions. It allowed us to fill for longer periods of time the same number of positions.

Senator HILL. How many new positions did you ask the budget for in your request?

Mr. WRIGHT. We asked for about 130 additional employees.

Senator HILL. They divided them into lawyers, stenographers, investigators.

Mr. WRIGHT. That is right.

Senator HILL. That is what you felt you needed if you were going to meet this anticipated increased load and make some progress in cutting down at this time; is that right, Judge?

Mr. LEEDOM. That is right, sir.

Senator HILL. Is there anything else you would like to add, Judge?

Mr. LEEDOM. I cannot think of anything more. I think our General Counsel, who is in charge of our field operations and our legal division, might have something.

Mr. FENTON. I will not trespass upon your time with arithmetic because I see everybody is well grounded and well founded on the figures here. I would like to, as a newcomer, make an observation, if I may.

ECONOMY PRACTICED BY BOARD

I have been most impressed, during my brief tenure with the Board, that it is a rather Spartan agency when it comes to the Government dollar. The husbandry is quite refreshing. It would be our ambition,

I might add, if we have these cuts restored, to enjoy at the end of the fiscal year the privilege of returning to the Treasury any unexpended funds.

There are just a couple of items that illustrate rather sharply, I think, the fact that our workload, however carefully projected, is governed by events external to ourselves.

NEW DUTIES AS ARBITRATOR

To illustrate, just recently the court has determined that, in the area of disputes between unions over who shall perform the work (jurisdictional dispute cases), the Board would have a duty to arbitrate who shall have the work, and not simply decide that it does not belong to Union A or B. That has the rather staggering prospect of putting us into essentially an arbitrating type of work, which would be new to us.

In another recent case, another court has upset the long pattern of back-pay determination. Briefly, the court has said that a person wrongfully discharged now has to seek a job in another community at a lower pay. That sort of thing is going to make incumbent upon us a sort of community-type study with a wholly unanticipated type of workload. This illustrates the types of things that frighten us in terms of having our funds cut unduly.

I do think that the restoration of these funds will simply let us do our normal work, and these other factors I mentioned tend to show the hazards that we have in a narrow budget.

I do think also that any cut in personnel, in a straight work as against a program agency, is not in order at this particular time.

Senator HILL. Thank you very much.

Anything else now?

Mr. LEEDOM. Thank you.

JUSTIFICATION

Senator HILL. I have just been glancing at the justifications presented in support of your request for the budget estimate, and I think this material should be included in the hearings, to fully cover the details of your request should we have forgotten to make mention of any item or items.

(The material referred to follows:)

I. INTRODUCTION

A. COMPARISON OF 1958 APPROPRIATION REQUEST WITH 1956 AND 1957 APPROPRIATIONS

The original appropriation for fiscal year 1956 was \$8 million. Based on pay-increase legislation effective the latter part of fiscal year 1955 and also based upon the need for an additional work supplemental an additional \$800,000 was appropriated. Therefore, total appropriation for fiscal year 1956 was \$8,800,000.

Present appropriation for fiscal year 1957 is \$8,951,500.

The fiscal year 1958 appropriation request is for \$9,575,000.

B. ANTICIPATED WORK PROGRAM FOR FISCAL YEARS 1957 AND 1958

1. Cases filed with the agency

During the past 2 years much union effort has been devoted to planning, organizing, and consolidating the merged American Federation of Labor-Congress of Industrial Organizations.

During these same 2 years many articles and statements have issued describing plans and programs to intensify organizing drive efforts for the purpose of in-

creasing membership in the new organization and of increasing the number of plants, units, and employees covered by collective bargaining contracts. It is self-evident that, when these plans and programs for organizing are fully launched, the work of the National Labor Relations Board will be increased materially.

As a matter of fact, in last year's request for funds, this agency anticipated in its estimates that work from such organizing efforts would be forthcoming. To date there has been no compelling evidence of any material amount of organizing drive plans being set in motion.

The House Appropriations Committee in its report,¹ in which it reduced the 1957 appropriation request of \$10,263,500 for this agency to \$8,951,500, stated, "It is the feeling of the committee that any greater increase in this appropriation should be deferred until there is more concrete evidence that this additional workload will actually develop." There is no more concrete evidence presently available concerning this potential additional caseload. Indeed, it is clearly evident now that, although the increased case intake for this agency is clearly implied in these organizing drive plans, the major problem is being able to estimate the time when these plans will be launched and when the plans will result in an increase in agency caseload.

For these reasons the agency estimate for the current year and the request for fiscal year 1958 make no assumptions with regard to the much-discussed special organizing drive plans and programs of the various segments of labor organizations. The only assumption insofar as case intake is concerned in the present estimates is that cases will continue to be filed with the agency in approximately the same volume as occurred in fiscal year 1956 and as is now taking place.

Analysis of case intake experience and current estimates

Symbol used to designate type of case	Type of case	Actual case intake			Estimated case intake	
		1954 fiscal year	1955 fiscal year	1956 fiscal year	1957 fiscal year	1958 fiscal year
CA	Charges of employer unfair labor practices under sec. 8 (a)-----	4, 373	4, 362	3, 522	3, 550	3, 550
CB	Charges of union unfair labor practices under sec. 8 (b) (1) (2) (3) (5) (6)-----	1, 257	1, 382	1, 171	1, 200	1, 200
CC	Charges of union unfair labor practices under sec. 8 (b) (4) (A) (B) (C). These cases require the securing of mandatory injunctions under provisions of sec. 10 (1)-----	250	345	421	425	425
CD	Charges of union unfair labor practices involving jurisdictional disputes under sec. 8 (b) (4) (D)-----	85	82	151	90	90
	Total, complaint-type cases-----	5, 965	6, 171	5, 265	5, 265	5, 265
RC	Employees or union petitions for certification under sec. 9 (c) (1) (A) (i)-----	7, 028	6, 160	7, 121	7, 100	7, 100
RM	Employers petitions for certification under 9 (c) (1) (B)-----	568	545	595	600	600
RD	Petitions for decertification under sec. 9 (c) (1) (A) (ii)-----	480	460	360	400	400
	Total, representation-type cases-----	8, 076	7, 165	8, 076	8, 100	8, 100
	Subtotal, complaint-and representation-type cases-----	14, 041	13, 336	13, 341	13, 365	13, 365
UD	Petitions for deauthorization of union shop under sec. 9 (c) (1)-----	53	55	47	50	50
	Grand total-----	14, 094	13, 391	13, 388	13, 415	13, 415

2. Pending caseload and output

The present estimates assume that the agency will be able to keep up with the estimated intake. In order to accomplish this goal, it will be necessary for most areas of the agency to improve per capita case production above the 1956 fiscal year experience.

¹ Report No. 1845, to accompany H. R. 9720, and dated March 2, 1956.

Actual and estimated productivity changes from fiscal year 1955 actual performance

[Percent]

	Field profes- sional	Trial exam- iners	Legal assist- ants	Enforcement
1956 actual.....	+4	-12	-13	+6
1957 estimate.....	+7	+7	-1	+10
1958 estimate.....	+9	+18	+2	+13

While such improvement will be difficult to obtain, it is believed that the estimate is sufficiently realistic to warrant its use in these assumptions. However, it would become an unrealistic estimate to assume any additional improvement beyond that already estimated.

Therefore, while these estimates provide the agency with sufficient allowance to keep pace with the estimated volume of case filings, there is no anticipation that the size of the pending caseload will be materially reduced or increased. It is estimated that the actual size of the pending caseload on June 30, 1956 (end of fiscal year 1956), will remain approximately the same at the end of fiscal years 1957 and 1958.

Comparison of pending caseload with estimated intake fiscal years 1957 and 1958

Type of case	Cases pending on June 30, 1956 (actual)	Estimated case intake for—		Estimated pending on June 30, 1956
		Fiscal year 1957	Fiscal year 1958	
Unfair labor practice.....	2,318	5,225	5,225	2,318
Representation.....	1,444	8,100	8,100	1,444
Union shop deauthorization.....	6	50	50	6
Total.....	3,768	13,375	13,375	3,768

II. GENERAL ASSUMPTIONS UPON WHICH 1958 WORKLOAD ESTIMATES ARE BASED

A. COMPLIANCE OF LABOR ORGANIZATIONS WITH FILING OF NONCOMMUNIST AFFIDAVITS AND REGISTRATION REQUIREMENTS OF SECTION 9 (F) (G) AND (H)

For several years most of the large labor organizations (the primary exceptions being the United Mine Workers and the International Typographical Union) have been in compliance with the filing and registration provisions of this section. The estimated workload assumes that these two labor organizations will not effect compliance, and therefore, will not file any cases with the agency.

B. THE ESTIMATE OF JURISDICTIONAL DISPUTE FILINGS—(CD CASES)

The National Joint Board for the Settlement of Jurisdictional Disputes, established by agreement between the Associated General Contractors and the building and construction trades department of the AFL-CIO to resolve jurisdictional disputes in the building and construction industry, continues to function. The agency's estimate of jurisdictional dispute cases for fiscal years 1957 and 1958 assumes that the Joint Board will continue to operate as it has in recent years. Should the Joint Board be dissolved for any reason, the number of jurisdictional dispute cases filed with the agency would increase sharply.

C. EXPLANATION OF FAILURE TO INCLUDE ESTIMATES FOR CONDUCT OF NATIONAL EMERGENCY ELECTIONS IN FISCAL YEARS 1957 AND 1958

Under section 209 (b) of the Labor-Management Relations Act, the National Labor Relations Board is required to conduct elections in national emergency situations. These elections are for the purpose of determining whether, before going on strike after an 80-day injunction, employees involved in the labor dispute are willing to accept the last offer of the employers involved.

Recently a national emergency (80-day) injunction was secured against the International Longshoremen's Association. On November 22, 1956, the President issued Executive Order No. 10689, finding that a labor dispute between the International Longshoremen's Association (Independent) and various employers and employers' associations in Atlantic and gulf coast ports from Portland, Maine, to Brownsville, Tex., where members of the ILA were then on strike, would, if permitted to continue, imperil the national health and safety. The Executive order created a board of inquiry and directed it to report to the President on or before November 24, 1956, in accordance with the provisions of section 206 of the act. The board of inquiry made its report on November 24, 1956. Thereafter, also on November 24, the Attorney General, at the direction of the President, secured a court order enjoining continuation of the strike. On the 60th day (January 23, 1957), after issuance of this injunction, the board of inquiry issued a further report on the controversy, indicating those areas where no settlement had been reached and the final offer by the employer in each area.

Pursuant to section 209 (b) of the act, the National Labor Relations Board on February 4, 5, 6, and 7, 1957, conducted a "last offer" election among 15 groups of employees of the maritime industry on the Atlantic coast. The Portland (Maine) Shipping Association and the Employers Committee of South Atlantic Ports (covering ports from Moorehead City, N. C., to Tampa, Fla., made no final offer and therefore it was impossible to ballot those employees on whether or not to accept the "last offer." The employer associations for the gulf coast ports beginning west of Tampa did make final offers. However, based upon those final offers, employers and the unions came to agreement prior to the agency's conduct of an election. Therefore, elections were conducted only in the following areas: Boston, Providence, New Bedford, New York, Philadelphia (5 groups of employees), Baltimore (5 groups of employees), and Hampton Roads. The results of these elections were certified to the Attorney General on February 11, 1957.

It can be seen from this résumé of events that, although as recently as 2 or 3 months ago it was believed that this might be an extremely costly job, the work involved considerably less effort than would have originally been anticipated. Furthermore, the agency has been called upon to conduct only a few other minor elections of this type in the past several years.

While it is possible that the agency may be called upon to conduct more elections of this type, no funds for this contingent item were included in the fiscal year 1957 estimates and none are included in the 1958 request. No reasonable estimate can be developed in advance; there is always the possibility that the agency might suddenly have to incur very heavy obligations under this provision of the law. In that event, the agency might have to submit a deficiency appropriation request.

D. CEDING OF JURISDICTION TO STATE BOARDS

There is no reason to believe that in fiscal year 1957 or 1958 it will be possible for the agency to make any agreements with State labor boards whereby matters arising in some States could be ceded to a State body. The provisions of section 10 (a) of the act will continue to bar such agreements, so long as the States do not pass identical statutes.

III. ANTICIPATED WORKLOAD AT MAJOR STAGES OF THE AGENCY'S OPERATIONS

The National Labor Relations Board operates on a production-line basis. The processing of complaint-type cases involves 4 major stages and all 4 major organizational units: the processing of representation-type and union-shop deauthorization cases, only 2 stages, and 2 of the 4 major organizational segments.

The basic workload for each of the major organizational groups develops as follows:

A. FOR THE REGIONAL OFFICES

All cases filed with the agency are filed initially with the appropriate region and constitute a part of the regional office caseload. The workload data for this appears on the following page.

Workload for regional offices

Symbol used to designate type of case	Type of case	Actual case intake March 1956 through Febru- ary 1957	Estimated annual case intake		Estimated cases to be processed	
			Fiscal year 1957	Fiscal year 1958	Fiscal year 1957	Fiscal year 1958
CA	Charges of employer unfair labor practices under sec. 8 (a)	3,545	3,550	3,550	3,550	3,550
CB	Charges of union unfair labor practices under sec. 8 (b) (1), (2), (3), (5), (6)	1,117	1,200	1,200	1,200	1,200
CC	Charges of union unfair labor practices under sec. 8 (b) (4) (A), (B), (C). These cases require the securing of mandatory injunctions under provisions of sec. 10 (1)	487	425	425	425	425
CD	Charges of union unfair labor practices involving jurisdictional disputes under sec. 8 (b) (4) (D)	150	90	90	90	90
	Total, complaint-type cases	5,299	5,265	5,265	5,265	5,265
RC	Employee or union petitions for certification under sec. 9 (c) (1) (A) (i)	6,793	7,100	7,100	7,100	7,100
RM	Employers' petitions for certification under sec. 9 (c) (1) (B)	634	600	600	600	600
RD	Petitions for decertification under sec. 9 (c) (1) (A) (ii)	325	400	400	400	400
	Total, representation-type cases	7,752	8,100	8,100	8,100	8,100
	Subtotal, complaint- and representation-type cases	13,051	13,365	13,365	13,365	13,365
UD	Petitions for deauthorization of union shop under sec. 9 (e) (1)	40	50	50	50	50
	Grand total	13,091	13,415	13,415	13,415	13,415

B. FOR THE DIVISION OF TRIAL EXAMINERS

Intake for the Division is based upon complaints issued by regional offices for those unfair labor practice cases which require hearings before trial examiners. More than half of these cases will require an intermediate report and subsequent referral to the Board members. The workload figures are as follows:

Case intake (complaints issued by regional offices):

Actual, fiscal year 1956	442
Estimate, fiscal year 1957	449
Estimate, fiscal year 1958	522

Cases processed (intermediate reports issued by trial examiners):

Actual, fiscal year 1956	223
Estimate, fiscal year 1957	309
Estimate, fiscal year 1958	360

C. FOR THE OFFICES OF THE BOARD MEMBERS

The basic workload for legal assistants in the offices of the Board members consists of: (1) Trial examiner intermediate reports in unfair labor practice cases to which the parties have filed exceptions and which require a decision by the Board; and (2) contested representation-type cases which, therefore, are referred to the Board from regional offices for formal decision. The workload figures for this group are as follows:

	Unfair labor practice cases	Representa- tion-type cases
Case intake:		
Actual, fiscal year 1956	181	1,439
Estimate, fiscal year 1957	227	1,503
Estimate, fiscal year 1958	266	1,503
Cases processed:		
Actual, fiscal year 1956	200	1,423
Estimate, fiscal year 1957	211	1,503
Estimate, fiscal year 1958	205	1,503

D. FOR THE DIVISION OF LAW

The most time-consuming function of this Division involves the seeking of enforcement of Board orders in the circuit courts of appeals and in the Supreme Court. This function is performed by the Enforcement Branch, with assistance of the Managing Attorney's Branch. Its basic workload consists of those Board decisions in unfair labor practice cases with which compliance cannot be secured voluntarily, so that enforcement litigation is necessary. The workload figures are as follows:

Referrals requiring circuit court action:

Actual, fiscal year 1956.....	112
Estimate, fiscal year 1957.....	94
Estimate, fiscal year 1958.....	96

Cases processed (briefs filed with the circuit courts of appeals):

Actual, fiscal year 1956.....	112
Estimate, fiscal year 1957.....	94
Estimate, fiscal year 1958.....	96

NATIONAL MEDIATION BOARD

STATEMENTS OF FRANCIS A. O'NEILL, JR., BOARD MEMBER; AND
M. D. LEWIS, ASSISTANT EXECUTIVE SECRETARY

APPROPRIATION ESTIMATE

"Salaries and expenses: For expenses necessary for the National Mediation Board, including stenographic reporting services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a), [\$460,000] \$520,000."

Program and financing

	1956 actual	1957 estimate	1958 estimate
Program by activities:			
1. Mediation.....	\$428,791	\$443,500	\$485,000
2. Administration.....	31,209	32,000	35,000
Total obligations.....	460,000	475,500	520,000
Financing: Proposed transfer (due to pay increases) from "Salaries and expenses, National Railroad Adjustment Board".....		-15,500	
Appropriation (adjusted).....	460,000	460,000	520,000

Obligations by objects

	1956 actual	1957 estimate	1958 estimate
Total number of permanent positions.....	41	40	40
Average number of all employees.....	40	39	40
Number of employees at end of year.....	40	39	40
Average salaries and grades:			
General schedule grades:			
Average salary.....	\$7,034	\$7,342	\$7,414
Average grade.....	GS-9.9	GS-9.8	GS-9.6
01 Personal services:			
Permanent positions.....	\$325,428	\$347,000	\$353,550
Regular pay above 52-week base.....	1,082		1,150
Total personal services.....	326,510	347,000	354,700
02 Travel.....	113,086	110,000	120,000
03 Transportation of things.....	30	50	50
04 Communication services.....	13,606	12,950	13,550
06 Printing and reproduction.....	3,639	3,000	3,000
07 Other contractual services.....			2,700
08 Supplies and materials.....	2,693	2,500	2,500
09 Equipment.....	436		
11 Grants, subsidies, and contributions: Contribution to retirement fund.....			23,500
Total obligations.....	460,000	475,500	520,000

APPROPRIATION ESTIMATE

"Arbitration and emergency boards: For expenses necessary for arbitration boards established under section 7 of the Railway Labor Act, as amended (45 U. S. C. 157), and emergency boards appointed by the President pursuant to section 10 of said Act (45 U. S. C. 160), including stenographic reporting services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a), \$250,000."

Program and financing

	1956 actual	1957 estimate	1958 estimate
Program by activities:			
1. Voluntary arbitration.....	\$132,500	\$166,000	\$166,000
2. Investigations of emergency disputes.....	72,994	84,000	84,000
Total obligations.....	205,494	250,000	250,000
Financing: Unobligated balance no longer available.....	19,506		
Appropriation (adjusted).....	225,000	250,000	250,000

Obligations by objects

	1956 actual	1957 estimate	1958 estimate
Average number of all employees.....	8	10	10
Number of employees at end of year.....	8	11	11
01 Personal services: Positions other than permanent.....	\$167,651	\$198,000	\$198,000
02 Travel.....	22,546	35,000	35,000
05 Rents and utility services.....	10,642	13,800	15,000
06 Printing and reproduction.....	3,455	2,000	2,000
07 Other contractual services.....	1,200	1,200	
Total obligations.....	205,494	250,000	250,000

APPROPRIATION ESTIMATE

"NATIONAL RAILROAD ADJUSTMENT BOARD

"Salaries and expenses: For expenses necessary for the National Railroad Adjustment Board, including stenographic reporting services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a), **[\$502,000]** \$525,000, of which not less than **[175,000]** \$155,000 shall be available for compensation (at rates not in excess of \$75 per diem) and expenses of referees appointed pursuant to section 3 of the Railway Labor Act, as amended."

Program and financing

	1956 actual	1957 estimate	1958 estimate
Program by activities:			
Adjustment of grievances:			
(a) Train service employees.....	\$158,355	\$168,600	\$178,500
(b) Shop employees.....	98,240	99,200	106,500
(c) Other nonoperating employees.....	146,849	165,200	180,600
(d) Marine employees.....	52,531	53,500	59,400
Total obligations.....	455,975	486,500	525,000
Financing:			
Unobligated balance no longer available.....	46,025		
Proposed transfer (due to pay increases) to "Salaries and expenses, National Mediation Board".....		15,500	
Appropriation.....	502,000	502,000	525,000

Obligations by objects

	1956 actual	1957 estimate	1958 estimate
Total number of permanent positions.....	51	49	49
Full-time equivalent of all other positions.....	6	7	7
Average number of all employees.....	54	56	56
Number of employees at end of year.....	59	60	60
Average salaries and grades:			
General schedule grades:			
Average salary.....	\$5, 073	\$5, 189	\$5, 323
Average grade.....	GS-7.0	GS-7.2	GS-7.2
01 Personal services:			
Permanent positions.....	\$248, 360	\$254, 000	\$254, 000
Positions other than permanent.....	114, 619	136, 000	132, 000
Regular pay above 52-week base.....	873		1, 000
Total personal services.....	363, 852	390, 000	387, 000
02 Travel.....	20, 786	24, 900	24, 500
03 Transportation of things.....	81	200	100
04 Communication services.....	8, 228	8, 000	8, 500
06 Printing and reproduction.....	48, 439	49, 700	69, 000
07 Other contractual services.....	2, 863	3, 000	3, 000
03 Supplies and materials.....	6, 162	5, 500	6, 000
03 Equipment.....	5, 564	5, 200	9, 800
11 Grants, subsidies, and contributions: Contribution to retirement fund.....			17, 100
Total obligations.....	455, 975	486, 500	525, 000

PREPARED STATEMENT

Senator HILL. The National Mediation Board is next. Mr. O'Neill, we are glad to have you back with us again. You have filed your statement, I suppose.

Mr. O'NEILL. We have, Mr. Chairman, and I won't burden you or the committee this morning with going into the history of the background of our operation. I believe the committee is fully familiar with the operations of the National Mediation Board.

Senator HILL. Your statement will be received for the record, and you may proceed.

(The statement referred to follows:)

STATEMENT OF FRANCIS A. O'NEILL, JR., MEMBER, NATIONAL MEDIATION BOARD

The National Mediation Board is the agency designated by Congress to administer the Railway Labor Act. This legislation has been in effect since 1934 without major amendment since that time, and it treats with labor relations in both the railroad and airline industries.

The fiscal year 1958 will be the 24th year of operation of the present board and the 32d year of the Railway Labor Act. The primary duty of the National Mediation Board is that of mediating disputes between labor and management in the rail and air transport industries concerning changes in rates of pay, rules, and working conditions. This board is also charged with the duty of resolving representation disputes arising among the employees of the rail and air carriers by conducting ballot box elections, or making checks of the signatures on authorization cards.

Another duty of the Board is the naming of referees to sit with the various divisions of the National Railroad Adjustment Board, and the appointment of neutrals to arbitration boards, when called upon to do so. The board also certifies to the President disputes involving rail or air carriers and their employees which in the judgment of the Mediation Board threaten to deprive a substantial portion of the country of essential transportation service. There are currently approximately 1,125,000 railroad employees and about 150,000 airline employees.

The board consists of three members appointed by the President and confirmed by the Senate; and a small staff of 36 classified civil service employees of which 24 are field mediators.

Our budget request for salaries and expenses contemplates an increase of \$44,500 over the amount appropriated by the Congress for the current year. However, of this amount some \$27,000 is for compulsory insurance, retirement fund, and penalty mail in accordance with law.

The basic increase for which we are asking is \$18,300 to employ 1 additional mediator, travel and communication expense. Last year the Congress cut our appropriation to the point where we had money enough for only 23 mediators in place of 25. We are requesting this year funds enough to increase the mediator force by 1, thus giving us 24. The cut in the field force has been reflected in our caseload. This time a year ago we were running about 200 active cases. Today we are running 266. We feel the loss of the one mediator has been the direct cause of the increase in the workload.

The estimate for the arbitration and emergency boards is a contingent fund and any unexpended amount at the end of the year is returned to the Treasury. It is quite difficult to forecast with any degree of accuracy the number of boards which may be required in any fiscal year, as this depends on emergency situations threatening interstate commerce. We are asking for \$250,000 for this fund for fiscal 1958, the same amount we have for fiscal 1957.

For the National Railroad Adjustment Board the Bureau of the Budget has allowed them \$525,000. This is \$23,000 more than was appropriated for the current year. Of this \$23,000 some \$17,000 is for payment to the retirement fund in accordance with law and \$5,900 is for printing and reproduction.

There are no additions to the employee force contemplated.

Mr. O'NEILL. Getting down to the real nub of the question, the budget for the National Mediation Board stands on the basis of an increase of \$44,500 for the next fiscal year. However, \$27,000 of that is for compulsory insurance, retirement fund and penalty mail; with the result that the actual increase we are asking for is \$18,300.

Senator HILL. That would be all the increase you would have: \$18,000. I see. That is because of these statutory obligations that have been imposed on you?

Mr. O'NEILL. That is correct, Mr. Chairman.

Now, we are authorized to have 25 mediators. We have at the present time 23. We are asking funds for putting 1 more on, giving us 24. And that we deem as necessary.

INCREASE IN WORKLOAD

This time last year we were running about 200 active cases. Today we are 266 cases. We feel that falling behind is because of the loss of that one mediator. And that about states our case as to actual funds.

Senator HILL. This \$18,000 would make it possible for you to have the additional mediator?

Mr. O'NEILL. That is correct, sir; \$18,000 is not salary. I think it runs about \$7,000.

Senator HILL. I understand that, but I mean if you get the \$18,000 you can certainly put on the additional mediator.

What is the average salary of a mediator?

Mr. O'NEILL. About \$8,500.

Mr. LEWIS. Plus his travel.

Mr. O'NEILL. In that fund, of course, we have to include his travel.

Senator HILL. I appreciate that fact.

NO HOUSE REDUCTION

The House did not cut you any, did they?

Mr. O'NEILL. No, they did not.

Senator HILL. Was any record made on the floor of the House to cut you?

Mr. O'NEILL. No, sir.

We do turn back to the Treasury each year every penny that is not actually used for necessary purposes.

Now, you will notice in our Arbitration and Emergency Board fund \$250,000. There is a considerable sum of that turned back.

REFUND TO TREASURY

Senator HILL. You say a considerable sum turned back. Do you know how much was turned back? Have you got that figure? That might be good for the record.

Mr. LEWIS. \$19,500.

Senator HILL. \$19,500 turned back. I see.

All right. Did you get a chance to turn back anything else?

Mr. O'NEILL. 700, Mr. Chairman, we do not authorize our men, as permitted by Congress, to charge 10 cents per mile for automobile travel. We have limited them to 7 cents a mile. We have trimmed every possible corner we could in order to stay within our limits.

Senator HILL. In other words, you do not allow them the 10 cents that you could allow them, and you hold them down to 7 cents?

Mr. O'NEILL. That is correct.

Senator HILL. Well, that is very interesting.

Anything else you would like to suggest along those lines?

Mr. O'NEILL. No, I think as to the Emergency Board fund we are asking the same as last year. The House went along with it.

ADJUSTMENT BOARD

While I am here, Mr. Chairman, I might give you the fact as to the Adjustment Board. Their witnesses are here. But their situation is practically the same as ours. The House did not cut their funds. They, overall, are only asking for \$5,900, and that is for some back printing that has been falling behind out there. They are asking for no additional personnel.

Of the \$23,000, \$17,000 of it is payment for the retirement fund in accordance with the law. That has the result that the actual increase to the Board would be \$5,900.

Senator HILL. Is that \$5,900 for any specific purpose?

Mr. O'NEILL. Well, most of it is for printing.

Senator HILL. This back printing you were speaking of?

Mr. O'NEILL. That is correct, Mr. Chairman.

Senator HILL. Printing certain decisions or records?

Mr. O'NEILL. That is correct. These awards put out by the Adjustment Board are more or less the law of the railroad industry so far as grievance disputes are concerned, and it is most necessary that they be carried and that every organization have copies of these awards, and Congress has gone along with that program for a number of years.

I understand that they have held back a considerable amount of their printing during the current fiscal year, but this \$5,900 will permit them to catch up on some of it.

FUNDS FOR PRINTING

Senator HILL. How much would you need to come up to date on your printing?

Mr. O'NEILL. I will ask Mr. Howard of the Adjustment Board.

Mr. HOWARD. I think about \$15,000 we will have to withhold until the next fiscal year, Mr. Chairman.

Senator HILL. What will this printing consist of?

Mr. HOWARD. That is awards of the various Divisions of the Board. And then incidentally the Board only gets enough for its use, but the parties, the labor organizations and the carriers, then buy from this contract printer.

Senator HILL. They buy such copies as they need?

Mr. HOWARD. Yes, sir.

Senator HILL. But to bring you up to date in that printing would be not \$5,900 but \$15,000.

Mr. HOWARD. It will be somewhere near that.

Now, we hope to be able to get through next year with that additional amount.

Senator HILL. Is there anything else you would like to add, Mr. Howard?

Mr. HOWARD. I believe that covers it pretty well, Mr. Chairman.

The House understood our situation with regard to the printing and went along with our request for the additional amount.

Senator HILL. Is there anything you would like to add, Mr. O'Neill or Mr. Lewis?

We are very much obliged to you, gentlemen.

Thank you very much.

Mr. O'NEILL. Thank you, Mr. Chairman.

JUSTIFICATION

Senator HILL. I think the hearings should include extracts from the justifications presented in support of your request for the estimates, and I shall direct the clerk to have included such material as may be required.

(The material referred to follows:)

ESTIMATE OF APPROPRIATION FISCAL YEAR 1958

ORGANIZATION AND ACTIVITIES

The amended Railway Labor Act is the culmination of more than 60 years of experience in the field of Federal legislation dealing with the relationship of employer and employee in the transportation industry. This history commenced with the passage of the Newlands Act by the Congress in 1898, and through several successive steps of legislative action, has finally resulted in the present Railway Labor Act, passed in 1926 and amended in 1934, and administered by the National Mediation Board. The airline industry was placed under this law by the Congress in 1936.

The basic aims of the present act are to promote the settlement of all disputes concerning rates of pay, rules and working conditions by negotiation and agreement between the duly authorized and designated representatives of management and the employees. This is accomplished through the process of collective bargaining between the representatives of the rail and air carriers and their employees. Representatives for this purpose may be chosen by each party without interference, influence, or coercion of either party on the other.

The primary obligation imposed by the act on both parties is that of making agreements to govern rates, rules and working conditions and to reduce strife in the industry.

The act also imposes the definite obligation on both sides to confer and make every reasonable effort to adjust their differences through negotiation and agreement. When this is not found possible the mediation services of this Board may

be invoked by either party and the Board then exerts its best efforts in mediation to bring about an adjustment. Should these efforts be unsuccessful, the law then makes it the duty of the Board to urge the parties to submit their differences to final and binding arbitration. As a last resort the Board may certify to the President emergencies which threaten to interrupt interstate commerce to a substantial portion of the country, and the controversy may then be considered by an emergency board.

The Mediation Board has 3 members who are Presidential appointees, and 36 employees, making a total staff of 39. All of the staff, with the exception of the board members, are under the classified civil service. Approximately 1,125,000 rail and 150,000 airline employees are under the jurisdiction of this Board and the act.

The Mediation Board also determines representation disputes arising among various crafts or classes of railroad and airline employees, by conducting secret ballot elections or checking signed authorization cards, and certifies the names of the chosen representatives to the carriers. In addition, the Board appoints referees to sit with the various divisions of the National Railroad Adjustment Board on deadlocked cases, and, when requested to do so, appoints neutral arbitrators to sit with arbitration boards set up under the act; and appoints neutrals to work with special boards of adjustment on the rail carriers and with system boards of adjustment on the airlines.

REVIEW OF OPERATIONS

During the past 4 or 5 years the Board has been confronted with a great many strike threats, creating emergency situations on both the rail and air carriers which require the immediate and extended mediation efforts of the members and field staff. These strike threats have averaged as many as five a month and demanded prompt action by the Board. These threatened strikes have reached this stage because the procedures of the law have not always been complied with. The act basically is one of the rights and needs only the good faith of both sides to make it work as intended. We have been fortunate in getting the parties together before they become national problems.

PERSONAL SERVICES

Due to the reduction of funds by the Congress for the current fiscal year we have been obliged to reduce our field force to 23. However, we feel this reduction will handicap us in our ability to handle the mediation work as promptly as intended by law and in order to take care of the large number of strike threats in both the railroad and airline industries. These threatened disruptions to service make it necessary for us to direct our top mediators from their regular duties to help put out the fires, and thus causing a delay in the normal handling of regular work. We are therefore asking for \$6,390 for one grade GS-11 mediator. mediator.

STATUS OF WORK OF BOARD

The A or docketed mediation cases and the undocketed applications for mediation as of June 30, 1956, which have not yet been handled represent under normal conditions more than 5 months full work for the mediation force. During the fiscal year 1956, the disposition of A cases averaged 16 per month compared with an average of 14 dispositions per month in the fiscal year 1955.

At the start of the 1957 fiscal year the Mediation Board had a backlog of 221 disputes awaiting mediator service and at the close of the year the backlog amounted to 256; of this 256 cases there were unassigned as of June 30, 1956, 134 A cases, 18 R cases and 104 miscellaneous cases. During 1956 an average of 163 A, 25 R, and 100 miscellaneous cases were pending at the beginning of each month, as compared to 1955 when there was an average backlog of 143 A, 23 R, and 100 miscellaneous cases at the beginning of each month.

The following table shows actual caseload figures for 1955 and 1956, and estimated figures for the fiscal year 1957 and 1958 based on experience for the past 4 years.

Mediation cases

	1955	1956	1957	1958
Cases pending first of year.....	200	221	256	266
Cases received during year.....	502	546	510	510
Total cases.....	702	767	766	776
Cases disposed of during year.....	431	511	500	500
Cases pending end of year.....	221	256	266	276

AIRLINE CASES

Title II of the Railway Labor Act, placing the airlines of the United States thereunder, was approved April 10, 1936. During the first few years thereafter, very few cases arose among airline employees requiring the mediatory services of this Board, or its services in connection with representation disputes. Organizational activity among certain employee groups in the airline industry is still in progress and numerous individual labor organizations are involved.

As previously indicated, the introduction of heavier and faster planes generally results in approaches by the flight personnel for revised rules and increased compensation. The pilots' organization has continued its efforts to secure a larger compensation for its members on the theory that they should participate to a greater extent in the potential earning capacity of the larger and faster planes. This will be stepped up to a marked degree with the introduction of jet planes in transport service. During the past year, the flight engineers have also been pressing for higher rates of pay, and have succeeded in introducing the incentive type of pay scale for this class of employees.

Other classes of airline employees including the clerical, communications, and mechanical crafts or classes have also pressed their demands for higher pay scales, the union shop, increased shift differentials, more holidays, etc., which has resulted in a marked increase in the number of disputes involving airline employees being progressed to mediation.

The establishment of new routes or changes in established routes has resulted in approaches for changes in agreements, which include rules and rates for handling joint routes and interchange service.

Consolidation of established airlines by purchase and merger has resulted in disputes involving the status of the personnel of the affected units including integration of seniority lists, severance pay formulas, etc. The airline industry although expanding is still in a shakedown period of mergers and consolidations under authority of the Civil Aeronautics Board, and many problems will arise in connection with this phase of airline operations.

Except for the pilots, who are represented by a single labor organization, other groups on the airlines are represented by many different organizations, which has resulted in a divergence in the terms of agreements on rates and rules. With many of the classes of ground service employees still unrepresented, and with organizing campaigns in progress among them by various organizations, we anticipate a continuation of the high level of representation disputes among airline employees.

The practice which has been followed by the airlines and employee representatives of making term agreements has resulted in disputes arising regularly at the end of the stated term. The experience of this Board has been that disputes arise less frequently when there is no term provision.

The total airline cases handled represents approximately 25 percent of the total cases handled by the Board. However, these airline cases consumed more than 35 percent of our total 6,100 mediation days, although the commercial airlines employ only about 10 percent of the total number of persons falling under the jurisdiction of the act. The amount of time spent on these cases is quite large in proportion to the number of employees involved. A major cause for the large amount of time spent in handling airline cases, we think, is the yearly term agreements, which bring about annual schedule revisions. In many instances, these disputes go to mediation with a great many issues unresolved. The situation necessitates protracted mediation efforts in an industry that has not yet come of age, and is likely to continue until the parties enter into continuing, rather than term agreements, and in general acquire the experience in labor rela-

tions which has resulted in a more stable situation in the much older railroad industry.

ARBITRATION AND EMERGENCY BOARDS

Obligations by objects

	1957	1958
Average number of all employees.....	10	10
01 Personal services: Positions other than permanent.....	\$198,000	\$198,000
02 Travel.....	35,000	35,000
05 Rents and utility services.....	15,000	15,000
06 Printing and reproduction.....	2,000	2,000
Total obligations.....	250,000	250,000

The estimated expense for arbitration and emergency boards is \$250,000, which is the same as the current appropriation for 1957. This money covers the salaries and expenses of members of Presidential boards, arbitration boards, and neutrals appointed on special boards of adjustment in the railroad industry. The neutrals appointed on system adjustment boards on the airlines are compensated by the parties. This estimate is based on past experience and any unexpended sums from the appropriation is returned to the Treasury.

JUSTIFICATION OF ESTIMATE FOR ARBITRATION AND EMERGENCY BOARDS

During the past year there were five emergency boards appointed. Due to the present policy of the Mediation Board of insisting on settlement by the contesting parties without the creation of emergency boards, such boards have been drastically curtailed. This policy has resulted in a large increase in the number of special or system adjustments boards set up to handle grievance dockets. However, the overall saving is quite large as it means the difference between \$75 a day plus \$12 a day per diem and travel for 1 man and \$100 a day and per diem and travel for 3 men. In addition to the money savings involved the ability of these special adjustment boards to settle definitely and quickly hundreds of grievances which would otherwise take from 3 to 5 years if they were sent to the Adjustment Board at Chicago is the question of morale among the employees involved.

It must also be borne in mind that the recommendations of emergency boards are not binding upon the parties to the dispute, whereas the awards of the special boards are final and binding.

Again this year the man-days lost on account of work stoppages on the carriers have been very small and by far much less than in other industries. The few strikes which have occurred did not seriously affect interstate commerce. The members and staff of the National Mediation Board have used every effort possible to prevent work stoppages, very often working around the clock in emergency situations. There were many threatened interruptions to traffic but these seldom get to the headline stage and the Board feels that the whole record of its performance indicates that its efforts have, in the main, succeeded in keeping the wheels of the transportation industry turning.

The same situation applies to special boards of adjustment which are created as the result of mediation or strike threats made by the organizations on claim and grievance dockets, or in many instances, by voluntary agreement between the rail carriers and the organizations. The latter type of procedure has increased during recent months, and by the creation of special boards of adjustment through voluntary agreement, the parties are able to secure prompt handling and adjudication of large dockets of claims and grievances which might remain on the dockets of the divisions of the National Railroad Adjustment Board for 3 to 5 years before they are reached in their turn. Again, it is quite difficult to estimate the number of such special boards of adjustment so far in advance, and this Board must rely on past and current experience in estimating the possible expenditures from this type of tribunal. Sufficient leeway in the estimate must be provided for a sharp increase in the number of such boards, as this procedure for the prompt settlement of disputes gains wider acceptance by both carriers and employees.

The Congress has appropriated \$250,000 for these boards for the current fiscal year, and we estimate the potential boards to be set up during fiscal 1958 will require \$250,000.

There has been brought over into 1957 some 37 special adjustment boards and 2 arbitration boards.

During fiscal 1956, the following expenditures were made from this fund:

5 sec. 10 emergency boards.....	\$60,350
6 arbitration boards.....	11,039
42 special adjustment boards.....	132,905
Penalty mail.....	1,200
Total.....	205,494

JUSTIFICATION OF ESTIMATES AND STATEMENT OF PROPOSED EXPENDITURES FOR THE FISCAL YEAR 1958

GENERAL STATEMENT

The National Railroad Adjustment Board was created by act of Congress, approved June 21, 1934 (45 U. S. C. 153), for the adjudication of disputes between an employee or group of employees and a carrier or carriers, growing out of grievances or out of the interpretation or application of agreements concerning rates of pay, rules, or working conditions, which are handled in the usual manner up to and including the chief operating officer of the carrier designated to handle such disputes; but, if not adjusted in this manner, the disputes are then referred to the appropriate division of the Adjustment Board for settlement.

The Board is composed of 36 members, 18 selected and paid by the carriers and 18 selected and paid by organizations of railroad employees which are national in scope. The act provides for four divisions of the Adjustment Board, each of which has jurisdiction over disputes involving certain groups of employees. For example, the First Division has jurisdiction over disputes involving train and yard service employees; the Second Division, shop craft; the Third Division, clerical forces, maintenance-of-way men, dispatchers, etc.; and the Fourth Division, water transportation and miscellaneous.

A number of railway labor organizations, prior to the creation of the Board, had no statutory instrumentality for the settlement of their disputes. The number of cases being submitted on behalf of these employees, as well as other employees, continued rather uniform over a period of years, but are now showing a decided tendency to increase. This is due to changes in the law and agreements, including the adoption of a 40-hour workweek for large numbers of employees.

There follows a statement showing the number of cases received, docketed, and disposed of by the various divisions during the fiscal years 1954, 1955, and 1956.

FISCAL YEAR 1954

	Number pending July 1	Number received	Total	Number closed	Number pending June 30
1st Division.....	2,825	1,000	3,825	1,027	2,798
2d Division.....	54	123	177	116	61
3d Division.....	477	404	881	453	428
4th Division.....	32	74	106	82	24
Total.....	3,388	1,601	4,989	1,678	3,311

FISCAL YEAR 1955

1st Division.....	2,798	946	3,744	730	3,014
2d Division.....	61	183	244	177	67
3d Division.....	428	530	958	342	616
4th Division.....	24	59	83	56	27
Total.....	3,311	1,713	5,029	1,305	3,724

FISCAL YEAR 1956

1st Division.....	3,014	780	3,794	836	2,958
2d Division.....	67	398	465	185	280
3d Division.....	616	1,170	1,786	331	1,455
4th Division.....	27	61	88	74	14
Total.....	3,724	2,409	6,133	1,426	4,707

Attention is particularly invited to the fact that the cases referred to in the tables above are only those which have been docketed. There are in addition other cases which are in the process of working up to the point where they may be docketed. In other words, they are potential cases which for various reasons are not in proper condition for docketing, some lacking only details.

We wish to stress the fact that the salaries of the 36 members of the Board are paid by the carriers and the labor organizations, while the Government pays the salaries of the employees of the Board, as well as rent, supplies, and other incidental expenses. It has been estimated that the salaries of the members thus paid probably amount to about \$600,000 per year. Therefore, it may be pointed out that a large porion of the cost of maintaining the Adjustment Board is borne by carrier and labor organizations.

RAILROAD RETIREMENT BOARD

STATEMENTS OF HOWARD W. HABERMEYER, CHAIRMAN; HORACE W. HARPER, MEMBER; THOMAS M. HEALY, MEMBER; FRANK J. McKENNA, CHIEF EXECUTIVE OFFICER; AND MICHAEL RUDISIN, DIRECTOR OF BUDGET AND FISCAL OPERATIONS

APPROPRIATION ESTIMATE

"Salaries and expenses, Railroad Retirement Board (trust fund): For expenses necessary for the Railroad Retirement Board, including not to exceed \$1,000 for expenses of attendance at meetings concerned with the work of the Board, when specifically authorized by the Board; *purchase of one passenger motor vehicle for replacement only*; stenographic reporting services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a); and uniforms or allowances therefor, as authorized by the Act of September 1, 1954 (68 Stat. 1114); **[\$7,000,000]** \$8,150,000, to be derived from the railroad retirement account: *Provided*, That whenever there is duly tendered to the Board, by any person, any claim for unemployment compensation pursuant to the Railroad Unemployment Insurance Act, such claims shall be accepted by the Board without delay and appropriate administrative action for the allowance or disallowance of such claim shall be taken by the Board at the earliest practicable time."

Program and financing

	1956 actual	1957 estimate	1958 estimate
Program by activities:			
1. Maintenance of accounts of employee earnings.....	\$513, 050	\$479, 005	\$530, 196
2. Processing and certification for payment of initial claims.....	4, 770, 091	4, 754, 984	5, 583, 452
3. Monthly recertification and payment of awarded claims.....	821, 665	888, 001	1, 053, 124
4. Hearings and appeals.....	41, 467	42, 786	45, 734
5. Actuarial services.....	123, 287	149, 061	161, 205
6. General administration.....	642, 162	686, 163	776, 289
Total obligations.....	6, 911, 722	7, 000, 000	8, 150, 000
Financing: Unobligated balance no longer available.....	76, 278		
Limitation.....	6, 988, 000	7, 000, 000	8, 150, 000

Obligations by objects

	1956 actual	1957 estimate	1958 estimate
RAILROAD RETIREMENT BOARD			
Total number of permanent positions.....	1,323	1,311	1,368
Full-time equivalent of all other positions.....	20	22	24
Average number of all employees.....	1,207	1,246	1,334
Number of employees at end of year.....	1,260	1,290	1,370
Average salaries and grades: General schedule grades:			
Average salary.....	\$4,498	\$4,581	\$4,671
Average grade.....	GS-5.5	GS-5.6	GS-5.9
01 Personal services:			
Permanent positions.....	\$5,384,012	\$5,597,911	\$6,110,601
Positions other than permanent.....	62,212	71,607	74,140
Regular pay above 52-week base.....	20,481	23,239	23,239
Payment above basic rates.....	98,888	16,214	32,559
Other payments for personal services.....	2,777	2,569	2,540
Total personal services.....	5,568,370	5,688,301	6,243,079
02 Travel.....	191,428	183,071	226,223
03 Transportation of things.....	11,116	10,964	10,933
04 Communication services.....	55,207	55,330	56,024
Penalty mail costs.....	273,170	292,600	315,500
05 Rents and utility services.....	396,284	391,104	417,771
06 Printing and reproduction.....	59,460	57,830	82,266
07 Other contractual services.....	83,678	101,344	106,649
Services performed by other agencies.....	82,012	80,705	110,712
08 Supplies and materials.....	100,898	102,437	111,112
09 Equipment.....	64,949	28,014	62,248
11 Grants, subsidies, and contributions: Contribution to retirement fund.....			398,324
13 Refunds, awards, and indemnities.....	5,200	5,093	5,093
15 Taxes and assessments.....	2,640	3,207	3,966
Total, Railroad Retirement Board.....	6,894,712	7,000,000	8,150,000

Summary of changes

	Net filled positions	Personal services	Other costs	Total
A. Current appropriation for 1957-----	1, 246. 0	\$5, 688, 301	\$1, 311, 699	\$7,000,000
B. Mandatory cost increases:				
1. Agency's contribution to civil service retirement fund-----			398, 324	398, 324
2. Increase in building maintenance costs to cover payment of civil service contributions for General Services Administration maintenance employees-----			12, 506	12, 506
3. Increase in compensable days from 260 in 1957 to 261 in 1958-----		23, 239		23, 239
4. Increase in payments to Office of Treasurer to reimburse that office for the work of reconciling paid checks with checks issued, formerly performed by the General Accounting Office without charge to the Board-----			29, 520	29, 520
Total, mandatory increases-----		23, 239	440, 350	463, 589
1957 projection into 1958-----	1, 246. 0	5, 711, 540	1, 752, 049	7, 463, 589
C. Other cost increases:				
1. Increase in penalty mail costs because of increased volume of benefit checks for mailing and increased claims receipts-----			22, 900	22, 900
2. Provision for replacement of overage office equipment and purchase of file cabinets required for growth in claims files-----			34, 334	34, 334
3. Provision for the printing of a booklet for distribution to all regular railroad employees, to serve as a means of informing both claimants and potential claimants of their rights and responsibilities in order that claims be properly filed and supported with necessary documentary evidence-----			22, 500	22, 500
4. An increase in the number of medical examinations arising from changes in the administration of the disability annuity program required by amendments to the acts-----			3, 780	3, 780
5. Provision for the travel costs of employees scheduled to participate in a training program which provides for the exchange of departmental and field employees for short periods in order to improve performance and provide the employees with a more complete knowledge of each other's work-----			18, 000	18, 000
6. Increased workloads for the maintenance of accounts of railroad employees' earnings, which involve a file of approximately 10,000,000 accounts with 3,500,000 compensation items for processing in 1958-----	3. 5	16, 151	4, 229	20, 380
7. Workloads for the processing and payment of applications for benefits from aged and disabled railroad workers and from survivors of deceased workers are greater in 1958 because of increased volume and greater complexity arising from amendments. When comparing amounts now available in 1957 for the work of developing, processing, and paying claims with the estimate for 1958, an increase of \$452,808 is indicated for 1958. However, the amount now available for this work in 1957 is totally inadequate because of the workload increases and adjudicative complexities caused by the amendments. A supplemental appropriation must provide an additional \$255,967 for this work in 1957. The need for supplemental funds for this activity in 1957 is evident when it is noted that the pending claims load has increased from 11,000 at the start of 1957 to 18,000 at the close of February 1957, with the full impact of increased volume and greater complexity only now being experienced-----	69. 1	429, 879	22, 929	452, 808
3. Provision for handling increase in work of recertification and payment monthly of awarded claims consisting of increase in number of payments from 7,851,000 in 1957 to 8,300,000 in 1958, which represents normal growth in monthly benefit payments-----	11. 0	54, 054	15, 541	69, 595
9. Moderate increase in costs of financial interchange studies required to be conducted under sec. 5 (k) of the Railroad Retirement Act-----		1, 641	25	1, 666

See footnote at end of table.

Summary of changes—Continued

	Net filled positions	Personal services	Other costs	Total
C. Other cost increases—Continued				
10. Provision to cover costs of 7th triennial valuation of the railroad retirement account as required by sec. 15 of the act.....	1. 2	\$5, 581	\$880	\$6, 461
11. Provision for increased costs of general administration as a result of the increased demands on service and staff offices arising from the expansion in the programs of the Board under the amended acts.....	3. 2	24, 233	9, 754	33, 987
Total other cost increases.....	88. 0	531, 539	154, 872	686, 411
Appropriation request for 1958.....	1, 334. 0	6, 243, 079	1, 906, 921	\$8, 150, 000

¹ Does not include supplemental appropriation estimate of \$600,000 required to cover increased program costs arising from the enactment of Public Law 880, approved Aug. 1, 1956, amending the Social Security Act, and Public Law 1013, approved Aug. 7, 1956, amending the Railroad Retirement Act.

² The 1958 appropriation estimate does not provide for the costs of work carried forward from 1957 to 1958 relating to the establishment of disability freeze periods for disability annuitants on the rolls of the Board. At the time the 1958 estimates were prepared it was anticipated that the disability freeze work would be completed in 1957. Now we find that we can complete only preliminary work relating primarily to the distribution and receipt of 77,000 applications before June 30, 1957. A great portion of the work relating to the review of these 77,000 cases, the development of necessary wage data, procurement and evaluation of medical evidence, and other processing related to the establishment of the freeze period and the subsequent recomputations of benefit adjustments, will carry over into 1958 with minimum additional costs of \$150,000 for which no provision is made in 1958.

PREPARED STATEMENT

Senator HILL. Now the Railroad Retirement Board.

Glad to have you gentlemen back with us again.

I believe this is your first appearance as chairman before this committee. You are going to speak for the Board, are you?

Mr. HABERMEYER. Yes, sir.

Senator HILL. We will be glad to have you proceed, sir.

Mr. HABERMEYER. We have filed a statement with the committee, and I expect it will be made part of the record?

Senator HILL. We will make your prepared statement a part of the record, and you may proceed.

(The statement referred to follows:)

STATEMENT OF THE RAILROAD RETIREMENT BOARD

Mr. Chairman and members of the committee, the Railroad Retirement Board is an independent agency in the executive branch of the Federal Government. It administers the Railroad Retirement Act and the Railroad Unemployment Insurance Act which provide a system of social insurance for railroad employees and their families.

The Board is administered by three members appointed by the President, by and with the advice and consent of the Senate. One of the three members of the Board represents railroad management, whose tax payments account for 50 percent of the funds for the maintenance of the retirement system and 100 percent of the funds for maintenance of the unemployment system. Another member represents railroad labor, whose payments account for the remaining 50 percent of the cost of the retirement system. The third member, who is the Chairman, represents neither railroad management nor labor and shall not be in the employment of or be pecuniarily or otherwise interested in any carrier or organization of employees.

Under the Railroad Retirement Act, benefits are paid to aged and permanently disabled employees and their wives, and to the widows, widowers, children, and parents of deceased employees. Under the Railroad Unemployment Insurance Act, payments are made to workers who are unemployed, sick, or temporarily disabled.

At the end of December 1956, approximately 671,000 persons were being paid annuities under the Railroad Retirement Act, including 330,000 retired employees, 117,000 wives of retired employees, and 224,000 widows, children, and parents of deceased employees. Payments were being made at the rate of more than \$55 million a month. Under the Railroad Unemployment Insurance Act, 288,000 employees were paid \$105 million in benefits during fiscal year 1955-56.

The Board also maintains records of wages and service for over 9,700,000 persons who have worked in the railroad industry at some time since 1937. During 1956, service and earnings were recorded for approximately 1.7 million employees. The railroad industry, as covered by the Railroad Retirement and Railroad Unemployment Insurance Acts, includes all railroad, express, and sleeping-car companies subject to part I of the Interstate Commerce Act and, in addition, companies affiliated with such carriers and certain railroad associations.

To all intents and purposes, the railroad retirement and unemployment insurance systems are self-sustaining. Our funds for paying benefits and for administrative costs come from trust funds established by taxes paid by railroads and railroad employees.

The costs of the railroad retirement-survivor benefit system are financed by means of a payroll tax on each employee's earnings up to \$350 a month. The taxes under the Railroad Retirement Tax Act are collected at the rate of 6¼ percent in equal shares from employers and employees by the Internal Revenue Service and are deposited in the general funds of the United States Treasury. The Secretary of the Treasury then transfers to the railroad retirement account (a trust fund) the actual amount of taxes as they are covered into the Treasury during the year.

Funds in the railroad retirement account not immediately needed for benefit payments or administration are invested principally in special 3-percent Treasury notes. The interest earned on these notes is added to the reserve in the railroad retirement account.

Taxes were first collected under the Railroad Retirement Tax Act in 1937. The initial rate was 2¼ percent, but it has progressed to the present maximum rate of 6¼ percent. This rate applies to employees and employers alike.

Funds for operating the unemployment and sickness benefit system come from contributions collected by the Board directly from employers only. No contributions are made by employees. Unemployment contributions are permanently appropriated to the Board by the Railroad Unemployment Insurance Act.

The original act provided for a 3-percent contribution rate of an employee's earnings up to \$300 a month. In 1948, however, the rate was placed on a sliding scale ranging from one-half percent to 3 percent, depending upon the balance in the railroad unemployment insurance account (a trust fund) at the end of each preceding September. The taxable compensation base was increased from \$300 to \$350 a month, effective July 1, 1954.

Of the annual contributions, an amount equal to 0.2 percent of the taxable payroll is set aside to cover administrative expenses; the rest goes into the unemployment insurance trust account for the purpose of paying benefits. However, any amount in excess of \$6 million remaining in the administrative fund at the end of a fiscal year is transferred to the benefit account. These transfers have totaled \$103 million since the beginning of the system. Funds in the account which are not needed immediately are deposited in the United States Treasury, and the interest earned on them provides an additional source of income to the system.

The Board's appropriation request for funds to administer the railroad retirement system is not a request for an appropriation from general funds of the Treasury. Rather it is a request to transfer money from one trust fund to another, and, as such, has no effect on the total amount of the Federal budget.

Legislation recently enacted by Congress has had a pronounced effect on the workloads and budgetary requirements of the Board. Because of an expansion in the retirement program, the regular appropriation of \$7 million for 1957 is wholly inadequate to meet current needs of the Board. A supplemental appropriation to cover unanticipated increases in costs and workloads for 1957 has been requested in the amount of \$600,000. Enactment of this supplemental appropriation request will bring total appropriations for 1957 to \$7,600,000. Our appropriation request for 1958 is in the amount of \$8,150,000.

The supplemental appropriation of \$600,000 to be requested for fiscal year 1957 is to cover increased workloads resulting from the enactment of Public Law 880, approved August 1, 1956, which amended the Social Security Act, and Public Law 1013, approved August 7, 1956, which amended the Railroad Retirement Act. The additional work created by these amendments includes the following:

1. Processing 400,000 adjustments in monthly benefit rates arising from amendments to the Railroad Retirement Act.....	\$94, 086
2. Reviewing 110,000 folders of annuitants on the rolls who may receive higher benefits because of the earlier age at which their wives could qualify if benefits were paid under the amended Social Security Act..	69, 757
3. Reviewing 47,000 folders of widows and wives to determine whether adjustments in monthly benefits under the Railroad Retirement Act are necessary in those cases where individuals have creditable earnings that would now qualify them for benefits under the amended Social Security Act.....	37, 550
4. Processing 77,000 applications for the establishment of disability freeze periods for disability annuitants on our rolls.....	132, 640
5. Certifying wage data for individuals with railroad service who apply to the Social Security Administration for the establishment of disability freeze periods.....	28, 260
6. Increase in costs of processing regular claims loads because of increased complexity and increased volume arising from the amendments.....	216, 407
7. Increase in claims inquiries as result of amendments.....	21, 300
Total increase.....	600, 000

Some of the workload and other cost factors which make it necessary to request a supplemental appropriation for fiscal year 1957 are also reflected in the appropriation request of \$8,150,000 for 1958, with appropriate allowances for changes in workload levels from 1957 to 1958. The regular claims load increases from the latest estimate of 149,957 dispositions in 1957 to 152,992 dispositions for 1958. The total number of benefit payments increase from 7,851,000 in 1957 to 8,300,000 in 1958. The continuing growth in the number of beneficiaries on the rolls is accompanied by increases in such related workloads as payment and policing activities. Also, the new requirement that agencies pay to the civil-service retirement fund amounts equal to 6½ percent of basic salary payments beginning July 1, 1957, accounts for an increase of \$398,000 in the 1958 appropriation estimate. Other increases from 1957 to 1958 result from the provision for the printing of a booklet for distribution to all regular railroad employees, the scheduled replacement of overage office equipment, and an increase in the number of compensable days from 260 in 1957 to 261 in 1958.

The appropriation request of \$8,150,000 for fiscal year 1958 contributes further to the Board's record of achievement in increasing the efficiency and economy of operations year by year. Notwithstanding the complexities introduced into the claims adjudication processes by recent amendments to the Railroad Retirement Act and such uncontrollable increases in the administrative costs as the new requirement that agencies pay to the civil-service retirement fund amounts equal to 6½ percent of basic salary payments beginning July 1, 1957, administrative costs will represent only 1.11 cents out of each dollar spent under the railroad retirement system in 1958.

In preparing our appropriation request for 1958 the Board has been very mindful of the expressed desires of the President and of the Congress to limit expenditures in every manner possible, and we believe our request represents a reasonable estimate of the minimum requirements to handle the continuing expansion in the railroad retirement system in an efficient and economical manner and still provide the service to which railroad workers and their families are entitled.

In addition to Mr. Harper, the labor member, and Mr. Healy, the management member of the Board, we have with us Mr. Frank J. McKenna, the chief executive officer, and Mr. Michael Rudisin, the director of budget and fiscal operations, who are prepared to answer any questions which the members of the committee may wish to ask.

Statement relating appropriation estimate to current appropriation

Current appropriation: 1957 appropriation in annual act----- \$7, 000, 000

Additions:

1. Agency's contribution to civil service retirement fund-----	\$398, 324	
2. Increase in building maintenance costs to cover payment of civil service retirement contributions for GSA employees-----	12, 506	
3. Increase in compensable days from 260 in 1957 to 261 in 1958-----	23, 239	
4. Increased cost for services of Officer of Treasurer-----	29, 520	
5. Increased penalty mail costs because of increased volume of benefit checks and increased claims receipts-----	22, 900	
6. Provision for scheduled replacement and additional equipment-----	34, 334	
7. Cost of publication of a railroad employees' booklet-----	22, 500	
8. Increase in number of medical examinations required by changes in the administration of the disability program-----	3, 780	
9. Travel costs of employees participating in employee exchange training program-----	18, 000	
10. Increase in requirements for maintenance of accounts of employees' earnings-----	20, 380	
11. Increase in requirements for processing and payment of initial claims:		
(a) Increase from amount presently available in 1957 to total amount required for regular operations in 1957-----	\$336, 153	
(b) Further increase from revised requirements for 1957 to amount required in 1958-----	116, 655	
	452, 808	
12. Increase in requirements for recertification and payment of awarded claims-----	69, 595	
13. Increase in requirements for studies of financial interchange-----	1, 666	
14. Preparation of 7th actuarial valuation project-----	6, 461	
15. Increase in general administration-----	33, 987	
		1, 150, 000
1958 estimate-----		8, 150, 000

SUMMARY AND HIGHLIGHTS

Authority and purpose

The Railroad Retirement Board is charged with the sole responsibility for administering the Railroad Retirement Act of 1935, approved August 29, 1935, the Railroad Retirement Act of 1937, approved June 24, 1937; and the Railroad Unemployment Insurance Act, approved June 25, 1938, as severally amended. Under the provisions of the Railroad Retirement Act, the Board administers a railroad retirement system which provides annuities for railroad employees retiring because of age or disability, for their wives and dependent husbands, and for their survivors, and also lump-sum death benefits. Under the provisions of the Railroad Unemployment Insurance Act, the Board administers an unemployment and sickness insurance system, paying unemployment, sickness, and maternity benefits to qualified railroad workers, and operates an employment-service program principally for the purpose of finding jobs for unemployment-benefit claimants.

Organizational structure of the Railroad Retirement Board

The Board is composed of three members appointed by the President, by and with the advice and consent of the Senate, 1 upon the recommendation of repre-

sentatives of employees, 1 upon recommendation of representatives of carriers, and 1, the Chairman, without designated recommendation. For carrying out its administrative responsibilities, the Board has established the administrative organization shown by the organization charts contained in another section of this document. The organization of the Board is designed to integrate the administration of the programs conducted under the provisions of the Railroad Retirement Acts with programs conducted under the Railroad Unemployment Insurance Act without duplication of facilities or operations. Basic activities concerned only with either the retirement or the unemployment program are supported solely by funds of the benefiting program. The cost of other activities servicing both programs are apportioned between appropriations on a measured basis.

Means of financing

The self-supporting unemployment and sickness insurance system is financed by contributions paid wholly by employers. The rate at which contributions are paid depends on the balance in the railroad unemployment insurance account. Effective January 1, 1957, the rate increased from 1½ percent, which had been in effect for the calendar year 1956, to 2 percent of the taxable payroll. The maximum contribution rate payable under the Railroad Unemployment Insurance Act is 3 percent. Of the total contributions paid for this purpose, the portion represented by 0.2 percent of the taxable payroll is permanently appropriated to the Board to cover the administrative costs of the system, with the remainder being credited to the railroad unemployment insurance account in the unemployment trust fund to cover the payment of benefits.

The railroad retirement system, which also is essentially self-supporting, is financed by payroll taxes paid equally by employers and employees. The present combined tax rate of 12½ percent, in effect since 1952, is the maximum rate now payable under the Railroad Retirement Tax Act. Effective July 1, 1954, the act was amended by raising the maximum taxable earnings from \$300 to \$350 a month. Under the permanent legislation included in the Railroad Retirement Board Appropriation Act, 1953, the railroad retirement account (trust fund) is credited monthly with amounts equal to railroad retirement tax collections covered in the Treasury (minus refunds), such amounts to be available for benefit payments provided by the Railroad Retirement Acts and for expenses necessary in the administration of said acts. The amounts required for necessary administrative expenses, as specifically authorized by Congress in annual appropriation acts, are derived from the railroad retirement account (trust fund) and are established in the appropriation account "Salaries and expenses, Railroad Retirement Board (trust fund)."

Appropriation for salaries and expenses

The appropriation request of \$8,150,000 for salaries and expenses, Railroad Retirement Board (trust fund), for fiscal year 1958 actually represents a request for authority to expend \$8,150,000 from the railroad retirement tax collections, credited to the railroad retirement trust fund, which incidentally are estimated to total \$665 million in 1958. It is not an appropriation of general funds of the Treasury. The actual method of making retirement administrative funds available calls for the transfer of the administrative expense amount authorized by Congress from the railroad retirement account (trust fund) to the account "Salaries and expenses, Railroad Retirement Board (trust fund)" as needed. All railroad retirement tax collections are credited initially to the railroad retirement account and benefits are paid therefrom. Since the net effect of this appropriation procedure is simply to transfer funds from one trust account to another, amounts authorized for salaries and expenses, Railroad Retirement Board (trust fund) have no effect on the total amounts appropriated as reflected in the Federal budget.

Incentive for economy

The Board has every incentive for administering its programs in the most economical manner, since 1 of the 3 Board members represents railroad management, whose taxpayments account for 50 percent of the funds for the maintenance of the retirement system, and another member represents railroad labor, whose taxpayments account for the remaining 50 percent of the costs.

The appropriation request of \$8,150,000 for fiscal year 1958 contributes further to the Board's record of achievement in increasing the efficiency and economy of operations year by year. For an overall measurement of the efficiency and

economy of Board operations, the following table shows the relationship between the amounts expended for benefit payments and the administrative costs of the railroad retirement system. Notwithstanding the complexities introduced into the claims adjudication processes by recent amendments to the Railroad Retirement Act and such uncontrollable increases in the administrative costs as the new requirement that agencies pay to the civil-service retirement fund amounts equal to 6½ percent of basic salary payments beginning July 1, 1957, administrative costs will represent only 1.11 cents out of each dollar spent under the railroad retirement system in 1958.

Fiscal year	Amounts expended for retirement purposes			Distribution of each dollar spent	
	Benefit payments	Administrative costs	Total	Benefit payments	Administrative costs
1958.....	\$729,000,000	\$8,150,000	\$737,150,000	<i>Cents</i> 98.89	<i>Cents</i> 1.11
1957.....	680,000,000	¹ 7,830,000	687,830,000	98.86	1.14
1956.....	600,677,222	6,911,722	607,588,944	98.86	1.14

¹ Including proposed supplemental appropriation.

Summary explanation of requirements for administration

Legislation recently enacted by Congress has had a pronounced effect on the workloads and budgetary requirements of the Board. Estimates of the appropriations required for 1957 and 1958 to handle the expanded retirement program of the Board are as follows:

	Actual, 1956	Estimate, 1957	Estimate, 1958
Appropriation or estimate.....	\$6,988,000	\$7,000,000	\$8,150,000
Estimate of supplemental appropriation required in 1957.....		830,000	
Appropriation or total estimate.....	6,988,000	7,830,000	8,150,000
Unobligated balance.....	76,278		
Estimated obligations.....	6,911,722	7,830,000	8,150,000

The supplemental appropriation of \$830,000 to be requested for fiscal year 1957 is to cover increased workloads resulting from the enactment of Public Law 880, approved August 1, 1956, which amended the Social Security Act, and Public Law 1013, approved August 7, 1956, which amended the Railroad Retirement Act. The amendments to the Social Security Act affected the railroad retirement system through the social security minimum provisions in the Railroad Retirement Act. The work caused by these amendments includes processing adjustments for approximately 400,000 beneficiaries receiving increases up to 10 percent under the amended Railroad Retirement Act and reviewing the cases of approximately 260,000 beneficiaries that may be affected by the provisions of the amended Social Security Act which give wives the opportunity to elect to receive reduced benefits as early as age 62 and make widows and disabled workers eligible for benefits as early as age 62 and 50 respectively. Provision also must be made for handling additional wage certifications required under the disability provisions of the amended Social Security Act and for increases in the regular claims load resulting from the amendments to the acts.

Some of the workload and other cost factors which make it necessary to request a supplemental appropriation for fiscal year 1957 are also reflected in the appropriation request of \$8,150,000 for 1958, with appropriate allowances for changes in workload levels from 1957 to 1958. The regular claims load increases from the latest estimate of 149,957 dispositions in 1957 to 152,992 dispositions for 1958. The total number of benefit payments increase from 7,851,000 in 1957 to 8,300,000 in 1958. The continuing growth in the number of beneficiaries on the rolls is accompanied by increases in such related workloads as payment and policing activities. Also, the new requirement that agencies pay to the civil

service retirement fund amounts equal to 6½ percent of basic salary payments beginning July 1, 1957, accounts for an increase of \$398,000 in the 1958 appropriation estimate. Other increases from 1957 to 1958 result from the provision for the printing of a booklet for distribution to all regular railroad employees, the scheduled replacement of overage office equipment, and an increase in the number of compensable days from 260 in 1957 to 261 in 1958. The completion of the nonrecurring adjustment work in 1957, resulting from the 1956 amendments to the acts, partially offsets the increases from 1957 to 1958 described above.

1958 REQUEST

Mr. HABERMEYER. This year we are asking for \$8,150,000, which is an increase of \$1,150,000 over our 1957 appropriation. However, we should take into consideration the fact that we have a supplemental appropriation coming through, calling for \$600,000 additional to take care of the expenses this year, making a total expenditure of \$7,600,000.

Now, the difference between this year's appropriation, and what we are requesting next year is made up mainly of two items: one, of course, the contribution we have to make to the civil service retirement fund, and two, the additional work that was made necessary by the enactment of Public Law 880, amending the Social Security Act last year, and Public Law 1013, which amended the Railroad Retirement Act. Both of those laws put additional workloads on the Railroad Retirement Board, and they are the cause of the additional funds that we are requesting for the next year.

ECONOMY IN OPERATION

I would like to say, as others have said here, that I think previous Boards should be commended for pursuing a policy around the Railroad Retirement Board under which we operate on, I think, a very economical basis. We are a little different than most Federal agencies. Any money spent for administration comes out of our trust fund. Any money that we can save goes back into the trust fund for the payment of benefits to the people covered by our laws.

No savings to the Government would result in any cuts in the administration costs of the Railroad Retirement Board.

Senator HILL. Have you something else you want to add?

Mr. HABERMEYER. No. I am informed that this will not affect the overall position of the Treasury.

As I said before, it is out of one pocket and into another.

Senator HILL. This comes out of a special fund set up under the Railroad Retirement Act.

PERSONNEL SITUATION

Now let me ask you this: Will your personnel remain about the same?

Mr. HABERMEYER. No, I think it will increase somewhat.

Mr. RUDISIN. It will go up about 57 permanent positions, sir.

Senator HILL. How many permanent positions do you have now?

Mr. RUDISIN. 1,311. And we think we will need 1,368.

Senator HILL. Why do you need these additional 57?

Mr. HABERMEYER. That is to take care of this additional work.

Senator HILL. The work imposed by the amendments to the Railroad Retirement Act and also the amendments to the Social Security Act; is that right?

Mr. HABERMEYER. Yes, sir.

Senator HILL. In other words, all 57 of them are needed and would be used to meet these additional duties imposed by the passage of these 2 acts by the last Congress?

Mr. HABERMEYER. That is right, Senator.

Senator HILL. And I suppose this deficiency that is now, as I understand it, under consideration by the House, is to take care of additional duties and work imposed because of the passage of these two acts at the last session of Congress. Is that correct?

Mr. HABERMEYER. That is right.

Senator HILL. In other words, your personnel, then, would have no increase except only as your duties have been increased by the enactment of these two acts; is that right?

Mr. HABERMEYER. That is right.

NUMBER OF BENEFICIARIES

Senator HILL. How many beneficiaries do you have now?

Mr. HABERMEYER. We have roughly 675,000 beneficiaries who are drawing in excess of \$55 million a month from the retirement system.

Senator HILL. 675,000?

Mr. HABERMEYER. Yes, sir.

Senator HILL. I wonder what that figure was, say, 10 years ago? Do you have any idea?

Mr. HABERMEYER. I would be guessing. It would be substantially less than that.

Mr. HEALY. I have something else on that here.

Mr. HABERMEYER. Ten years ago we did not have survivor benefits for widows and children. It was just a straight retirement program, so I would say around 200,000 10 years ago. That is just a rough guess.

RESULTS OF AMENDMENTS TO LAW

Senator HILL. As you know, in the past years we have made a considerable number of amendments to the act, all of which involve not only increased benefits but an increased number of beneficiaries.

Mr. HEALY. Senator, in 1944 we had 139,033 age annuitants, 25,000 others, making 165,000. This year we have 675,000.

Senator HILL. Well, that is quite an increase.

Anything else you gentlemen would like to add?

Mr. HABERMEYER. I have nothing further.

STATUS OF RAILROAD RETIREMENT ACCOUNT

Senator HILL. Each year the subcommittee has requested and received a tabulation showing the status of the railroad retirement account, a trust fund, from which these administrative expenses are made available. I shall insert the current table in the record at this point.

(The table referred to follows:)

Financial operations under the Railroad Retirement Act, by fiscal year 1938-56

Fiscal year	Appropriation account		Railroad retirement account				Balance at end of period	
	Appropriation	Balance at end of period	Receipts		Net benefit payments ¹	Investments in Treasury securities	Unobligated cash balance ²	Total
			Transfers from appropriation	Interest on investments				
Total through June 1938.....		\$93,992	\$146,406,308	\$1,410,822	\$87,169,151	\$66,200,000	-\$5,552,021	\$80,647,979
1938-39.....	\$146,500,000	11,250,000	107,003,692	2,201,877	107,131,438	67,200,000	-4,387,891	62,812,109
1939-40.....	118,250,000	10,750,000	120,650,000	2,282,516	122,932,516	79,400,000	-7,680,516	71,719,484
1940-41 ³	113,600,000	-----	124,350,000	2,533,858	126,883,858	121,799,903	2,803,439	76,803,439
1941-42.....	140,850,000	-----	140,850,000	3,143,059	143,993,059	126,656,781	2,639,717	94,139,717
1942-43.....	214,801,000	-----	214,801,000	5,776,849	220,577,849	130,863,977	5,835,589	183,853,589
1943-44.....	262,720,000	-----	262,720,000	9,837,049	272,557,049	178,000,000	2,695,313	321,195,313
1944-45.....	308,817,000	-----	308,817,000	15,240,493	324,057,493	500,500,000	2,225,164	502,725,164
1945-46.....	230,000	-----	⁴ 230,000	19,881,329	312,024,329	657,000,000	3,934,240	660,934,240
1946-47.....	291,913,000	-----	291,913,000	24,187,274	322,420,274	805,500,000	4,753,361	810,253,361
1947-48.....	298,233,000	-----	298,233,000	-----	-----	-----	-----	-----
1948-49.....	753,488,000	-----	758,488,000	38,875,492	797,363,990	1,374,500,000	8,246,054	1,382,746,054
1949-50.....	⁵ 626,459,000	52,000,000	574,459,000	50,942,716	625,401,716	1,720,000,000	5,095,898	1,725,095,898
1950-51.....	⁶ 687,000,000	156,167,278	582,832,724	62,201,104	645,033,828	2,057,600,000	5,883,449	2,063,483,449
1951-52.....	⁷ 471,004,924	8 19,181,151	607,991,049	70,107,150	678,158,199	2,414,490,000	4,771,626	2,419,261,626
1952-53.....	770,662,027	19,181,151	770,662,027	78,880,299	849,551,326	3,399,844,198	5,824,754	2,808,968,754
1953-54.....	654,990,111	18,656,682	655,223,580	89,295,185	744,518,765	3,142,803,000	4,210,798	3,147,013,798
1954-55.....	619,218,102	-----	637,874,784	98,662,311	736,537,095	3,345,255,000	8,450,209	3,353,705,209
1955-56.....	599,912,665	-----	599,992,665	101,009,841	701,002,506	3,478,464,000	3,642,653	3,482,106,653
-----	630,905,625	-----	630,905,625	105,011,508	735,917,133	3,601,285,000	3,857,339	3,605,142,339
Cumulative through 1956.....	7,834,493,952	0	7,834,493,952	781,549,732	8,616,043,684	3,601,285,000	3,857,339	3,605,142,339

¹ Total amounts certified to the Secretary of the Treasury for payment, less cancellations and repayments.

² Minus figures represent overdrafts pending transfers from appropriations.

³ Excludes \$9 million transferred in October 1940 for collection of data on service and compensation of railroad workers prior to 1937.

⁴ Reflects return of unexpended balance of prior service fund.

⁵ Includes \$61,889,000 of 1950 appropriation available in 1949, less \$73,416,000 of 1949 appropriation made available in 1948.

⁶ Less \$61,889,000 of 1950 appropriation made available in 1949.

⁷ Includes net amounts transferred for payment of administrative expenses.

⁸ Adjusted to reflect recission of \$19,827,800.

Senator HILL. We are certainly very much obliged to you, gentlemen.

Mr. HABERMAYER. Thank you.

FEDERAL MEDIATION AND CONCILIATION SERVICE

SALARIES AND EXPENSES

STATEMENTS OF JOSEPH F. FINNEGAN, DIRECTOR; ROBERT H. MOORE, DEPUTY DIRECTOR; L. E. EADY, DIRECTOR, ADMINISTRATIVE MANAGEMENT; JOHN G. FLANAGAN, CHIEF, BUDGET AND FINANCE DIVISION; M. C. MUNK, DIRECTOR, SPECIAL ACTIVITIES; AND WILLIAM J. ELSEN, SPECIAL REPRESENTATIVE

APPROPRIATION ESTIMATE

"Salaries and expenses: For expenses necessary for the Service to carry out the functions vested in it by the Labor-Management Relations Act, 1947 (29 U. S. C. 171-180, 182), including expenses of the Labor-Management Panel as provided in section 205 of said Act; *expenses of boards of inquiry appointed by the President pursuant to section 206 of said Act*; temporary employment of arbitrators, conciliators, and mediators on labor relations at rates not in excess of \$75 per diem; *purchase of one passenger motor vehicle for replacement only at not to exceed \$3,000*; expenses of attendance at meetings concerned with labor and industrial relations; and services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a), **[\$3,295,000]** \$3,610,000.

"**Boards of inquiry:** To enable the Service to pay necessary expenses of boards of inquiry appointed by the President pursuant to section 206 of the Labor-Management Relations Act, 1947 (29 U. S. C. 176-180, 182), including services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a), and rent in the District of Columbia, \$10,000."

Obligations by activities

Description	Fiscal year 1957 estimate	Fiscal year 1958 proposed amount	Fiscal year 1958 House allowance
1. Mediation and conciliation of labor disputes.....	\$3,030,000	\$3,297,500	\$3,237,500
2. Presidential boards of inquiry.....	10,000	10,000	10,000
3. Administration.....	264,910	302,500	302,500
Total estimated obligations.....	3,305,000	3,610,000	3,550,000

Obligations by objects

Description	Fiscal year 1957 estimate		Fiscal year 1958 proposed		Fiscal year 1958 House allowance		Application of House allowance	
	Posi- tions	Amount	Posi- tions	Amount	Posi- tions	Amount	Posi- tions	Amount
Total departmental.....	47	\$297,055	47	\$300,660	47	\$300,660	-----	-----
Total field.....	298	2,557,940	298	2,568,580	292	2,523,160	-6	-\$45,420
Total permanent positions.....	345	2,854,995	345	2,869,240	339	2,823,820	-6	-45,420
Deduct lapses.....	-4.2	-22,095	-1.5	-7,940	-1.5	-7,970	-----	-30
Net permanent positions.....	340.8	2,832,900	343.5	2,861,300	337.5	2,815,850	-6	-45,450
Part-time and temporary positions.....	3.0	19,300	3.6	19,100	3.6	19,100	-----	-----
Regular pay in excess of 52-week base.....	-----	-----	-----	11,000	-----	10,815	-----	-185
Payment above basic rates.....	-----	1,800	-----	1,600	-----	1,600	-----	-----
Net personal services.....	343.8	2,854,000	347.1	2,893,000	341.1	2,847,365	-6	-45,635
Other expenses:	-----	-----	-----	-----	-----	-----	-----	-----
Travel.....	-----	293,900	-----	334,750	-----	324,850	-----	-9,900
Transportation of things.....	-----	9,200	-----	7,000	-----	7,000	-----	-----
Communication services.....	-----	84,200	-----	85,000	-----	85,000	-----	-----
Rents and utility services.....	-----	7,400	-----	28,400	-----	28,400	-----	-----
Printing and reproduction.....	-----	4,800	-----	4,800	-----	4,800	-----	-----
Other contractual services.....	-----	29,000	-----	30,850	-----	29,350	-----	-1,500
Supplies and materials.....	-----	10,200	-----	11,200	-----	11,200	-----	-----
Equipment.....	-----	10,900	-----	27,100	-----	27,100	-----	-----
Retirement fund contribution.....	-----	-----	-----	186,000	-----	183,035	-----	-2,965
Refunds, awards, and indemnities.....	-----	1,025	-----	1,500	-----	1,500	-----	-----
Taxes and assessments.....	-----	375	-----	400	-----	400	-----	-----
Total other objects.....	-----	451,000	-----	717,000	-----	702,635	-----	-14,365
Total estimated obligations.....	-----	3,305,000	-----	3,610,000	-----	3,550,000	-----	-60,000

Summary of changes

1957 actual appropriation.....	\$3,295,000
Transfers: Comparative transfer from "Boards of inquiry, FMCS".....	+10,000
Adjusted 1957 appropriation.....	3,305,000
1958 appropriation request.....	3,610,000
Net change requested.....	305,000

	Positions	Estimate	Positions	House allowance
For mandatory items:				
Annualization.....	-----	\$28,000	-----	\$28,000
Retirement.....	-----	186,000	-----	183,035
Pay in excess of 52-week base.....	-----	11,000	-----	10,815
Subtotal.....	-----	225,000	-----	221,850
For program items:				
Increased overhead cost.....	-----	1,950	-----	450
Additional field office rental and equipment.....	-----	37,200	-----	37,200
Training and orientation program.....	-----	40,850	-----	30,950
Mediation of labor disputes.....	-----	-----	-6	-45,450
Total.....	-----	305,000	-6	245,000

PREPARED STATEMENT

Senator HILL. Now we have the Federal Mediation and Conciliation Service.

We are glad to have you back with us, Mr. Finnegan.

Mr. FINNEGAN. Thank you very much, Senator Hill. It is always a pleasure to appear before you.

Senator HILL. You have filed your statement, have you not?

Mr. FINNEGAN. Yes; we have filed a statement, and I am not going to trespass on your time to go over that material, but I thought I would, with your permission, outline and summarize some of the items.

Senator HILL. Go right ahead, sir. Your prepared statement will be printed in full.

(The statement referred to follows:)

STATEMENT BY FEDERAL MEDIATION AND CONCILIATION DIRECTOR
JOSEPH F. FINNEGAN

I appreciate the opportunity to meet with this committee and to present and explain our budget requirements for the fiscal year 1958.

The Congress has placed upon the Federal Mediation and Conciliation Service the sole responsibility for preventing or minimizing labor disputes growing out of the negotiation and renegotiation of collective bargaining agreements, and problems arising under those agreements, in industries having a substantial effect on interstate commerce—except only airlines and railroads which are under the National Mediation Board.

We discharge these responsibilities, primarily, by making available to management and labor the services of highly skilled and experienced mediators who participate in the collective bargaining processes at the scene of the dispute when a deadlock is reached. A secondary, but not necessarily subordinate function is for these same skilled mediators to assist the parties in developing more harmonious relationships under their agreements, and to initiate and participate in activities directed toward improving the general relationship between labor and management, while developing the bargaining skills that normally lead to fewer disputes and the lessened impact of labor-management controversies.

A third function is making available to labor and management lists of qualified arbitrators to dispose of grievances and other issues that cannot be resolved through collective bargaining and mediation.

The major portion of our appropriation is therefore expended on salaries and travel expenses for our field staff who are engaged exclusively in preventing and minimizing labor disputes. A minimal amount is allotted to the national office in Washington, and in this budget increased emphasis has been placed on improving the effectiveness of the field staff.

The Federal Mediation and Conciliation Service is confronted by a problem that is not common to other Government agencies—we cannot function on the basis of a backlog of cases to be serviced at our convenience. Labor-management relations are dynamic and critical as far as the time element is concerned. When a deadlock occurs or a strike is threatened, the availability of a skilled mediator within a matter of hours, or at most a day or two, is crucial if mediation is to be effective. With a contract expiring or with bargaining having broken down and tensions and tempers rising, the parties cannot and will not sit idly by waiting for mediation assistance at some future date.

We are confronted with the further fact that we have only a limited control over the aggregate caseload of the Service. Since the enactment of the Labor Management Relations Act in 1947, there has been a progressive increase each year in the number of labor-management disputes which have come to our attention; and we have every reason to believe that this trend will continue. Illustratively, in fiscal year 1949 only 20,841 dispute notices were received, while there were 33,799 the last fiscal year (1956), and our experience thus far in 1957 fiscal year has shown a continuing increase.

In the face of this substantial increase in the total number of dispute cases, we have managed to provide satisfactory service without increasing the number of mediators through two procedures:

1. More restrictive screening of disputes which are called to our attention. This indicates critical review in each region of all such disputes to avoid a mediation assignment whenever the limited extent of interstate commerce involved, absence of apparent need for mediation, or other reasons can permit such action without criticism.

2. Cooperation with State and local mediation agencies to encourage their providing mediation in disputes involving intrastate situations and, where possible, in those borderline disputes where the effect on interstate commerce is questionable.

Under these operating policies we have managed to hold to only a slight, gradual increase in mediator caseload.

In spite of having done everything that we can do to restrict the caseload of the Service and to provide for the most effective utilization of our small mediator staff, it is important to realize that we cannot, beyond a very limited degree, control the number of disputes requiring active participation by our mediators, the duration and extent of such disputes, or the number of mediators that may need to be assigned in a given dispute.

Four out of every five disputes called to our attention last year were settled without the need of active mediation assistance. Obviously, even a small increase, percentage-wise, in the number of case receipts requiring active mediation assistance will have a greatly magnified effect upon our mediator workload.

Many situations which are reported by the press and carried in our statistics as only one dispute in fact require the assignment of many mediators at the local, regional, and national office level, who are involved in very extensive negotiations.

It is always interesting to conjecture as to the effect on our mediation workload of current trends in collective bargaining, and possibly the most commonly discussed factor this year is the long-term contract. After analyzing all of the elements involved in these more-than-1-year agreements, I say to you in all sincerity that it would be very unwise to predict that the number of long-term contracts currently being signed will have any appreciable effect on our workload.

There are various reasons leading to this conclusion.

1. Many long-term contracts are long-term in name only since they provide for reopening at annual or at other intervals on wages and frequently on other economic issues. For instance, many much publicized long-term contracts permit periodic reopening on either a local or national level. These reopenings generally permit the union to strike and are equivalent to a new contract from the mediation standpoint.

2. Most long-term contracts have been negotiated at the top industrial level—major industry contracts, such as automobile, steel, and glass. With an estimate of over 75,000 labor contracts remaining to be negotiated each year, the effect on our workload of those relatively few contracts for more than 1 year will not be substantial.

3. Long-term agreements, as analyzed by governmental and private agencies, have followed a general pattern of substantially higher increases and benefits the first year than would otherwise probably have resulted with a 1-year agreement, followed by greatly reduced benefits in subsequent years. This has created two types of problems that result in increased mediation requirements:

(a) The disproportionately high benefits (as compared with subsequent contract years, both wage and fringe, during the first year of the long-term contracts have created real problems in other segments of industry. Other unions have naturally used the high first-year benefits of the long-term agreements for their local short-term contract demands. This has resulted in very serious mediation problems.

(b) As the longer-term contracts go into their succeeding years, their reduced automatic benefits are disproportionately lower than current increases being negotiated. Discontent naturally follows. This factor has been responsible in some instances for various employers voluntarily opening long-term firm contracts. You will recall that during our first major experience with long-term contracts in the automobile industry, the UAW successfully invoked the "living document" theory to secure a reopening and upward wage increase under a firm 5-year contract. When this occurs, and it has happened in a number of important contracts in recent months, mediation problems increase.

4. A great many important contracts are due to expire or are subject to reopening during the remainder of 1957, including agreements in the petroleum, rubber, lumber, chemical, textile, paper, telephone, and other utilities and construction.

An essential element of our fiscal year 1958 budget is planning to increase the effectiveness of our mediator staff with the principle in mind that it is better to have a more effective and efficient staff than to increase the number. The budget contemplates two critically important programs directed toward increased effectiveness and better utilization of manpower; specialized mediator training and improved office facilities.

Both industry and labor today consider collective bargaining a professional endeavor. The day has passed when the mediator meets relatively unskilled representatives of either labor or management at the bargaining table. In literally thousands of classrooms, conferences, workshops, seminars, and meetings each year, both management and labor are investing millions of dollars in developing higher degrees of skill and ability in their bargaining representatives. If mediation is to continue as the effective arm of the Government in preventing and minimizing labor disputes, the mediators must maintain an equivalent level of knowledge, skill, and training. While we have always encouraged individual activities in training and self-improvement, have furnished adequate reading and reference materials to all mediators, and have periodically conducted local training programs, these have proven to be inadequate to match the progress of labor and management.

This problem is not peculiar to the Federal Mediation and Conciliation Service. The President has called upon the heads of all executive agencies to provide inservice training to insure more effective and efficient performance by Federal employees. This I propose to do.

We have conducted four Commissioners' workshop seminars this year. Mediators were assigned in a manner that would intermingle personnel from the several regional areas and promote free exchanges of observations, experiences, and knowledge. Considerations of economy and workable-sized groups governed the assignment plans. The first series of seminars were conducted in Washington, Cleveland, Chicago, and Denver, and were completed on March 29. This is only the beginning of what must necessarily be a long-range training program.

In the budget estimate before you, we have included plans to continue the seminar plan next year, with attendance by each mediator at two 1-week sessions about 6 months apart. This is a minimum; anything less would seriously affect the value of the program.

As to subject matter, there is an abundance of topics that can be used. The problems incident to new issues, such as automation, the shorter workweek, broader health, pension, and vacation plans, could absorb much time. Improving conference discussion and leadership, problem-solving techniques, and many, many other subjects are of considerable merit for including in the topics. Specific study of and training relating to mediation skills and techniques are of course basic. I cannot emphasize too strongly the value of this training in improving the effectiveness of the mediator assistance which we provide. To reiterate, the prime function of the Service is to have highly skilled, effective mediators whom parties involved in a dispute will respect and call upon.

Closely allied with the need for improving mediation is to offer facilities which will provide a suitable atmosphere in which mediation can function effectively.

Many of our field offices are housed in what I consider to be shabby quarters. Many of the buildings are old and poorly maintained both inside and out. In other locations, the mediators have no office nor conference rooms and must necessarily conduct their business affairs from their homes. Meetings are held in such Government quarters as may be currently available or on company property which frequently is not acceptable to the unions. In some instances, meetings must be held in hotel rooms which is becoming more costly each year.

Another problem has to do with telephone service. To overcome this problem and to properly provide for a further improvement in service to the parties, an amendment to our appropriation language is necessary. The amendment which I propose is as follows:

Including Government-listed telephones in private residences and private apartments for official use in cities where mediators are officially stationed but no Federal Mediation and Conciliation Service office is maintained.

About 50 mediators are stationed in cities where the Service does not maintain an office and telephones are listed in the various directories under the mediator's name. Unless the parties know the mediator by name, they have no means of reaching him which is most important when a strike or other stoppage is threatened. A Government listing requires a business phone at the business rate and the cost cannot be paid by the Government under the law because the

phone is installed in a private residence. As you know, business telephone rates are about double residential rates and this higher cost should not be charged to the employee. I referred this matter to the Comptroller General, hoping to get relief from the legal restriction. He has confirmed that no appropriated funds may be spent for telephones installed in private residences "*except as otherwise provided by law.*"

The Comptroller's decision was received on March 1, after our hearing before the House committee. However, I have discussed this matter with the chairman, Congressman Fogarty, and he agrees that this request is reasonable and proper. The Budget Bureau on March 22 informed me that they too have no objection to my bringing it to your attention. I ask that legal authority be provided by your approval of the proposed amendment.

It should be noted that only one appropriation is requested for fiscal year 1958. Prior submissions have requested one appropriation for "Salaries and expenses" for the Service and a separate one for the expenses of boards of inquiry, appointed by the President. At the request of the Budget Bureau, both requests have been combined into one appropriation.

While we are working consistently toward minimizing the effect of seasonal fluctuations in workload, there necessarily are times when individual mediators are not fully engaged in direct dispute mediation. A variety of supplemental and related activities are engaged in by all mediators during such times; these activities being directed toward the responsibility of the Service to prevent industrial disputes. Such activities include specific assignments to help both labor and management in resolving difficulties which are of a continuing nature or which may develop outside of contract negotiations, participating in educational activities in cooperation with labor and management organizations and educational institutions, and special assignments within the Service involving administrative activities, review and audit of operations, industrial surveys to establish trends and patterns. The budget contemplates the continuing use of the audiovisual sequences that have proven to be so effective in selected situations and the development of further and different audiovisual aids to serve the same general purpose.

During 1942 and 1943, the first 2 years of our participation in World War II, mediation activities were expanded to insure uninterrupted production of war materials. During that period, the normal employment conditions were modified in order to attract a qualified staff of sufficient size. Men aged 55 and above were employed. Many of these men will have now completed 15 years of service with the Government and are reaching their 70th birthday. They will, therefore, be eligible for mandatory retirement. We believe that the employment and training of replacements in advance of known separations is highly desirable. However, we are aware also of the need to operate as economically as possible. We plan to achieve an economy by providing for new mediator appointments at the time separations occur. Because there will be no mediator employment prior to separation, we consider that a staff of 216 mediators is the minimum requirement for effective operation.

You have before you a copy of the budget submission of the Service. Our request for fiscal year 1958 is for \$3,610,000. This is an increase of \$305,000 over our current appropriation. Almost two-thirds of this increase represents no additional activity by the Service, but is required to meet a statutory obligation. Specifically, the Service is required, by the 1956 amendment to the Civil Service Retirement Act, to pay into the retirement fund \$186,000 to match employee contributions. The actual increase is \$119,000, which is to be used to carry on an in-service training program for mediators, to improve and increase facilities for field mediators, and to provide a few more man-years of mediation activity.

As you know, the House has approved an appropriation of \$3,550,000. This is \$60,000 less than that included in the President's budget and \$180,000 below the amount of our request to the Budget Bureau. The effect of the latter action will be to further reduce the mediator staff from 216 to 210. This means that we will have fewer men available for assignment to dispute situations. We will be less able to comply with requests when the parties call upon us for assistance.

The loss of six positions may seem insignificant on the surface. Believe me, it deserves a more penetrating examination. I mentioned earlier that we are now confronted with the need to replace men who are approaching the age of 70. By July 1, 24 men, or over 11 percent of a staff of 210, will be over 65 years of age. Retirement plans authorized by the Congress permit continued service to

age 70 before they are retired. In many governmental agencies, I presume, this poses no problem. I do not mean to imply that all men must be retired at age 65. But in mediation work, younger men are needed—it is a prime requirement of the job. The prolonged hours of tense negotiations frequently lasting all night long, and for week after week, the need to travel at all hours to and from conference sites, limits to a considerable extent the assignment of older men. We have to select their assignments very carefully. Moreover, absences because of illness, occur more frequently and for longer periods as a man grows older. I feel quite strongly that we should not reduce our mediator staff below 216 if we are to carry out our responsibilities efficiently and effectively.

I trust that these explanations will encourage you to approve the amount requested which will enable us to employ a mediator staff of 216 and provide for other necessary expenses. We can operate efficiently within the amount requested. I will be happy to answer any questions you may have.

MAJOR EXPENDITURES

Mr. FINNEGAN. I know you are entirely familiar with the function of our service in preventing and minimizing labor disputes that have a substantial effect on interstate commerce.

The major portion of our budget, Senator Hill, is spent on salaries and travel, and there is a very minimal amount spent on the national office staff here in Washington. It is a very small staff that we operate with. Our problem is rather peculiar in that we cannot predict what our workload is going to be, and we cannot build up a backlog and work on it at our leisure. We have to step in when the fire is burning and put it out.

INCREASE IN WORKLOAD

Our workload has increased from around 20,800 notices in 1949 to around 33,700 in the fiscal year 1956. We have been able to meet that even with a lower mediator staff by more careful screening of disputes and trying to hand back to the State mediation agencies, where they exist, those cases involving just intrastate commerce. But when you get into statistics in this business they are very, very misleading. My deputy Director, Mr. Moore, was in the recent longshoremen's dispute, and Bob was on that single dispute about 4½ months with a panel of 2 other people, and I do not think I spent a single night uninterrupted by telephone calls during that entire period. That goes down as one case.

Some of the other cases may be settled at one meeting.

So these statistics are of very little value in affording a guide as to our actual workload as contrasted with our caseload.

Senator HILL. The caseload is not a very important index to what your workload is.

LONG-TERM CONTRACTS

Mr. FINNEGAN. Quite so, Senator, and questions are very often asked me: "These long-term contracts—doesn't that mean there is going to be less work?" But what is overlooked there, is that those long-term contracts generally have a provision for a wage reopener somewhere along the line, either the second year or the third year. When you have a long-term contract you often have pressures built up that are not ventilated the way they are with a shorter term contract; so that when you finally do get to the end of a 3-year contract you really have a dilly to work with. The pattern of the long-term contract as such sometimes is not very conducive to peace.

On a 3-year contract you may have 18 cents the first year and 9 and 7 cents in the second and third years.

Well, the surrounding unions which do not have that long-term contract will point to the big first year and shoot for that, and it makes the bargaining a little more difficult.

We have got some pretty big contracts coming up this year. For the balance of this calendar year things look reasonably good. It is not too active. But I have no hesitation in saying that next year—

Senator HILL. You mean the next calendar year, beginning January 1?

Mr. FINNEGAN. That is right.

Senator HILL. You mean you have a good many contracts that will expire?

AUTOMOBILE CONTRACTS

Mr. FINNEGAN. We have next year the automobile-industry contracts, which will be opened for the first time in 3 years. That is a precedent or patternmaking contract, the effects of which will spread all over the whole country. A great many companies and unions will withhold their bargaining until they see what happens there. If a good package comes out of the automobile industry, they will wait and try to match it; and sometimes the cloth the big fellow can wear is not so easily tailored to the smaller operator.

Senator THYE. What would be some of the other contracts?

PETROLEUM CONTRACTS

Mr. FINNEGAN. We have petroleum. We have some negotiations and strikes in the oil industry right now spreading over about 20 States, and I think we probably have about 40 mediators assigned to them. We also have some utility strikes in progress, notably the Cleveland Electric Illuminating Co., which involves several thousand people and affects that whole industrial area out around Cleveland and Toledo, Ohio. And we have a number of telephone contracts up, and the lumber industries in the Northwest are open this year.

I do not anticipate the latter will be very difficult, because lumber is a pretty sick industry at the moment.

Senator THYE. But in the calendar year 1958 besides the automobile contracts—

ELECTRICAL-INDUSTRY CONTRACTS

Mr. FINNEGAN. You have a reopener, wage-supplement reopener, in General Electric, Westinghouse, and pretty much throughout the electric-equipment industry.

Senator THYE. I was trying to anticipate the load, you see. That is why the question.

Mr. FINNEGAN. As to that, of course, you come right on top of them, and may anticipate a real Donnybrook on one of those cases, yet it may evaporate. Another one on which you do not anticipate any trouble may wind up to be the real beaut.

We have just finished mediating a settlement of the General Electric strike up in Lynn, Mass., that involved around 20,000 people. That was entirely unexpected. It arose out of a grievance. There was no way in the world to predict the thing, but it wound up with about a 3- or 4-day stoppage, which we were able to put to bed.

Predicting these things requires a very good crystal ball, and then you are—"like to be wrong"—as Kipling says.

TRAINING PROGRAM

We have been placing great emphasis on our training program. And that is one of the reasons we have asked for a slight increase in our budget. About two-thirds of our increase is accounted for by these statutory obligations which you are familiar with and which I won't go into.

Part of the balance is trying to improve the housing facilities of our people. Instead of having them work out of their homes to have an office to go to and set up a place where they will be able to have a conference and bring the people in. Also we have just finished a series of workshop seminars.

I have hired Prof. William Elsen of Notre Dame. He just came with us a few months ago, and we have set up a very intensive in-service training program including mediator workshop sessions involving all of our people throughout the country. We are going to try to continue this program if funds are available.

Senator HILL. Give us a little picture now of what you do at one of these workshops. I think I have the idea, but for the record.

Mr. FINNEGAN. Mr. Elsen, suppose you fill in on that.

METHODS IN TRAINING WORKSHOPS

Mr. ELSEN. We took the idea that the mediator needed not only direct training skills for mediation work but also related skills in the areas of both human relations and communication. It was not that we were bringing them something that they did not know, but we were going on the assumption that the presidential directive of 1955 indicated that you not only needed good men, but you had to keep them good. We were trying to keep current or contemporary the skills that they had, by bringing to bear the research in those areas directly related to mediation.

Mr. FINNEGAN. Specifically, though, it involved conference leadership, problem analysis, training in analytical reading, mediation clinics where we utilized the case method and set up panels.

Senator HILL. Like a moot court in a law school.

Mr. FINNEGAN. Exactly. That is about the closest you could come to it.

We conducted this program in four segments over the entire country and brought all our people to at least one of them, so that we had an exchange of experience, which we think was very valuable. The union people have been stressing training for years and have really done a terrific job; so that your union negotiator sitting down at the table now in many cases is much more skilled than your company negotiator.

The company people have begun to take a leaf out of the union's book, and you have the American Management Association and various other organizations placing great stress on training; which puts the ball right back to us—we have to not only keep up with the parade but keep a little ahead of it.

TELEPHONE PROBLEM

But we have another problem, Senator Hill, that I would like to have Mr. Eady, my Director of Administrative Management, explain to you in connection with our telephone problem.

Will you explain that briefly to the committee, Ted?

Mr. EADY. Mr. Chairman, we propose an amendment to the appropriation language that would read as follows:

including Government listed telephones in private residences and private apartments for official use in cities where mediators are officially stationed, but no Federal mediation and conciliation service office is maintained.

The reason is that there are a number of locations, approximately 40 or 50, where the mediator works out of his home. We do not have an office there. Unless the parties are acquainted with the mediator by name, there is no means by which they may reach him when he is really needed.

We have explored this matter with the Comptroller General, thinking perhaps there might be a provision whereby we could authorize payment from appropriated funds.

However, he tells us, "No; specific appropriation authority is needed."

We have also cleared this through the Budget Bureau, and they have indicated that they concur, that it is proper to bring it to your attention.

NO TESTIMONY BEFORE HOUSE

Unfortunately, all of the information was not available at the time we appeared before the House committee; and so this proposal was not made to that group at the time of our hearing.

Mr. FINNEGAN. Pardon me; the Comptroller General's ruling and the Budget ruling came after we appeared before the House committee.

Senator HILL. In other words, you were not free to present it at the time you appeared before the House?

Mr. FINNEGAN. That is right.

Mr. EADY. The Director has discussed this with Chairman Fogarty and he has indicated it is appropriate that this be considered. It is appropriate to provide service to the parties at the time they are in need of mediation assistance in those localities where there is no mediation service office maintained.

Senator HILL. Where you do not have an office and have to call from an apartment or some place of that kind?

NEED FOR RULING ON TELEPHONE MATTER

Mr. EADY. That is right. Otherwise, in some localities particularly in the West, the only known means of communication would be at considerable long-distance expense, which, of course, the Service would have to repeat in calling back in order to locate the man who is needed.

Senator HILL. I understand. In other words, instead of calling the man on the ground, so to speak, they might have to call all the way back to Washington, and you might have to find the man out there and relay the message.

Mr. FINNEGAN. This would not require additional funds. We would absorb that ourselves.

Senator HILL. You are not asking for any additional moneys?

Mr. FINNEGAN. That is right. We are asking, of course, for the restoration of the \$60,000.

EFFECT OF HOUSE CUT

Senator HILL. Was that cut by the committee?

Mr. FINNEGAN. In the House we were cut by the committee \$60,000.

Senator HILL. What would be the effect of that cut?

Mr. FINNEGAN. We would lose six mediator positions. And we have already gone down. We have reduced our complement from 225 to 216. The House cut would further reduce our complement from 216 to 210, if we did not get it back. In a small service that makes quite a difference, because about 11 percent of our people are now, or will be by July 1, over 65 years of age. Many were hired back in the war years when we had to take draft-proof people. They were crackerjack people in their day and still very good for administrative work, but to go out on an all night session, or for example the sort of case Bob Moore was on, where it was a common thing to go 2 or 3 nights right through the night then catch a couple of hours sleep during the day and go back to negotiating—you cannot expect that of a person who is along in years. The six new mediators would mean replacing people who have left. We are down under the 216 figure now. The House cut would actually impair our mediation utility, our actual effectiveness, quite substantially.

PROVISIONS OF TELEPHONE AMENDMENT

Senator THYE. Mr. Chairman, going back to this proposed amendment here: This would provide, for instance, that if some of the mediators were living in a private home or apartment, there would be an official phone within that apartment or phone listed under "Government"?

Mr. FINNEGAN. That is right.

Senator THYE. It is the only way that this private line could be in there and compensated for. Otherwise it would be his own private home, and it is strictly there to accommodate the official business that this mediator is subject to at any hour of the 24 hours, or possibly any hour of the week.

Mr. FINNEGAN. That is correct, sir.

Senator THYE. That is the reason. Without this amendment, you could in no way provide that special line or special phone.

Mr. FINNEGAN. Or listing.

Senator THYE. Or listing. And the listing is as important as the cost.

Mr. FINNEGAN. Quite so. If you had labor trouble in the State of Arizona, for example, unless you happened to know that the mediator's name was Bill Halloran and lived on such and such a street you would not know where to reach him. You would have to call San Francisco, which covers that region, and say, "Our business here at Tucson has struck. Our plant is tied up. Can you send us a mediator?" San Francisco would call Halloran in Phoenix, and he would come down and straighten it out.

Every mediator, I might add, must have, under our regulations, his own private phone in addition to this Government listed one.

Senator THYE. So this would not supplant his private phone in any sense. This is an official line which would be listed as a governmental mediation service phone. And under the name of Mr. Jones, who was the known mediator there. It is to accommodate the employer as well as the union, that may have a dispute, and you want to try to get a mediator in there so as to avoid either a shutdown, a walkout, or whatever may occur?

Mr. FINNEGAN. That is it in a nutshell, sir.

BUSINESS RATE ON LISTED TELEPHONES

Mr. EADY. I might add one more thing, Senator. We have explored the possibility of merely incurring the expense of a listing. But the telephone company tells us that under Federal regulations, where you have a Government or a business listing, you must necessarily have the business rate. As you probably know, that is about double what the residential rate would be. And it is unfair to charge the additional cost to an employee.

Senator HILL. Anything else?

Mr. FINNEGAN. I think that covers it, Senator.

Senator HILL. We are very much obliged to you. We appreciate it very much.

Mr. FINNEGAN. Thank you.

JUSTIFICATIONS

Senator HILL. I have just been turning through the justifications presented in support of your budget request and I think I shall have the clerk include them in the record. There will, of course, be some duplication of your testimony but I think we need the justifications inserted in support of your estimate.

(The material referred to follows:)

1. AUTHORITY AND FUNCTIONS

The Labor-Management Relations Act, 1947 (29 U. S. C. 171-180, 182), established the Federal Mediation and Conciliation Service as an independent agency of the Government.

The Service is responsible for developing and maintaining harmonious relations between labor and management in all industries affecting commerce except railroads and airlines.

It is the duty of the Service to provide mediation assistance to both labor and management in those instances where the parties themselves have been unsuccessful in reaching agreement on the terms of labor-management contracts and to prevent or shorten periods of work stoppages which are caused by lack of agreement. A staff of competent mediators is employed and assigned on a case-to-case basis to work with the parties in resolving differences which interfere or threaten to interfere with harmonious relations and a continuation of production.

Entry into a case occurs from 1 of 3 means. First, the parties notify the Service of their failure to reach agreement at least 30 days in advance of the expiration date of an existing labor-management contract. Such prior notification is required by the Labor-Management Relations Act, 1947. Second, the parties may request the assignment of a mediator whenever a stalemate occurs in the course of their negotiations. Requests frequently are received from one or both of the parties during the contract period. For example, when the interpretation or application of contract terms causes difficulty or problems. Third, the Service may intervene in a situation when circumstances indicate the probability of work stoppage or other interruption in production or service.

Mediation assignments by the Service are neither automatic nor routine. A careful screening occurs at two different intervals prior to assignment to determine the propriety of Service participation. In many instances, the facilities of State mediation agencies are available to parties involved in disputes affecting smaller establishments or products of minor importance, or involving only intrastate commerce. The Service encourages the use of such facilities. This screening reduces substantially the total workload which otherwise would overburden a small agency such as this one.

Upon assignment, the mediator meets with the labor and management representatives jointly and separately. Frequently, he stands by when negotiations are progressing and the prospects of agreement without Service assistance appears likely. He will reenter and withdraw as obstructions appear and are overcome.

It should be emphasized that he cannot rule nor direct the terms of settlement. He can only advise and persuade. The parties themselves decide upon the terms of agreement.

Mediators also provide assistance during periods of existing contracts through utilization of preventive mediation methods and techniques. This activity seeks to promote solutions to minor problems and misunderstandings which otherwise would interfere with negotiation efforts as the contract renewal date approaches.

The Service maintains a roster of skilled arbitrators from which the parties make a selection as a means of effecting settlements when mediation efforts have not been successful in resolving differences. Should the parties request it to be done, the Service will select the arbitrator. In either case the employment and payment for the services of an arbitrator is not an expense of the Government.

II. ORGANIZATION

The Service staffing organization consists of the national office located in Washington, D. C., 8 regional offices, and about 80 additional duty stations are located in the larger communities across the country.

A. *Departmental*

The functions of the national office will continue to be limited to policy determination, coordination of activity in the field organization, liaison with other governmental agencies, employer and union organizations, and administrative direction and control. No further change is contemplated in the 47 positions currently available.

B. *Field*

Regional offices are under the supervision of a regional director and are staffed with varying numbers of mediators, depending upon the size of the industrial community, and a small stenographic and clerical group. Other offices and duty stations within the regions are staffed with from 1 to 9 mediators. Stenographic positions are provided in some locations.

Regional directors determine the propriety of Service participation in each dispute, assign mediators in dispute and preventive situations are generally administrators all aspects of the Service's work within the region.

This proposal anticipates the continuation of the present organization of regional offices, field offices, and duty stations at the present level of 8 regional directors, 216 mediators and 74 stenographic and clerical positions. Changes in the field will consist only of moving men within and between regions in keeping with the need to provide the amount and degree of mediation assistance required.

III. WORK PROGRAM

A. *Mediation of Disputes*

It has been the policy of the Service, since its inception, to encourage the parties to exhaust all efforts of collective bargaining before seeking assistance from the State or Federal Government or others. This policy will be continued. Accordingly, the Service will refrain from participation until a stalemate appears likely and the relations between the parties offers little promise of settlement. Moreover, the full utilization of the facilities of State and local mediation agencies will be encouraged in those instances where intrastate commerce or a minor effect upon interstate commerce is involved.

The Service does not, as a rule, assist the parties in grievance disputes except as a last resort and in exceptional cases where interruption of production is likely.

Despite the application of these policies, the Service cannot regulate the number, type, nor complexity of disputes in which participation will occur. Nor is it possible to accurately predict or evaluate in advance the number of men required or the duration of his assignment periods.

Demands for assistance are received from parties involved in a dispute as they occur. The number received and in process varies from month-to-month during the year. There has been a progressive increase in total number received each year as indicated by the following summary :

	Fiscal year				
	1952	1953	1954	1955	1956
Dispute notices received.....	24, 113	25, 964	29, 007	33, 311	33, 799
Assignments authorized.....	19, 613	20, 562	21, 676	23, 214	22, 769

Due to screening and referral practices, the total cases in which formal mediation assistance is provided has been fairly uniform during the same period.

	Fiscal year				
	1952	1953	1954	1955	1956
Formal mediation cases closed.....	6, 456	7, 213	7, 167	7, 114	7, 229

Frequently, the assignment of mediator panels of 2 and 3 men, including regional directors and national office representatives, as well as multiple mediator assignments in industries in various widely separated locations, is necessary in the mediation of a single dispute. The number of man-days consumed is substantially increased in accordance with the complexity and broad effect within an industry. There is no indication of a probable reduction in man-day requirements in certain disputes in the months ahead. It is more likely that a moderate increase per case is to be expected. Smaller segments of industrial labor will continue to seek equality of fringe benefit commitments by management to those obtained by larger groups.

Long-term contracts negotiated in prior years will offset to some extent what otherwise would point toward a substantially increased workload. Accordingly, the Service anticipates a comparable amount of mediation activity during fiscal years 1957 and 1958. Hence, no increase in positions is proposed.

B. Preventive mediation

The objective of preventive mediation is to encourage a greater degree of mutual understanding between labor and management and an acquaintance with those disruptive factors which interfere with harmonious relations and contribute to industrial disputes. It is directed toward the improvement of labor-management relations in a particular plant or plants or industry or a segment of industry under an existing contract.

All mediators employed by the Service perform this work in addition to their prime responsibility, the mediation of disputes. Quite often, during the course of dispute mediation, opportunities for preventive activity are identified and preliminary plans made for future consultation and meetings to improve relationships. No attempt has nor can be made relative to the number of preventive cases which will be processed during a given period. To be most effective it must be recognized as being helpful by the parties themselves and an indication of willingness to participate without delay.

The audio-visual program consists of depicting, by color slide and tape recording, the pertinent steps which led to a particular labor-management dispute. It has proven to be of great interest and value. The mediator presents the slide and sound tape sequences and then serves as a discussion leader to identify the cause and effect of the dispute as it developed.

Changes and improvements in both the type of disputes recorded and methods of avoiding the magnification of unfortunate situations into full-blown disputes are being considered at this time. Accomplishments realized in the past dictate the continuation of the program presentations.

C. Arbitration

The Service encourages the use of voluntary arbitration as a last resort in the settlement of labor-management disputes.

A roster of qualified, experienced, and impartial arbitrators is maintained from which the parties may make their selection. In those instances where the parties cannot agree on the selection, and, if they so request, selection is made by the Service.

Payment of salary and expense of arbitration is borne by the parties. There is no obligation for payment upon the Government.

The arbitrator roster is under constant review to insure currency of data pertaining to availability, acceptability, and complete background information of each arbitrator listed.

Workload for the past 5 years follows:

Arbitration workload—Processing requests for panels

	Fiscal year				
	1952	1953	1954	1955	1956
Number of requests received.....	980	838	1,315	1,245	1,510
Number of panels issued.....	964	1,009	1,283	1,319	1,515
Number of appointments made by the parties.....	656	683	1,006	987	1,099
Number of direct appointments made by the Service by request of the parties.....	(1)	(1)	35	62	98

¹ Not available.

D. Temporary mediators and consultants

1. *Boards of inquiry.*—A separate appropriation has been provided in prior years to finance boards of inquiry. At the recommendation of the Budget Bureau, the appropriations have been combined in this submission. The amounts for each year are identical.

Boards of inquiry are appointed by the President when, in his judgment, an existing or threatened work stoppage in an essential industry will imperil the national health or safety. Such boards are appointed only after all other efforts of mediation have failed and a work stoppage is imminent or has begun.

Board members serve on an intermittent basis to conduct hearings and to report to the President.

2. *Factfinding panels.*—The Director is authorized to appoint 3-man factfinding panels and temporary mediators on an intermittent basis when, in his judgment, such personnel may be effective in the settlement of significant disputes. The use of such appointments has been of value in the past when critical situations did not respond to the efforts of staff mediators.

The Service will continue to use this method to resolve the more important disputes.

3. *Consultants.*—The Director will appoint, on an intermittent basis, experts in the field of labor-management relations, training and instruction and audi-visual methods for advice and guidance regarding the various aspects of the Service's work. Such appointments for limited periods will be made during the budget year.

E. Mediator training

A program of mediator development and training will begin during the current year. The first phase will be to conduct 1-week seminars in Washington, Cleveland, Chicago, and Denver. Mediators from each region will be assigned in small groups to one of these locations—all mediators will participate.

For the budget year a similar arrangement is planned. The number of seminars will be increased from 4, 1-week sessions, to 8, 1-week sessions, which will allow each mediator to attend 2 seminars during the year.

The training program of the Service will be pointed toward the improvement of mediator skills and the enlargement of his knowledge of current trends and forecasts in those areas most closely related to his work responsibilities. Emphasis will be given to such matters as group leadership, problem-solving conferences, effective and persuasive speech, and others which are used in actual mediation work. Also, current and proposed plans for the adoption or broaden-

ing of automation, reduction of work day and/or week, guaranteed annual wage, etc., will be included in the training material.

The Service anticipates the continuation of training along similar lines for future years.

VI. FIELD OFFICES

This budget proposal includes a moderate allowance for the establishment of new or improved office facilities in certain industrial communities. Specifically, the need is most urgent in the following locations: Hartford, Conn.; Baltimore, Md.; Richmond, Va.; Memphis, Tenn.; Omaha, Nebr.

With the exception of Baltimore and Richmond, mediators stationed at the above locations have no assigned office nor conference room space. They must, therefore, conduct their official duties from their homes. Baltimore is inferior (basement) space. In Richmond, small quarters are provided by the State government when the legislature is not in session. Efforts to secure office quarters in Government-owned buildings have been unsuccessful.

Provision has also been made for necessary furniture to equip these locations as well as for the replacement of some equipment items in locations where needed.

VII. SUMMARY

For the budget year, the Service requests funds with which it plans to carry out its policies and work programs by—

1. Encouraging the parties to resolve their differences through free collective bargaining, without Service participation.

2. Furnishing conciliation and mediation services, where clearly required, to maintain the free flow of interstate commerce, and where needed, to prevent the interruption of production necessary to the national-defense program.

3. Engaging in preventive mediation activities in order to minimize industrial conflict, promote understanding and harmony between labor and management, and avoid work stoppages.

4. Encouraging the use of voluntary arbitration as a final step in resolving grievance disputes.

5. Employing the services of temporary mediators and fact-finding boards, when necessary, in particular dispute situations of major importance.

6. Conducting a program of inservice training of mediators to provide an efficient service to parties involved in labor-management disputes.

7. Establishing additional office and conference room facilities in communities where such accommodations are needed.

INTERSTATE COMMISSION ON THE POTOMAC RIVER BASIN

STATEMENT OF ELLIS S. TISDALE, DIRECTOR

APPROPRIATION ESTIMATE

Contribution to Interstate Commission on the Potomac River Basin: To enable the Secretary of the Treasury to pay in advance to the Interstate Commission on the Potomac River Basin the Federal contribution toward the expenses of the Commission during the current fiscal year in the administration of its business in the conservancy district established pursuant to the Act of July 11, 1940 (54 Stat. 748), \$5,000.

PREPARED STATEMENT

Senator HILL. The Interstate Commission on the Potomac River Basin.

Mr. Tisdale, we are glad to have you with us this morning. You are asking for \$5,000, which the House allowed you, and which you have had for quite a few years, for your Potomac River Basin. You have filed your statement for the record; have you?

Mr. TISDALE. Yes; I have filed a statement for the record.

(The statement referred to follows:)

STATEMENT OF ELLIS S. TISDALE, DIRECTOR

LET'S LOOK AT THE RECORD

Fifteen years ago, the Potomac Basin which in the 1930's had experienced damaging floods, a series of drought years threatening the Washington, D. C., water supply and excessive domestic and industrial pollution killing fish and causing tastes in public drinking-water supplies, came in for wide public discussion. Ways and means were sought through the Potomac Valley sanitation compact to check and control pollution throughout the basin in West Virginia, Pennsylvania, Maryland, Virginia, and the District of Columbia. The chamber of commerce, the Council of State Governments, and the State health departments were among the organizations urging the formation of an interstate commission.

By 1945 this compact giving investigatory, educational, and cooperative powers only to the Interstate Commission on the Potomac River Basin, was signed by all four States, the District of Columbia, and approved by the Congress. Then the experiment began. What has been the result? Let's examine the record briefly summarized here. Fifteen commissioners, three from each State that had then signed the compact—Pennsylvania signed later—organized the commission, elected their officers, assessed the signatory bodies for funds, employed a director and staff and started work.

Among the important accomplishments, we list six as follows:

A. Promotion of legislation which created the Virginia State Water Control Board in 1946, and the Maryland Water Pollution Control Commission in 1947.

B. Assisted in developing the agreement between the District of Columbia and the Maryland-Washington Suburban Sanitary Commission to integrate the physical and financial systems of these two agencies to control sewage pollution in Montgomery and Prince Georges Counties—suburban Maryland, 1945-50.

C. Made technical studies of pollution, Cumberland-Luke section of the upper Potomac Basin and the Washington metropolitan area, 1952-54. Brought about the establishment of river-sampling stations and the systematic reporting of water samples to the Commission regularly.

D. Public educational meetings, 50 in number, held in all States in the basin and in Washington, D. C., over 15 years. Also, intensive educational drives through the press, television, Our Beautiful Potomac series, to stimulate public interest, 1954-56.

E. Establishment of water quality criteria for the Potomac Basin.

F. Sponsored and encouraged the formation of watershed management organizations for the purpose of reducing all kinds of pollution. Examples are the Rock Creek Watershed Association in 1955 and the Monocacy Council several years earlier.

A. Promotion of water pollution control legislation in Virginia, 1943-46

The commission during the years 1943-46, aided in the studies and hearings in Virginia which resulted in the passage of a good State water pollution control law. Through the competently staffed Virginia Water Control Board, the work of cleaning up the Virginia streams from both sewage and industrial wastes has moved steadily forward. The dedication of the modern sewage treatment works at Alexandria on the Potomac in 1956 is a good example of the progress. All the States in the basin improved their laws and water pollution control staffs during the period 1941-56. Additional funds and staff are needed in all the States to meet the challenge of industrial expansion and population growth.

B. Consummation of agreement between Washington Suburban Sanitary Commission and the District of Columbia to collect and treat Washington suburban sewage at Blue Plains plant

Certain members of the commission helped in bringing into being an agreement on financial matters for the purpose of financing the collection and treatment of sewage wastes from Montgomery and Prince Georges counties. An interceptor, paralleling the Anacostia River was built to carry these wastes to the new enlarged Blue Plains sewage treatment plant. The Anacostia River is now relieved of raw or partially treated sewage. Thus the commission has been a real help in relieving gross pollution of the Anacostia River.

C. Metropolitan Washington sewage pollution study and Cumberland-Luke industrial-wastes report

In the years 1951-54, two comprehensive technical reports were published. These have been the basis for general knowledge and understanding of the intensity of industrial-wastes pollution in the heavily polluted Luke-Cumberland section of the Potomac River at Washington, D. C. Remedial work is rapidly going forward in both these badly polluted areas. However, more industry entering the Cumberland area and a rapidly growing population in the Washington metropolitan region warns us that even as these treatment works are completed in 1958, a comprehensive plan for pollution control for the future Washington must be formulated. To plan for this, the commission has now retained the professional technical assistance of Abel Wolman & Associates of Baltimore, Md. His report will be ready in late 1957.

D. Public information programs of the commission, 1941-57

Since its small beginnings in 1941, the commission has held approximately 50 meetings in all parts of the Potomac Basin, to focus attention on the pollution problems including pollution with silt. Progress in water-pollution control, soil-conservation, industrial- and sewage-pollution practices and the basin's recreational potential, have been widely discussed. Public meetings in the Luke-Cumberland area assisted the Upper Potomac River Board in completing and placing into operation the Savage River Dam, a major valuable achievement. Its usefulness stabilizing streamflows in the upper Potomac has been of great value to industries. The Washington meetings, together with extraordinary press coverage on the Potomac pollution problems, Our Beautiful Potomac series on television have been powerful factors in speeding up the remedial measures now being carried out in the Washington metropolitan area. The commission issues a monthly newsletter and publishes booklets, at the rate of 2 or 3 a year, on pollution and conservation problems. The growth of widespread public support for remedial measures has been the result. The Commission believes that public opinion is a potent spur for progress and it has relied upon public understanding for most of the progress made in checking Potomac pollution.

A NEW DAY DAWNING—WATER CONSERVATION ESSENTIAL

Authorities in sanitary engineering and in the field of water resources have repeatedly warned at the commission's meetings of the need for water conservation now. Abel Wolman, an eminent consulting sanitary engineer from Johns Hopkins University, Baltimore, said that, "Water is our most precious natural resource, we must learn to conserve it."

Congressman John Blatnik, of Minnesota, who has studied and worked tirelessly for natural-resources conservation in the Congress and who championed the Federal water-pollution-control legislation passed in 1956, said, "We must wake up before it is too late and check municipal and industrial pollution of our valuable water resources." President Eisenhower devoted a large portion of his state of the Union message before Congress in January 1957 to the need for water conservation. He recommended that local, State, and Federal agencies in cooperation, set up adequate machinery to work together on drainage basins in order to conserve our water resources. Presidents Truman and Roosevelt had pointed out the same need.

The Potomac commission sees many water needs in the basin. Outstanding among the problems are these:

1. Developing an adequate and safe public water supply for the 4 million people who will live in the Washington metropolitan area by the year 2000.
2. Building an adequate system of sewers for this metropolitan area, treating sewage before discharge into the Potomac, and providing adequate quantities of diluting water to carry the treated wastes harmlessly away.
3. Keeping the entire Potomac as free as possible from harmful industrial and municipal pollution through building necessary treatment works.
4. Conserving the floodwaters above Washington by a system of dams so that industry, cities, and agriculture can have adequate water supplies.
5. Keeping the quality of the Potomac water clean for recreation, camping, fishing, boating, and swimming. Recreation resources of the basin are priceless.
6. Holding back runoff waters on small watershed areas to prevent floods and

thus aiding navigation in the lower Potomac, by reducing soil erosion in the upper basin.

7. Setting up in cooperation with States and the Atomic Energy Commission, measures to control water pollution from atomic reactors wastes.

RECENT ACTION BY THE INTERSTATE COMMISSION ON THE POTOMAC RIVER BASIN

At its September 1956 meeting at Oakland, Md., the Potomac commission in executive session created a committee to study the problems of compact revision, to visit and counsel with the States. Mr. David Auld, chairman and his eight committee members sent a series of questions out to each State water-pollution-control authority, and were invited by them to discuss the matter of amending the Potomac River Valley sanitation compact.

On December 19, 1956, the committee met with the Pennsylvania Water Sanitary Board, at Harrisburg, Pa.

On December 27, 1956, the committee met with the Washington Suburban Sanitary Commission at Hyattsville, Md.

On January 15, 1957, the committee met with the Virginia Water Control Board at Richmond, Va.

On January 25, 1957, the committee met with the staff members of the Maryland water-control authorities in Baltimore, Md.

General agreement was expressed in all States that the budget of the Potomac commission was inadequate and hope was given that the ceiling of \$30,000 might be removed.

Favorable comment was made on the effective educational programs carried out by the commission. Suggestions were made that the Potomac commission might work most advantageously in the future as a planning agency coordinating the Federal, State, and local efforts on water conservation.

The compact revision committee of the Interstate Commission on the Potomac River Basin, will complete its work in March and submit its recommendations to the full commission in April 1957.

The commission is the creation of the States in the Potomac River Basin; it is their official agency. Within the limits of its compact, it has done its best to abate and control pollution in the streams of the basin. The commission stands ready to expand its endeavors in the fields of water conservation and pollution control if that is the wish of its signatory bodies.

Senator HILL. Do you want to briefly summarize it?

EFFORTS TO INCREASE STATE'S CONTRIBUTIONS

Mr. TISDALE. I could very briefly tell you what has gone on, I think, since I appeared here last year. And you will recall, Senator Hill, that you figured that we should make a sincere effort to get the States to contribute more money.

Senator HILL. That is right, the States of Virginia and Maryland.

Mr. TISDALE. I want to show you how we have gone about that.

We have a committee of our Commission which has visited every State in this compact group, laid the matter before them, and gotten a very substantial interest and agreement to go ahead.

The committee report will come before our commissioners next meeting the latter part of this month, and we hope for progress in that field.

Briefly, we would like to call to your attention 2 or 3 encouraging features in the report which I filed.

INFORMATION IN REPORTS

It shows that some \$58 million have been expended during this past decade here in the metropolitan area by the District of Columbia, by Maryland jurisdictions, and by Virginia jurisdictions, to lessen the pollution of the Potomac in this metropolitan area.

There is one other point I would like to mention, which I think is of interest, and that is the fact that our Commission was granted a

small amount of money under the new Federal Water Pollution Act, a \$17,500 financial grant, and we have used a portion of that grant to retain an eminent consulting engineer, Mr. Abel Wolman, of Baltimore, to prepare a forward looking report, a comprehensive report, on water pollution control in the Washington metropolitan area for the next 25 to 40 years. In other words, we are making a start toward a comprehensive plan of dealing with pollution control in the metropolitan area, when it will have a population of some four or five millions of people.

So we submit we think we are making a little progress.

PUBLICATION OF BOOKLET

In concluding, I wanted to say that we have just summarized this progress in our last meeting here of the Commission in a small booklet entitled, "Toward a Clean Potomac," and I am going to leave these booklets with you in case there should be interest in going into details on the matter.

Senator THYE. What does it cost to publish that booklet?

Mr. TISDALE. Well, we got out 2,000 copies of this booklet, and it cost us about \$900 for that publication.

Senator THYE. Who would you mail those booklets to?

Mr. TISDALE. These go to the people who are definitely interested in helping us carry out the program. We have some 200 people that attend our meetings. They will get copies of these publications.

Now, people in the compact States that are interested in carrying forward remedial programs will get copies of these. This just came off the press, and we have sent out some 800 or 900 copies already.

Senator THYE. Do you make a publication like that every year?

Mr. TISDALE. When we have significant material, we do.

Senator THYE. How many such publications have you mailed out in the years?

Mr. TISDALE. Last year I think I made mention that we were working with local groups on trying to conserve the recreational resources, and we had a booklet, Potomac Playlands which we published and are selling at \$1 a copy. So we hope to break even on that.

THEMES OF MEETINGS

But I would say that 2 or 3 times a year we have scheduled meetings, and generally it is on one particular theme. This one was on pollution control in the Washington metropolitan area.

The meeting in May 2 weeks hence, in Staunton, Va., will be on small watershed water conservation. And we have some outstanding people connected with that, and we think that the proceedings will be worthy of publication. Because we really are an education and interpretive group. That is our main function, getting people together, conciliating viewpoints, and then getting the States to act.

Senator HILL. Stimulating them to act.

Mr. TISDALE. That is right. And an example of that—the current television shows that are now going on every other Saturday on Our Beautiful Potomac. Those have speeded up the program of the District and Virginia communities and Maryland communities some years.

PROGRESS IN EDUCATION ON PROBLEM

Senator HILL. You feel, then, you have made definite progress in this matter since you were here last year?

Mr. TISDALE. We feel that we have. We hope we will get the \$30,000 limitation on our budget removed, so that the States can contribute more. Maryland is interested in contributing more. Virginia is giving consideration to it. And the District of Columbia, of course, puts in a substantial amount now.

So we hope we can build our budget up, because we do need one or two more technical people on our staff, to cooperate effectively with the State pollution-control bodies in Virginia, Maryland, and the District of Columbia.

I think that summarizes it briefly.

Senator HILL. I want to thank you very much.

Mr. TISDALE. Thank you very much for receiving me.

DEPARTMENT OF THE ARMY

UNITED STATES SOLDIERS' HOME

(TRUST FUND)

STATEMENT OF GEN. WADE H. HAISLIP, GOVERNOR, ACCOMPANIED BY RAYMOND A. GRITTON, BUDGET ANALYST

APPROPRIATION ESTIMATE

For maintenance and operation of the United States Soldiers' Home, to be paid from the Soldiers' Home permanent fund, **[\$6,564,000]** \$4,750,000, of which **[\$2,200,000]** \$34,000 shall remain available until expended for **[plans and]** construction of buildings and facilities, *including demolition: Provided*, That this appropriation shall not be available for the payment of hospitalization of members of the Home in United States Army hospitals at rates in excess of those prescribed by the Secretary of the Army, upon the recommendation of the Board of Commissioners of the Home and the Surgeon General of the Army.

Program and financing

	1956 actual	1957 estimate	1958 estimate
Program by activities:			
1. Medical care.....	\$1,784,188	\$1,896,549	\$2,020,932
2. Domiciliary activities.....	971,366	1,088,899	1,118,792
3. Administration and central services.....	1,516,246	1,458,552	1,576,276
4. Permanent improvements.....	336,544	2,605,427	234,000
Total obligations.....	4,608,344	6,969,427	4,950,000
Financing:			
Unobligated balance brought forward.....	-669,328	-605,427	-200,000
Recovery of prior year obligations.....	-7,443		
Unobligated balance carried forward.....	605,427	200,000	
Appropriation.....	4,537,000	6,564,000	4,750,000

Obligations by objects

	1956 actual	1957 estimate	1958 estimate
U. S. SOLDIERS' HOME			
Total number of permanent positions.....	977	981	990
Full-time equivalent of all other positions.....	29	27	20
Average number of all employees.....	978	989	976
Number of employees at end of year.....	1,016	1,035	1,022
Average salaries and grades:			
General schedule grades:			
Average salary.....	\$3,558	\$3,575	\$3,643
Average grade.....	GS-3.3	GS-3.3	GS-3.4
Ungraded positions: Average salary.....	\$2,653	\$2,619	\$2,872
01 Personal services:			
Permanent positions.....	\$2,777,491	\$2,834,734	\$2,980,477
Positions other than permanent.....	65,188	73,947	73,947
Regular pay above 52-week base.....	11,849	4,169	12,897
Payment above basic rates.....	68,665	70,622	73,679
Total personal services.....	2,923,193	2,983,472	3,141,000
02 Travel.....	604	565	565
03 Transportation of things.....	377	500	500
04 Communication services.....	13,272	13,610	13,610
05 Rents and utility services.....	80,697	84,360	84,360
06 Printing and reproduction.....	2,970	3,650	3,650
07 Other contractual services.....	482,344	518,622	484,061
08 Supplies and materials.....	880,776	936,339	922,954
09 Equipment.....	80,075	62,397	90,000
10 Lands and structures.....	46,383	76,638	34,000
11 Grants, subsidies, and contributions.....	4,031	3,732	3,732
Contribution to retirement fund.....			173,468
15 Taxes and assessments.....	793	800	800
Subtotal.....	4,515,515	4,684,685	4,952,700
Deduct charges for quarters, subsistence, and laundry.....	173,344	182,500	202,700
Total, U. S. Soldiers' Home.....	4,342,171	4,502,185	4,750,000
ALLOCATION TO CORPS OF ENGINEERS, DEPARTMENT OF THE ARMY			
Total number of permanent positions.....	13	5	10
Average number of all employees.....	12	5	10
Number of employees at end of year.....	10	5	10
Average salaries and grades:			
General schedule grades:			
Average salary.....	\$5,574	\$5,148	\$4,981
Average grade.....	GS-8.5	GS-8.2	GS-8.1
01 Personal services:			
Permanent positions.....	\$72,464	\$25,742	\$49,809
Regular pay above 52-week base.....	278		191
Payment above basic rates.....	3,677		
Total personal services.....	76,419	25,742	50,000
03 Transportation of things.....	7		
07 Other contractual services.....	5,866	141,500	4,000
08 Supplies and materials.....	16		
09 Equipment.....	257		
10 Lands and structures.....	183,608	2,300,000	145,450
11 Grants, subsidies, and contributions: Contribution to retirement fund.....			550
Total, Corps of Engineers.....	266,173	2,467,242	200,000
Total obligations.....	4,608,344	6,969,427	4,950,000

SOLDIERS' HOME PERMANENT FUND (TRUST FUND)

Amounts available for appropriation

	1956 actual	1957 estimate	1958 estimate
Unappropriated balance brought forward.....	\$62,601,165	\$70,990,159	\$74,286,213
Receipts:			
Stoppages, fines, and forfeitures.....	8,838,773	6,000,000	5,500,000
Estates of deceased soldiers and airmen.....	173,461	37,000	37,000
Withheld pay.....	1,690,011	1,710,000	1,773,000
Interest credited.....	1,943,128	2,100,000	2,300,000
All other.....	49,259	17,000	17,000
Unobligated balance returned to unappropriated receipts.....	237,599	2,554	-----
Total available for appropriation.....	75,533,396	80,856,713	83,913,213
Appropriation:			
"Operation and maintenance, United States Soldiers' Home".....	-4,537,000	-6,564,000	-4,750,000
"Soldiers' Home permanent fund".....	-6,237	-6,500	-6,500
Unappropriated balance carried forward.....	70,990,159	74,286,213	79,156,713

PROGRAM AND PERFORMANCE

This fund consists of receipts from fines, forfeitures, and stoppages of pay of regular enlisted personnel of the Army and Air Force, withholding of 10 cents per month from the pay of such personnel, estates of deceased soldiers and airmen, other receipts consisting largely of sales, and interest of 3 percent on fund balance. The receipts and the balance are available for obligation and expenditures through the maintenance and operation appropriation only as appropriated annually by Congress (24 U. S. C. 44, 45; 31 U. S. C. 725s).

GENERAL STATEMENT

Senator HILL. Our good friend, General Haislip from the Soldiers' Home, is next.

We are delighted to have you with us.

General Haislip. Delighted to be here, Senator.

Senator HILL. General, we will be delighted to have you proceed in your own way, sir.

General Haislip. Senator, I have a prepared statement to present for the record. I thought I would summarize a few things. I know you are thoroughly familiar with the home, but there are a few items I would like to bring to your attention.

Senator HILL. All right, sir.

1958 ESTIMATES LOWER

General Haislip. The first is that our estimates for fiscal year 1958 are \$1,814,000 less than the appropriation for 1957.

Senator HILL. I noticed that. What is that due to, General?

General Haislip. Well, it is largely due to the fact that last year you gave us \$2,200,000 to construct a new service area. That was a one-shot affair and that is out this year.

MANDATORY COSTS

Now, there are certain mandatory additional costs that we have put into this budget, and I would like to indicate them by subject rather than amount as they appear in the book.

The first one is that this is the first year the home has had to include funds to make payments into the civil-service retirement fund in

an amount equal to deductions from employees' salaries for this purpose.

The next is that wage board employees were granted an increase in salary this year for which funds must be provided for all of next year.

Third, Army medical officers were also granted salary increases this year for which funds must be provided in the budget year.

Fourth, the home payments into the Federal employees group life insurance fund will be greater in the fiscal year 1958, due to salary increases granted to blue-collar workers.

Fifth, it is anticipated that the price of fuel oil, which advanced this year, will remain in effect throughout the budget year.

Sixth, the daily rate for beneficiaries at St. Elizabeths Hospital has been increased in the budget year by the Bureau of the Budget. And finally, 57 hospital attendants will be upgraded in the hospital, as a result of a Civil Service Commission recommendation.

PATIENTS AT ST. ELIZABETHS

Senator HILL. Those patients you have in St. Elizabeths will cost you more than they have cost in the past?

General HAISLIP. Yes, sir. The rate is set by the Bureau of the Budget.

Senator HILL. Do you have many patients in St. Elizabeths?

General HAISLIP. We have 51 now, Senator. When I went to the home 5 years ago we were averaging about 40, but it has increased by a rather unexplainable percentage.

POPULATION OF SOLDIERS' HOME

Senator HILL. What is the population at the home now?

General HAISLIP. On April 30, it was 1,836.

Senator HILL. Go ahead. I did not want to stop you, sir. You have filed all that for the record; have you not?

General HAISLIP. I have filed it for the record, and I can go into the details, which I believe are explained in our estimate book.

PAY OF EMPLOYEES

One other item that I would like to bring to the attention of the committee is that for years we have paid our member employees of the home nominal sums for varying kinds of work. Some of them worked 2 hours, some 3 hours. A limited number work all day. But very few are able to do a day's work. We set the rates generally in accordance with the rates used by the Veterans' Administration.

Well, the trouble is, that since 1951 the member employees have never gotten any increase in pay whatsoever, while the civil-service employees have had several.

Senator HILL. Several increases?

General HAISLIP. That is right. That causes discontent, and it results in an enormous turnover in employment. Every time the civil-service employee gets a raise, a lot of our member employees quit in disgust and that results in lowered efficiency and additional expense.

So I have devised a plan that I hope to put into effect this next

year to put our pay for members on a rational basis, to offer them a small step-up in pay after the first 6 months, after the first year, and after the second year, to give them a little something to look forward to.

Senator HILL. A little stimulation?

General HAISLIP. That is right; and make them feel that they are not forgotten. And the result will be that the member employee who does the full day's work will get about a third as much as the civil-service employee in the same position. And we feel that that will go a long way toward keeping these men on the job and making it worthwhile for them to stay on the job. It will improve efficiency, and certainly reduce expense. It won't cost very much money.

Senator HILL. Well, the House allowed you the budget estimate, did it not?

General HAISLIP. I believe it did, Senator.

Senator HILL. It did. The House allowed you the budget estimate. There was no cut either by the committee or by the House. And your funds do not come out of the Federal Treasury.

AVERAGE AGE OF INMATES

What is the average age of the inmate?

General HAISLIP. Sixty-six. We have them from 27 to 95. Any man who is disabled in line of duty incident to the service to the point where he is unable to earn a livelihood is able to come into the Home. We had 1 boy 18 years old who enlisted, went to Korea, contracted polio and was paralyzed from the waist down, and he of course could come in. But the present age of the youngest is 27.

Senator THYE. Any veteran disabled, unable to take care of himself.

QUALIFICATIONS TO ENTER HOME

General HAISLIP. No, just the regular soldier and the regular airman. The Home is for the professional soldier and airman only. The others, of course, have a claim on the Veterans' Administration.

Senator THYE. But you say "regular." It is not a draftee?

General HAISLIP. No, sir.

Senator THYE. It is the man who volunteered, who enlisted, who was not called into the service as a draftee?

General HAISLIP. That is right. He is held entirely separate, in an entirely different category.

Senator HILL. This is the concept, of course, of the old Regular Army.

General HAISLIP. Yes, sir.

There is one point I would like to bring up, Senator: We are in a rather critical position, so far as the Home is concerned, and that is this:

SUPPLEMENTAL REQUEST

The United States Soldiers' Home has a supplemental request for \$79,000 in the third supplemental bill now before the House of Representatives. This \$79,000 is to cover wage board increases of \$59,000 and \$20,000 for increased rates and increased load at St. Elizabeths Hospital. And that increased rate was set by the Bureau of the Budget.

In order to avoid a possible deficiency, I have held up, among other items, 2 important projects for which money is included in the current appropriation, \$18,000 for the topographical survey and map, and \$15,000 for renovating Anderson Cottage.

Now, if it should happen that the supplemental is not approved by the Congress, this \$33,000 will have to be used to help make up the \$79,000 deficit. Should the supplemental be approved, even now, it will probably be too late to obligate properly these funds prior to June 30, 1957, due to the time required for preparing plans and specifications, advertising for bids, and awarding contracts.

The project for Anderson Cottage fits in with a project in these estimates now before you, and the two together would complete the modernization of Anderson Cottage.

REQUEST FOR LANGUAGE AMENDMENT

In order that the program progress as desired by the Congress, I request that the committee give consideration to inserting specific language in the fiscal year 1958 appropriation bill now before you, extending beyond June 30 the availability of \$33,000 of the current appropriation.

The removal of the June 30 deadline will permit the Home to proceed in an orderly and thorough fashion in the preparation of plans and in the letting of contracts for these two projects.

We never expected, Senator, that it would take so long for this supplemental bill to get through. We put it in in January 1957.

Senator HILL. You are speaking of the deficiency, now?

CAUSE OF DEFICIENCY

General HAISLIP. That is right. This was caused through no fault of our own, but by increases in wage board rates and this increase in rates at St. Elizabeths Hospital set by the Bureau of the Budget. And I have felt, naturally, I am not allowed to create a deficiency. So I have grabbed everything I can lay my hands on. And the other money which I am holding is for items just as essential but which can be obligated in even a limited time without trouble. But these two projects are complicated and if we could merely get the availability of that money extended beyond June 30—

Senator HILL. I really believe, General, it would be better, if you are going to make that money available beyond June 30, to carry that in the deficiency bill itself rather than into this regular bill.

General HAISLIP. We have never had a chance to do that, Senator, because the deficiency bill was held up in the Bureau of the Budget a long time, and it has been in the House a long time.

Senator HILL. I understand that.

But this committee could put an amendment onto the deficiency bill, to make those funds available on beyond June 30 just as readily as it could put it in this regular bill.

In fact, it would be a little more germane in the deficiency bill, right along with the funds, you see.

General HAISLIP. If we could get the use of our money extended, it would certainly be fine. After all, it is May, and that does not give us much time.

DEFICIENCY NOT BEFORE HOUSE

Senator HILL. You have appeared before the House committee?

General Haislip. This never came up, Senator. We were there in early February.

Senator HILL. You have not been there on this deficiency?

General Haislip. No, sir. We merely submitted a statement as to the need for the money.

Senator HILL. I understand the House committee reported that bill today.

General Haislip. We have not been able to find out what the situation was. But even now, Senator, it will be the middle of May perhaps before it passes.

Senator HILL. It has to pass the House and the Senate committee and then pass the Senate and go down to the President.

General Haislip. June 30 will be right in our lap pretty soon.

Senator HILL. Senator Thyne, you and I will bear in mind what he said about these deficiency funds. It is just a question, if we are going to give you the funds, that you want time to properly invest them, which you would not have in 6 weeks' time.

TIME NEEDED FOR INVESTMENT

You need more time than that for the proper investment of the funds. Is that right?

General Haislip. That is right.

Now, the obligation of the other funds is relatively simple, but these two projects are quite complicated.

Senator HILL. Suppose those funds were made available to you, say, until the end of the present calendar year, December 31. Would that be sufficient time?

General Haislip. Yes, sir. It will take the pressure off so that we can be sure we are doing a good job.

I should think by July 31 should be time enough, or certainly August 31. And if we could have the \$33,000 without specification as to purpose, just that sum, it certainly would be a help to us.

(The following letter was subsequently received from General Haislip:)

OFFICE OF THE GOVERNOR,
UNITED STATES SOLDIERS' HOME,
Washington, D. C., May 9, 1957.

HON. LISTER HILL,

*Chairman, Subcommittee of Committee on Appropriations,
United States Senate, Washington, D. C.*

DEAR SENATOR HILL: I had the honor to appear before the Senate subcommittee on May 3, 1957, to justify the annual request for funds for maintenance and operations of the United States Soldiers' Home for fiscal year 1958.

During these hearings, I requested the extension of availability of \$33,000 of the current year appropriation on the basis of shortness of time remaining in the fiscal year and the increasing difficulty of properly obligated funds before the end of the year.

The House has approved promptly the third supplemental for fiscal year 1957 which includes \$79,000 for the Soldiers' Home and I feel that I can now take the preliminary steps necessary to properly obligate this money before the end of the current fiscal year. I therefore withdraw my request for an extension of availability of the \$33,000 of the current year appropriation.

In closing, I would like to express my deepest appreciation for the interest you have taken in the Soldiers' Home on this matter.

Very truly yours,

WADE H. HAISLIP,
General, United States Army, Retired, Governor.

Senator HILL. Is there anything else you would like to add?

General HAISLIP. No, sir, except that I appreciate your courtesy, Senator.

Senator HILL. We are always delighted to have you here with us, General. It is always a pleasure.

PREPARED STATEMENT

Your statement will be printed in the record, and I thank you again for your appearance.

(The statement referred to follows:)

STATEMENT OF GENERAL WADE H. HAISLIP, GOVERNOR, UNITED STATES SOLDIERS' HOME

As Governor of the Soldiers' Home, I am happy to appear before this committee to discuss its budget requirements for fiscal year 1958. I would like to remind the committee that the home's appropriation is made from a trust fund established by law in 1851. While the Soldiers' Home appropriation appears in the President's budget, it is not included in the total, since the home receives no support from the general funds of the Treasury.

PURPOSE OF ESTABLISHMENT

The United States Soldiers' Home was established in 1851 to provide a home for the relief and support of certain old, invalid, or disabled soldiers of the Regular Army. Applicability of the laws governing the home was extended to include airmen in 1947. The establishment is devoted solely to the interests of the professional soldiers and airmen and recognizes and rewards service both in peace and in war. The home is open to career soldiers and airmen only and benefits provided by other agencies do not overlap in any way, as has been claimed.

MEMBERSHIP

Membership is confined to former warrant officers and enlisted men who have had some service in the Regular Army or Air Force. In addition, membership is further limited to:

1. Those who have served honestly and faithfully 20 years or more, and
2. Those with a service-connected disability which renders them incapable of earning their own livelihood.

On January 31, 1957, there were 1,834 members on the rolls. Their average age was 66 and ranged from 27 to 95 years. About one-half of them were retired after 20 or more years of service. The remainder consisted of men disabled through wounds, disease or old age to the point where they were unable to earn a livelihood.

Approximately 125 were under 50 years of age, and this small percentage of the membership indicates that the principal mission of the home continues to be to provide an honorable and comfortable home for old, invalid, and disabled soldiers and airmen, and is not the rehabilitation of individuals for return to civil life. About 180 members have no war service, since eligibility is based on service in time of peace as well as war.

The estimate for fiscal year 1958 is based on an average membership of 1,857, the same member load as carried in the current appropriation.

FINANCING

The act of 1851 established the home and provided that it would be financed, not by appropriations from the general funds of the Treasury but from a trust

fund. The Congress appropriates from this fund annually for the support of the home. This fund is built up from the following principal sources:

1. A monthly contribution of 10 cents made by each enlisted member of the Regular Army and Air Force.

2. Fines and forfeitures imposed upon soldiers and airmen of the Regular Forces by sentence of courts martial, and

3. Interest of 3 percent on the fund balance in the United States Treasury.

The permanent fund balance was \$67,375,591 on December 31, 1956. It is gratifying to know that for many years to come the home will be able to sustain itself and expand as necessary by appropriations from this fund without becoming a burden on the taxpayer.

ANNUAL REPORT

The United States Soldiers' Home in accordance with law makes a report of its activities annually to the Congress. Included in this document is a report by the Inspector General of the Army who, by law, is required to make an annual inspection of the home and report the results to the Congress. It is pertinent to quote an extract from his most recent report dated December 19, 1956:

"The Home; its operations and activities; the buildings, grounds, and roads; the members; and the officers and employees collectively; presented an overall picture of a healthy organization.

"In general the hospital appeared to be well run, efficiently managed, and presented a neat and orderly appearance. The equipment, new building and facilities provided for the benefit and welfare of the members of the home appeared to be the best obtainable.

"Records and accounts of the home were current and satisfactorily maintained. Fiscal accounts were kept in an excellent manner.

"High morale at the home was indicated by personal contact with both members of the home and member patients in the hospital. It was evident that a great deal of time had been put into those things which contribute to good morale.

"Good order and discipline on the part of members of the home was noticeable throughout the inspection. Matters requiring disciplinary measures were of a minor nature and appeared to be on a downward trend. Punishment meted out was considerate in view of the age and infirmities of the members.

"The recreational program had been designed to accommodate the changing desires of the members and appeared to be operating in a highly efficient manner."

JUSTIFICATION OF FISCAL YEAR 1958 ESTIMATE

The following chart relates the fiscal year 1958 estimate with the current appropriation. In order to proceed with such a comparison it will be necessary to reduce obligations shown by amounts of prior-year funds brought forward.

	Fiscal year 1957	Fiscal year 1958	Difference
Obligations shown on p. 2 of the estimate.....	\$6,969,427	\$4,950,000	\$2,019,427
Less obligations of prior-year funds.....	405,427	200,000	205,427
Appropriation or estimate.....	6,564,000	4,750,000	1,814,000

Prior to explaining in detail the increases and decreases in the estimate over the current appropriation, I would like to point out briefly certain mandatory additional costs which are included in the request for fiscal year 1958.

1. This is the first year the home has had to include funds to make payments into the civil service retirement fund in an amount equal to deductions from employee's salaries for this purpose.

2. Wage board employees were granted an increase in salary this year for which funds must be provided for all of next year.

3. Army medical officers were also granted salary increases this year for which funds must be provided in the budget year.

4. The home payments into the Federal employees' group life insurance fund will be greater in fiscal year 1958 due to salary increases granted to blue-collar workers this year.

5. It is anticipated that the price of fuel oil, advanced this year, will remain in effect throughout the budget year.

6. The daily rate for beneficiaries at St. Elizabeths Hospital has been increased in the budget year by the Bureau of the Budget.

7. Fifty-seven hospital attendants will be upgraded in the budget year, the result of a Civil Service Commission recommendation.

Specifically, increases and decreases are as follows:

Personal services.—There is a net increase of \$157,528 for salaries. Additions include \$92,922 to pay for the full year in fiscal year 1958 wage board increases which have been granted this year; \$76,818 to raise the pay rates of member employees; \$13,285 to upgrade 57 hospital attendants in accordance with the recommendations of the Civil Service Commission; and \$11,785 for a greater number of hours and increased rates for pay above basic rates and the 1 day in excess of the 52-week base. There is a reduction of 13 man-years and \$37,282 in estimated lapses.

Other contractual services.—There is a net increase in contractual services of \$24,389. Additions include \$16,492 to reimburse the Army for increases in salaries granted this year for three Army Medical Corps officers on duty at the home; \$2,737 for an increase in the daily rate at St. Elizabeths Hospitals; \$4,227 to increase the present staff of Sister nurses from 23 to 27 in fiscal year 1958; \$2,666 more for the home's contribution to the Federal employee's group life insurance fund due to recent pay raises for blue-collar workers; and \$7,929 for roof repairs to buildings. The amount asked for the program of replacing cobblestone gutters with concrete curbs and gutters is \$4,200 less than the current appropriation and will complete the program. There is a \$5,462 decrease in the amount required for major repairs and improvements.

Supplies and materials.—There is a net decrease of \$13,385 in this category. Additions include \$2,946 to increase the employee ration by \$0.03 and \$11,129 for fuel oil due to recent price advances which are anticipated to remain in effect throughout the coming fiscal year. Reductions include \$17,460 and \$10,000 in order to lower the level of inventory of hospital supplies and clothing.

Equipment.—There is a net increase of \$30,200 in this request. Additions include \$6,645 to replace antiquated operating room equipment, \$3,325 to replace outdoor porch chairs at the hospital, \$7,120 to replace footlockers in one of the old buildings, and \$18,551 to replace a formatic shirt unit and washer-extractor at the laundry. There is a reduction of \$5,441 in other normal replacement of equipment.

Land and structures.—There is a decrease of \$2,166,000 in this category. Increases in the request for fiscal year 1958 include \$19,000 to construct a new road between the hospital and the recently constructed nurses' home, and \$15,000 to raze the King Building, an old domiciliary building replaced by new construction. The amount of \$2,200,000 for the construction of a new service area, a provision of the fiscal year 1957 appropriation, is reflected as a decrease in the fiscal year 1958 request.

Grants, subsidies, and contributions.—The entire increase of \$173,468 in this category is due to fiscal year 1958 being the first year in which each agency is required to include in its budget funds to make payments in an amount equal to that deducted from employees' salaries into the civil service retirement fund.

Deductions for quarters, subsistence, and laundry.—There is a reduction of \$20,200 in funds required because deductions from employees' salaries for subsistence will be greater. Recent pay raises have increased the cost of overhead included in those deductions, and the budget for fiscal year 1958 provides also for a \$0.03 increase in the cost of raw food.

I would like to mention at this time that I have agreed to defer the initiation of construction of the new service area until I have conferred further with the Bureau of the Budget. Planning contracts, however, have been let and planning will continue to completion.

LAND

For several years this committee has asked about the transfer of certain land to the General Services Administration and payment therefor as provided by law. I am happy to be able to report that agreement between the home and the General Services Administration has been reached regarding payment for this land. The amount accepted by the home was \$13,500 per acre. To date, payment has been received for 2 of the 3 parcels of land turned over to the General Services Administration. I have been unable to pin down that Administration as to when it intends to pay for the easterly tract of approximately 30 acres of land.

CONCLUSION

In conclusion, I believe the American people can be well satisfied with the measures taken through the years by the Congress for the care of the old and disabled soldiers and airmen of the Regular Forces, and I can assure the committee that continued effort is being made by the officials of the home to carry out the mission of the home efficiently and economically.

Senator HILL. The committee will stand in recess until 10 o'clock on Monday.

(Whereupon, at 11:15 a. m., Friday, May 3, 1957, a recess was taken until 10 a. m., Monday, May 6, 1957.)

LABOR-HEALTH, EDUCATION, AND WELFARE APPROPRIATIONS, 1958

MONDAY, MAY 6, 1957

UNITED STATES SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, D. C.

The subcommittee met, pursuant to recess, at 10 a. m., in room F-82, the Capitol, Hon. Lister Hill presiding.

Present: Senators Hill and Thyé.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE PUBLIC HEALTH SERVICE

RABID BATS IN CARLSBAD CAVERNS, N. MEX.

Senator HILL. The committee will kindly come to order.

At the outset this morning I want to bring to the attention of our subcommittee a condition about which Senator Chavez, a member of this subcommittee, and Senator Anderson, of New Mexico, have written the committee with reference to the presence of rabid bats in the Carlsbad Caverns, among other places.

Senator Chavez sent me an article which appeared in the April 6 issue of the New Yorker, titled "Annals of Medicine, The Incurable Wound." This article together with the correspondence from both Senator Chavez and Senator Anderson will be incorporated in the hearings.

(The material referred to follows:)

APRIL 11, 1957.

Hon. LISTER HILL,

*Chairman, Senate Appropriations Subcommittee on
Departments of Health, Education, Welfare, and
Labor, Senate Office Building, Washington, D. C.*

DEAR LISTER: I believe I ought to call your attention to a little-known problem which may turn into a serious threat to health almost any time and to suggest we ought to establish an effective program during the course of consideration of the appropriations for the Public Health Service.

Over the years, the bat has always been described as a night vulture and fictionalized in the extreme in the way the bat might prey on humans. Today, the bat is a serious danger to humans, particularly those in the Southern and Western States, and perhaps to the entire United States. I want to invite your attention to an article on page 39 of the April 6 issue of the New Yorker magazine. It is aptly named "The Incurable Wound."

In my own case, I view the danger of the spread of rabies among bats as very dangerous, particularly in view of the large bat flights out of the Carlsbad Caverns. They are not only a danger to human beings, but threaten the attraction of the caverns to the tourists. I know the National Park Service is seriously concerned with this possibility.

At the moment, I believe the Public Health Service is budgeted for \$260,000 for communicable-disease operations by the center at Atlanta, Ga. Of this amount, \$40,000 is planned for rabid-bat studies, and \$20,000 has been allocated to the Carlsbad Laboratory. Therefore, I believe you can readily see that I am not selfish in my concern. Rather, I suggest that the Senators might want to view this problem in the light of their own States and act accordingly.

I have discussed this program with responsible authorities, and suggest the subcommittee hold a brief hearing to take testimony from the Public Health Service upon this problem. Then, we firmly establish a program of 5 or 10 years. Perhaps there ought to be 5 laboratories scattered over the United States to go into this rabid-bat problem with an operating budget of \$200,000 a year.

I am certain the State Public Health Departments of Texas, Arizona, New Mexico, and Florida would strongly recommend such a program of assistance to the States. It is my understanding that Dr. Max Hibbard, a veterinarian with the Virginia State Department of Public Health, Richmond, would be a competent witness on rabies among bats, and for the veterinarians throughout the United States.

I believe you will find that rabies has spread rapidly among bats from a beginning in Florida half a dozen years ago to a nationwide threat today. I heard it said that there are about 1 million people bitten by animals each year in the United States. Luckily, however, through control programs, only a relatively small percentage are from rabid animals. However, if the rabies threat is now spread by night and by swiftly moving animals which must number in the millions, it is something we should not dismiss lightly.

With kind personal regards, I am,

Sincerely,

DENNIS CHAVEZ, *United States Senator.*

[From the New Yorker, April 6, 1957]

ANNALS OF MEDICINE—THE INCURABLE WOUND

By Berton Roueché

On October 30, 1951, a woman I'll call Mabel Tate, the wife of a West Texas cotton planter, was admitted to the Parkland City-County Hospital, in Dallas, with a tentative diagnosis of bulbar poliomyelitis. The record also noted, as is usual in ambiguous cases, two possible variant readings. They were epidemic encephalitis and, at the suggestion of the Tate family doctor, influenza. The general nature of her trouble, however, was somewhat less uncertain. All major signs and symptoms reflected a virus invasion, and one of massive, if not overwhelming, proportions. Mrs. Tate was blazing with fever, she was wildly agitated, and she was unable to speak, unable to swallow, and unable to move her left arm. Four days later, she sank into a coma, and died. Something about the manner of her death prompted the attending physician to request a clarifying postmortem examination. The autopsy was done, with Mr. Tate's consent, early the following day. When the attending physician reached the hospital that morning, a report of the laboratory findings was on his desk. It began, "Encephalomyelitis with demonstrable Negri bodies in central motor neurons * * *". There was no need to read any further. That emphatically answered his question. Negri bodies are distinctive clusters of cellular substance whose presence in the brain has just one denotation. Mrs. Tate was a victim of rabies.

The attending physician once more sought out Mr. Tate. He told him what the pathologist had found out and what the finding meant. That being the case, he went on to explain, two corollary conclusions were obvious. One was that Mrs. Tate had been attacked and bitten by a rabid animal. The other related to the approximate time of the attack. In view of the usual incubation period of rabies, he felt, it had probably taken place between 2 and 6 weeks earlier. The doctor spread his hands. All that remained was to establish the specific source of infection. It could have been a dog. It could have been a cat or a fox. It might even have been a skunk. There were numerous possibilities. Mr. Tate nodded. He appreciated the doctor's position. He doubted, though, if he could be of much help. It depended on what the doctor meant by an animal. His wife had been bitten, all right, and fairly recently, too. On October 9, to be exact. But it wasn't a dog or a cat or any of those. It was a bat. His wife had come across it lying in the road near their house.

She had thought it was dead, and stooped down to take a look. The next thing she knew, it had jumped up and given her a nasty nip on the left arm. Then it had flown away.

The doctor hesitated. "Very curious," he said. And certainly a most curious coincidence. He shrugged, and rose. But, of course, that was all it could be. The only species of bat in which rabies had ever been demonstrated was the vampire, and its range was limited to tropical Latin America. He was forced to conclude that Mr. Tate was mistaken. There must have been another animal episode. It could have happened as much as a year before. Such cases were uncommon, but possible. Either Mr. Tate had forgotten or his wife had neglected to tell him. The doctor returned to his office and took out the record of the case. He closed it with the notation, "Rabies, source unknown."

Officially, the animal responsible for the death of Mrs. Tate is still not known. There is little possibility now that its identity will ever be irrefutably established. The rules of scientific evidence are too rigid for that. Nevertheless, in the opinion of most interested epidemiologists, the case no longer presents much of a riddle. Several subsequent events, they feel, have rendered it to all practical purposes clear. The first of these occurred on a cattle ranch some 30 miles southeast of Tampa, Fla., on June 23, 1953. Around 10 o'clock that morning, the stockman's son, a boy of 7 whom I'll name David Bonner, was playing in the back yard when a bat burst out of a nearby clump of trees. He called to his father, who was at work a short distance away, and pointed. Mr. Bonner glanced up, and stared. It was odd enough to see a bat abroad in the full light of day, but the creature's behavior was even stranger. The bat, when Mr. Bonner first caught sight of it, was circling the house. An instant later, it turned and streaked straight for the woods. Then it was back again—flying high, low, and every which way. Suddenly, from almost directly overhead, it swooped. David screamed, and tried to run. But it was too late. The bat was already upon him. Mr. Bonner crossed the yard in a bound. He caught his son and swung him about. The bat was clinging to the boy's chest, its teeth sunk deep in his flesh, and blood was staining his shirt. Mr. Bonner broke its grip with a backhand swipe. It dropped, with a strangled hiss, to the ground. He gave it a kick, for good measure. Then he picked up his son and carried him into the house.

David was more frightened than hurt. While Mrs. Bonner held and comforted him, his father examined the bite. It was an ugly wound but a small one, and not, Mr. Bonner decided, in any sense serious. There seemed no need to call a doctor. He cleaned the bite with soap and water, dusted it with sulfanilamide, and covered it with a gauze dressing. That—for the moment, at least—appeared to be sufficient. It didn't however, put his mind altogether at rest. The circumstances of the assault he had to admit, were, if nothing else, uncomfortably queer. Mrs. Bonner agreed. They held a hurried conference and reached a prompt decision. Mr. Bonner fetched his jacket and a paper bag, and returned to the back yard. The bat was lying where he had kicked it. Its fur was sandy brown, with yellow overtones, and, except for its saucer ears and its long web-fingered forearms, it might have been a field mouse. It was also, he was relieved to find, dead. He scooped it into the bag, and went on to the garage and his car. Forty minutes later, he was in the Tampa office of the Florida State Board of Health, closeted with a staff epidemiologist.

Mr. Bonner began the interview with a brief account of the incident. He then produced the bat and stated the reason for his visit. He wanted to have the creature examined. It was his understanding, he said, that bats were capable of transmitting rabies. He remembered reading in a livestock journal that they had been linked to an outbreak of the disease among cattle somewhere in South America. That was true, the doctor replied. There had, in fact, been many such cases, and not only among cattle. Several human cases were also on record. Bat rabies, as it was awkwardly called, was endemic in several Latin-American countries. They included Brazil (where the phenomenon was first reported), Honduras, Mexico, Colombia, Venezuela, Surinam, and the island of Trinidad. But, he pointed out, the bats involved were not ordinary bats. They were bats of a kind unknown outside the Tropics. They were true, or blood-sucking, vampires. The bat that Mr. Bonner had brought with him was a harmless Florida yellow, a member of the species *Dasypterus floridanus*. It subsisted, like all other bats in the United States, exclusively on insects. Those were the facts. They didn't of course, explain the attack. He had no theory about that. It was his opinion, though, that the facts held no cause for alarm. The doctor

paused. However, he added, it was impossible to deny that the bat had behaved very strangely, and he quite understood how Mr. Bonner felt. A certain amount of uneasiness was only natural. Consequently, in order to settle the matter he would send the bat along to the board's local laboratory for a routine brain examination. The result, he was confident, would be completely reassuring.

Mr. Bonner left the board of health at a little past one. By the time he reached home, it was almost two. At three, he was called to the telephone. It was the epidemiologist in Tampa, and he sounded stunned. He was calling, he said, from the laboratory. A bacteriologist there had just finished a microscopic examination of the bat's brain, and Mr. Bonner, incredibly, was right. The findings were positive for rabies. Arrangements were now being made for the usual confirmatory tests. They involved the inoculation of laboratory mice with bat-brain material, and would be done at the main State board of health laboratory in Jacksonville. But that was largely a formality. The microscopic evidence was in every essential conclusive. Mr. Bonner's son had been bitten by a rabid animal, and it was imperative that preventive measures be taken at once. Could he bring the boy in to the Tampa office that afternoon? Mr. Bonner could, and did. The Pasteur treatment, as the immunizing procedure against rabies is called (in commemoration of its creator), requires a subcutaneous injection of antirabies vaccine every day for 2 weeks. David completed the course, apparently with success, on July 7, but because of the variable length of the incubation period in rabies, the summer was well over before it could be said that he was in all probability out of danger. That he had been in danger was beyond dispute by then. The Jacksonville tests had confirmed the fact, and so had an even more elaborate investigation, conducted at the request of the Florida authorities by the United States Public Health Service, at its Virus and Rickettsia Laboratory, in Montgomery, Ala. It was also certain by then that David's experience could not be dismissed as an isolated freak of misfortune. Late in September, while he was still under regular observation, a woman I'll call Frances Roberts suffered an almost identical attack, and that was closely followed by a third. The scene of both was eastern Pennsylvania.

The second Pennsylvania episode, though the least unequivocal of the three cases, was by far the most unsettling in its applications. Unlike the others, it happened in a city, and indoors—in a tavern in the central business section of Harrisburg. Its victim was a used-car salesman I'll identify as Carl Dayton. Shortly after midnight on Saturday, November 28, 1953, Mr. Dayton was standing with a group of friends at the tavern bar. Something brushed his face. He stumbled back, looked up, and saw a bat. It was dodging from wall to wall, just below the ceiling, and was heading toward the rear of the room. There was an open window there, but the bat made no attempt to escape. Instead, it circled back to the bar, lower now and moving fast. The bartender tried to whip it down with a towel, and one of the customers swung his hat at it. Both of them missed. Another struck out with a rolled newspaper, and caught it a staggering blow. It fell to the floor at Mr. Dayton's feet. He squatted down for a look then sprang up with a yell and began to pound on the bar. His friends stood frozen, and stared. The bat was fixed to the back of his hand, and before he could shake it off, it had bitten his thumb to the bone. The bartender was the first to recover. He slammed the bat across the room, and this released the others. They charged the bat and stomped it to death and threw it into the street. That, to the impairment of the subsequent investigation, was the last of the bat. Then, more sensibly, they inspected Mr. Dayton's wound. It was obvious that he needed medical attention, and after bandaging his thumb with a handkerchief, they fetched a cab and sent him off to Harrisburg Polyclinic Hospital. From the hospital, where an intern (either unimpressed or unconvinced by his explanation of the accident) was satisfied to merely clean, close, and properly dress the wound, Mr. Dayton went home to bed.

Mr. Dayton, like David Bonner, is still alive, and for much the same reason. In his case, too, chance decisively intervened. Within an hour after the accident, a reporter on the Harrisburg Patriot, the city's morning newspaper, emerged from his office, hailed a cab, and headed home. In the course of the trip, the driver began to talk. There was one thing about hacking, he said—anything could happen. Take tonight, for example. He had just come back from hauling a man to Polyclinic Hospital, and guess what was the matter with him. He'd been bitten on the thumb—by a bat. It was a mean-looking wound, too. His whole hand was covered with blood. But who ever heard of a bat attacking a man? He didn't know whether to believe it or not. Neither did the

reporter, but it struck him that, if true, it was a possible story. The following day, on the way to work, he stopped by the hospital. A glance at the outpatient record established the facts of the matter. He then, with providential thoroughness, dropped around to the office of Ernest J. Witte, chief of the Division of Veterinary Public Health of the Pennsylvania Department of Health, and asked him what they meant. The case they described was news to Dr. Witte, but he answered without hesitation. They meant, he said, reaching for the telephone, that his division would investigate the incident at once. One phase of the inquiry would involve a search for the bat. Another, infinitely more urgent, would be concerned with Mr. Dayton. He must be found and returned to the hospital for immediate prophylactic treatment. The bat, in all probability, had been rabid.

Dr. Witte's hunch, though spontaneous, was anything but blind. He had good reason to associate belligerent bats with rabies. The relationship, indeed, was one with which he happened to be peculiarly familiar. His knowledge derived not only from the alerting example of the Bonner episode, a bulletin on which the Public Health Service had promptly dispatched to all State health officers, but also, more recently, from direct professional experience. That had been provided by the case of Frances Roberts. On the afternoon of September 29, as Dr. Witte later reported to the American Public Health Association, Mrs. Roberts, the wife of an amateur ornithologist of Boiling Springs, an upland resort about 20 miles west of Harrisburg, had accompanied her husband on a canoeing jaunt across a lake near their home. Toward 6 o'clock, deciding to stretch their legs before turning back, they beached their craft on a wooded shore, and Mr. Roberts wandered off to observe a flock of waterfowl.

Mrs. Roberts stayed by the canoe, and she was standing there, Dr. Witte noted in his report, when "a bat suddenly landed on [her] upper arm, and bit her without warning or provocation. The woman * * * was startled by the attack and could not immediately identify the object clinging to her arm. Because of her fright, she does not recall distinct biting sensations, although she was conscious of the creature's scratching. Still not knowing what the object was, she finally grabbed the bat with her other hand and threw it against a nearby fence, where it remained stunned by the blow. [Mr. Roberts] was attracted by the commotion and quickly identified the animal as a [hoary, or *Lasiurus cinereus*] bat. Being a naturalist, with considerable knowledge and background in wildlife, he quickly recognized the behavior of the bat to be abnormal. He had the presence of mind to act with swiftiness and clearly trapped the creature in a pail, which he had nearby, and covered it with a newspaper. In a matter of minutes, the party headed back by canoe * * * to their home. [Mrs. Roberts] proceeded immediately to the doctor for treatment. * * * The physician reported that the patient received attention within 1 hour after the biting episode. He scrubbed the wound thoroughly with surgical soap and cauterized the wound, using an electric cautery. There were three distinct toothmarks on the upper arm, between the elbow and shoulder. He then called the [State] health department for advice on the handling of this case. Motivated to a large degree by the reports of the Florida experience, we immediately recommended antirabies prophylaxis." At the same time, Mr. Roberts was asked to deliver the bat to the Harrisburg laboratory of the department's bureau of animal industry. He did so the following morning. "Touch preparations and, later, sections of the bat's brain revealed typical Negri bodies," Dr. Witte continued. "These were confirmed by the director of laboratories, Pennsylvania Department of Health, and by the Virus and Rickettsia Laboratory of the United States Public Health Service. Two rabbits were injected intracranially with the bat-brain material. Both animals developed clinical symptoms of rabies and died [within] 27 days. [Meanwhile], starting October 1, [Mrs. Roberts] received 14 injections of vaccine. [She] suffered no adverse reactions during the entire course of treatment. * * * As of this date [November 10, 1953], she remains in good health, but is still under her physician's care."

Although it was Dr. Witte who brought the attack on Mrs. Roberts to general medical attention, his report was not the first account of her misadventure. The first was a newspaper story, less comprehensive but equally stirring, that was widely published throughout the East within a day or two of the incident. Among those whom it particularly stirred was Frederick R. Taylor, an internist and professor of medical literature at the Bowman Gray School of Medicine of Wake Forest College, in Wake Forest, N. C. The news did not merely startle Dr. Taylor. It also inspired him to reflection, the nature of which he presently communicated to a colleague in Georgia. His letter, which has been preserved,

began with a forceful summary of the Roberts case. This was followed by some lines to the effect that he had long been imperturbably aware of the existence of rabies in Latin American vampires. "But," he then exclaimed, "an ordinary, insectivorous bat! What would happen if the western bats that live literally by the millions in Carlsbad Caverns, N. Mex., got an epidemic started there? I have seen a high cloud of countless hordes of bats come out of the caverns' mouth at dusk. Too horrible to contemplate!"

Dr. Taylor's letter was dated October 19, 1953. Little more than 2 years later, on February 1, 1956, a news story authorized by the New Mexico State Department of Public Health appeared in the Santa Fe New Mexican under a six-column headline reading, "Carlsbad Cave Bats Infected with Rabies." "Rabies," it began "has been discovered among the millions of bats at Carlsbad Caverns. It was a rabies epidemic which caused the death of hundreds of the cavern bats in August and September of last year." The account continued:

"Last August 20, officials of the National Park Service at Carlsbad noticed dead and dying bats in increasing numbers. They were found on the floor of the caverns and in its entrance. Ranchers in the area also found dead bats. At that time it was thought that extensive insecticide spraying might have caused the deaths during the 10-day epidemic. But tests by the United States Public Health Service found no evidence of this. Instead, tests were begun to see if rabies had caused the deaths.

"Lt. Col. Kennet Burns, chief of the veterinary virus laboratory at Fort Sam Houston, Tex., collected specimens of dead and dying bats for examination while the epidemic was going on. Virus examinations by Burns revealed the presence of rabies in more than 50 percent of the specimens, the department said. In addition, blood samples from a large number of live bats collected in flight at the caverns after the epidemic showed the presence of antibodies against rabies, indicating that many of the bats had been exposed to the disease some time in the past. * * *

The story also stated that although no human being had ever been known to be bitten by a bat while visiting the caverns, the health authorities had warned people against touching any of the creatures they might find dead or dying there.

Rabies is 1 of around 60 human diseases now known, or confidently supposed, to be of viral origin. Its causative agent is thus a member of the most mysterious form of life on earth. About all that can be said of the viruses is that they are supremely small (some are only just within the reach of an electron microscope), infinitely numerous (not even the bacteria are more ubiquitous), and almost incomparably specialized. All viruses are obligate intracellular parasites. They share with the rickettsiae the otherwise unique distinction of being unable to grow or reproduce outside the protoplasmic tissue of a living host. In general, the severity of a viral invasion reflects the functional importance of the particular cells to which the invaders are drawn. The virus of rabies is a neurotropic virus. Like the viruses of poliomyelitis and the several encephalitides, it has a special affinity for the cells of the central nervous system. It has, however, little else in common with any other virus. Its range, for one thing, is extraordinarily wide. Unlike the great majority of viruses (including the agents of smallpox, measles, yellow fever, poliomyelitis, infectious hepatitis, and the common cold) which can find in nature fewer than a half dozen satisfactory habitats, it is able to exist comfortably and abundantly proliferate in any warm-blooded animal. Its means of transmission is also peculiarly its own. Most viruses insinuate themselves into a host through either the respiratory passage or the gastrointestinal tract. A few are conveyed by bloodsucking insects. The rabies virus enters by way of a bite contaminated with the saliva of one of its victims. In this respect, it might seem to resemble the various mosquito-borne viruses, but the resemblance is merely apparent. The latter are transmitted in the natural course of the carrier's search for food. There is nothing natural about the transfer of the rabies virus. It wrings collaboration from its carrier-hosts by torturing them into a homicidal fury. The incubation period of rabies (or the interval between the implantation of the organism and its establishment in the brain) is largely determined by the depth of the wound, its proximity to the brain, and the size of the original viral colony. This period, though disconcertingly variable, is seldom shorter than 15 days and almost never longer than a year. But whether the virus reaches its destination in days or weeks or months, the result is inevitably the same. Rabies, in man, is a fatal disease. No recoveries are known.

The symptomatology of rabies is essentially the same in all susceptible animals. There are only superficial differences. The onset of the disease is generally mild and always indistinct. In man (and, insofar as can be determined, most comparably complicated animals), its earliest manifestations are those of any infection—a little fever, a dull headache, a scratchy throat, occasional nausea. This phase frequently lasts for 2 or 3 days, and sometimes even 4, and is followed by a tingling pain at the site of the wound—the first diagnostically significant indication of rabies. Its grip, already fixed beyond release, then suddenly tightens. The muscles stiffen, the nerves tense, and the mind begins to fray with temper and apprehension. Anxiety quickens into fear. There is a vivid sense of approaching doom, a certainty of death. "A [rabid] patient weighed down with terror often becomes maniacal," D. L. Harris, medical director of the Pasteur Clinic in St. Louis, noted in a recent clinical study. "An excessive flow of thick tenacious saliva pours over his face and neck and becomes smeared on his hands and clothes and over the bedding and floor. These periods of rage are followed by moments of calm in which [he] usually shows anxiety for the safety of those around him and warns them of the approach of another crisis. Hyperesthesia of the skin to changes of temperature, and especially to currents of air, and increased sensitiveness to sound and light mark the progress of cerebral irritation. Convulsions are brought on by the least irritation and by the slightest current of air * * * the breath comes in spasms, dyspnea is extreme, and there are epileptiform seizures or tetanic rigidity. Hydrophobia is rarely absent. * * * When the patient [attempts to drink], there is an immediate viselike contraction of the muscles of deglutition with an excruciatingly painful spasm of the glottis and the pharynx. The body trembles with convulsive movements, the jaws are clenched, respiration is impossible. * * * After several attempts to drink, the pain is so terrible that despite intense thirst [the patient] cannot be induced to try to swallow liquids, and the sight of water or mention of the word brings on an attack. As a rule, death occurs after 2 or 3 days from cardiac or respiratory failure."

Although all highly developed animals are equally responsive to its gothic embrace, the rabies virus has its favored circle of hosts. It is naturally most inclined to frequent those best equipped to further its spread. This largely confines its normal range to the more prolific and short-tempered carnivores, a group that includes the fox, the wolf, the coyote, the jackal, the skunk, the mongoose, the cat, and the dog. Of these, the last, for reasons still obscure, has always been its most consistently conspicuous victim. The dog is also the animal in which its depredations were first recognized as those of a specific disease. Just when that occurred is uncertain. An allusion in the *Iliad* to "canine madness" has persuaded many medical historians that rabies may have been known to the Mediterranean world as early as the 10th century before Christ, and most believe, on the basis of rather stronger internal evidence, that the 5th-century Greek Philosopher Democritus, who is chiefly remembered as a pioneer atomic theoretician and the teacher of Hippocrates, was probably conscious of its existence. The first explicit reference to rabies of which there is any record was set down by Aristotle, around 335 B. C., in his *Historia Animalium*. "Dogs suffer from three diseases: lyssa, quinsy, and sore feet," he noted. "Lyssa drives the animal mad, and any animal whatever, excepting man, will take the disease if bitten by a dog so afflicted; the disease is fatal to the dog itself, and to any animal it may bite, man excepted." "Lyssa," is transliteration of "λύσσα," means "frenzy," and is the name by which rabies was originally known. The Romans gave the disease its modern name, which derives from "rabere," the Latin for "to rage," and has been in common usage since the first Christian century.

The Romans also modernized the Greek conception of rabies. A gifted encyclopedist of the early empire named Aulus Cornelius Celsus was among the first to raise his eyes from the pages of *Historia Animalium* and look squarely at the world around him. Having done so, he proceeded to challenge the first of Aristotle's comfortable exceptions as myopically veterinarian. All animals, he decided in his classic, *De Medicina*, were equally susceptible to rabies. Celsus was willing, however to concede Aristotle's second exception. It was possible, his studies informed him, that the disease could be mastered in man. He then went on to propose a still valid preventive technique ("the wound * * * must be cauterized") and, less acutely, an antidote and a course of treatment. This consisted of 30 herbal ingredients (including poppy tears, Illyrian iris, Gallic nard, white pepper, male frankincense, and turpentine) mixed with honey and dissolved in a tumbler of wine. Its omission, he added, was risky.

"When too little has been done for such a wound it usually gives rise to a fear of water," he wrote. "In these cases there is very little hope for the sufferer. But still there is just one remedy, to throw the patient unawares into a water tank which he has not seen beforehand. If he cannot swim, let him sink under and drink, then lift him out. If he can swim, push him under at intervals so that he drinks his fill of water even against his will. For so his thirst and dread of water are removed at the same time. Yet this procedure incurs a further danger, that a spasm of sinews, provoked by the cold water, may carry off a weakened body. Lest this should happen, he must be taken straight from the tank and plunged into a bath of hot oil."

Celsus' uneasy concession that rabies need not be fatal to man was accepted without recorded dispute for 1,500 years. So, except for certain pharmacological refinements, were his methods of breaking its hold. Pedanius Dioscorides, whose *De Materia Medica* was the standard pharmacopoeia throughout the Roman era, contented himself with offering two alternative antidotes. One was a draft of hippocampus, or seahorse, ashes. The other had as its active principle the leaves of the bladder campion. "This, being beaten when it is green, with old swine's grease, is good for the mad-dog-bitten," he wrote. Rufus of Ephesus, a second-century physiologist, preferred a draft of "wormwood, aristolochia, Lycian thorn, decoction of river-crayfish, water-germander, rock-parsley, and the root called gentian." Even Galen, the most observant, as well as the most imaginative, medical investigator in the millennia between Hippocrates and the Renaissance, had nothing to add to Celsus but a polished definition: "[Rabies] is a disease that follows the bite of a mad dog and is accompanied by an aversion to drinking liquids, convulsions, and hiccups. Sometimes maniacal attacks supervene."

After Galen, and the subsequent canonization of Greco-Roman medicine, the illumination of rabies, like that of all disease, was considered complete, and the subject complacently closed. The first attempt to reopen it was made in the 16th century. A Veronese savant named Hieronymus Fracastorius is usually celebrated for this act of desecration. Rabies, he announced in 1546, in his precocious *Contagions, and Contagious Diseases and Their Treatment*, was an infectious disease, always communicated by the injection of saliva into the blood, and, notwithstanding the protestations of pharmacy, always irremediably fatal. He also emphasized this novel conception of the disease in a dissertation on hunting dogs. "What particularly calls for the care of the skilled mind," he wrote, "is when, inflamed with rabies, [the dog] attacks now these, now those and, turning against the master himself, he inflicts the incurable wound." Fracastorius was a man of towering intellectual stature. In addition to being a notable physician, he was a poet (the term "syphilis" derives from his *A Poetical History of the French Disease*), a botanist, a geographer, a musician, a mathematician, and an astronomer, and his morbid view of rabies received a respectful hearing. It even, for a time, attracted a few admirers. But hope and habit were too strong, and within a generation the more congenial classic conception resumed its interrupted vogue.

Celsus' hydrotherapeutic regimen, adapted to the ducking stool, was commonly prescribed in cases of rabies throughout the 16th and 17th centuries, and at least on occasion (an essay by Oliver Goldsmith, written around 1765, refers to "a little boy bit in the leg, and gone down to be dipped in the salt water") during much of the 18th century. His pharmacological influence continued even longer. In 1806, the New York State Legislature passed, without recorded opposition, a bill entitled "An Act for Granting a Compensation to John M. Crous, for Discovering and Publishing a Cure for the Canine Madness." Crous' cure, for which he was granted a thousand dollars, was a tablet to be swallowed with water. Its components included the pulverized jawbone of a dog, the dried falsetongue of a newly foaled colt, and a pinch of corroded copper taken from an English penny minted in the reign of George I. Other American physicians of that time, perhaps less impressed by royalty, favored a remedy composed of bole armeniac, alum, chalk, elecampane, and black pepper. They also had confidence, as did many European doctors, in the curative powers of concretions, similar to kidney stones, that are sometimes found in the intestines of deer, goats, and other herbivorous animals and that, because they were used as a specific in the treatment of rabies, became known as madstones. Such concretions, being formed of mineral salts, are porous and somewhat absorbent. These qualities helped to support the belief that a madstone applied to a rabic wound would promptly extract the venom. "This afternoon called on by a man in Jeffersonville to apply the madstone to a little son bitten a day or two previous,"

an Indiana physician named John McCoy noted in his journal on June 9, 1848. "Rode thro' the rain and reached there about sunset. Induced to think the dog mad." In 1879, at an auction in Texas, a madstone brought \$250. That would be the equivalent of about a thousand dollars today.

The supposition that rabies could be cured by some curious pill or poultice expired with the 19th century. The absolute lethality of the disease is now universally accepted. One reason for this abrupt resignation to reality is that the evidence assembled by modern medical science leaves no room for doubt. Another is that the truth is no longer unbearable. Since the 1880's, when Pasteur was inspired to adapt to rabies his epochal discovery that the pathogenic properties of a microorganism can be attenuated (by drying, or treatment with certain chemicals, and passage through a succession of laboratory animals) without affecting its capacity to generate protective antibodies, a reliable means of hobbling the disease has been everywhere at hand.

Pasteur conceived the idea of rabies prophylaxis in 1880. By the end of 1883, he and his associates at the Ecole Normale, in Paris, were able to produce a stable strain of suitably domesticated virus. This was followed by two series of experiments establishing beyond dispute that the strain was immunologically effective in dogs. The first of these was brought to a brilliant close in June, 1884, with a formal trial before a committee of scientists appointed by the French Government. For this definite test, Pasteur chose 2 previously vaccinated dogs, 2 untreated dogs, and 2 untreated rabbits. After being examined by the committee, the six animals were anesthetized and trephined. Each animal was then identically inoculated with a quantity of material drawn from the brain of a demonstrably rabid dog. When the operation was completed, the animals were separately confined, and all received the same post-operative care. Two weeks later, the four controls, or untreated animals, developed rabies, and died. The vaccinated dogs remained in normal health. The second series of experiments, though begun at about the same time, continued into the following year, and the results were equally emphatic. They showed that it was possible to immunize a dog against rabies not only before but, if the step was undertaken promptly, after exposure to the disease. Pasteur emerged from this revolutionary triumph with a vision of one even more revolutionary. "What I aspire to [now] is the possibility of treating a man after a bite with no fear of accidents," he wrote in the spring of 1885. "* * * I have not yet dared to treat human beings after bites from rabid dogs. But the time is not far off."

The time, as it turned out, was only a few weeks off. Pasteur treated his first human patient on July 6, 1885. This now famous pioneer was a 9-year-old Alsatian boy named Joseph Meister. Two days before, while walking on a country road near his home, he had been attacked by a plainly rabid dog, knocked down, and bitten 14 times. When Pasteur saw him, at the request of a family doctor, the boy was more dead than alive. In fact, Pasteur later recalled, it was only the apparent hopelessness of the case that induced him to attempt its treatment. The procedure he used was a freehand adaptation of the one he had developed in his most recent experiments with dogs, and it took 10 days. During that time, the boy received 13 inoculations, of increasingly potent vaccine. His immediate reaction was encouraging, and it continued satisfactory throughout the treatment. At the end of a month, his wounds having healed, he seemed to be fully recovered. He was. Joseph Meister lived to be 64. He died in 1940, a suicide.

The rehabilitation of Joseph Meister, which Pasteur described in a paper entitled "Méthode pour Prévenir la Rage Après Morsure" and presented at a meeting of the Académie des Sciences on October 26, 1885, created an instant and appreciative stir throughout the medical world. "[Rabies], that dread disease against which all therapeutic measures had hitherto failed, has at last found a remedy," the formidable neuropathologist Edmé-Félix-Alfred Vulpian proclaimed. Assisted by this and other resounding testimonials, the Pasteur treatment, as the procedure came to be called, was in international use within a decade, and it has since been administered many thousands of times, with sufficient success to establish its worth as a reliable defensive tool. Or so it is generally assumed. To what extent the Pasteur treatment protects human beings against the development of rabies, however, is not known, and probably (in view of the natural scarcity of volunteers available for a series of controlled experiments) never will be. Its powers, in any event, are somewhat less than total. In a recent monograph, Harold N. Johnson, a staff member of the Rockefeller Foundation, observes, "On the basis of clinical evidence, there seems to be no doubt that rabies vaccine is effective in preventing the disease in the

majority of the instances in which there is an expected incubation period of more than 1 month." But such an incubation period can only be expected in cases involving bites on the arms, legs, or torso. The chances that the Pasteur treatment will prevent the development of the disease when the victim is bitten severely on the head or neck are slight.

Only one more or less controlled test of rabies immunization in human beings has ever been made. That was conducted by a World Health Organization team in 1954, in Iran. Its purpose was to evaluate an antirabies serum developed that year by Hilary Koprowski, assistant director of viral and rickettsial research at the Lederle Laboratories of the American Cyanamid Corp. Serum differs from vaccine in that it contains—rather than merely stimulates the body to produce—the immunizing agents known as antibodies. A rabid wolf had burst into a mountain village, not far from the WHO team's station, and bitten 29 men, women, and children. As a matter of course, the Pasteur treatment was prescribed at once for all the victims. In addition, 7 of the group, whose wounds included bites on the head or neck, were given immediate injections of serum. Eleven of them received 1 injection, the others 2 or more. The results were unmistakably clear. Twenty-five of the victims, including all who had received at least 2 injections of serum, survived. Of the 4 who died, 3 had been given only the Pasteur treatment, and the other a single serum inoculation. The limited efficacy of the Pasteur treatment is not, unfortunately, its only flaw. It has others. It is unpleasantly long (the present regimen, even when supplemented by serum, requires from 14 to 21 days), it is usually expensive (the average injection costs about \$5), and, above all, it is disturbingly dangerous. Reactions to antirabies treatment range from those common in allergic conditions—erythematous or urticarial rashes, edema, syncope—to one known as neuroparalytic accident. Neuroparalytic accidents vary in degree from a polyneuritis to ascending encephalomyelitis. The latter, in an uncomfortable number of cases, is permanently incapacitating, and sometimes fatal.

The imperfections of the Pasteur treatment are not, of course, sufficient to deny it a place in the modern medical kit. There is, after all, nothing with which to replace it. In the opinion of most investigators, however, the imperfections are pronounced enough to discourage its use in any but cases of certain—or suspicious but unverifiable—exposure. It is also their urgent conviction that postexposure prophylaxis is, at best, an indirect defense against the menace of rabies. "There can be no question that the ultimate solution to the rabies problem is predicated on the control and eventual elimination of the disease from animal populations," the American Journal of Public Health commented editorially in May 1955. "This may be accomplished by the setting up of transmission barriers, such as animal immunization, elimination of stray dogs, and the reduction of excessive numbers of wildlife vectors." It has been accomplished in a considerable number of countries. Britain, where a system of controls, rigidly enforced by the Ministry of Agriculture and Fisheries, was established around 1900, is perhaps the most notable of these. The last human exposure to rabies in England occurred nearly 50 years ago, and except for a handful of cases among imported dogs held in quarantine, there have been no outbreaks among animals there since shortly after the First World War. The Scandinavian countries—Denmark, Sweden, and Norway—have, by similar exertions, achieved almost as admirable a record, and so, among others, have Australia, New Zealand, and Malaya.

The record of the United States, despite the existence of an elaborate apparatus of legislative controls, is less imposing. Except for Hawaii, where rabies has somehow never gained a foothold, few parts of this country are wholly free of the disease. Last year, around half a million Americans were treated for bites inflicted by animals. Of these, 60,000 were judged to have been exposed to rabies and received the Pasteur treatment. Three of them died. There were nine additional fatalities among persons who received incomplete or no treatment. The lowest incidence of human rabies in recent years was 10 cases, in 1949. The highest was 56 cases, in 1944. Among domestic animals the average annual mortality is between 7,000 and 8,000. The persistence of rabies in man and beast throughout the United States has been variously explained, but two factors are considered decisive. One of these is indifference. Although many States have laws that specify a certificate of vaccination as a prerequisite for obtaining a dog license, and although all make some provision for the disposal of strays, such measures are seldom enforced, and then only in moments of epidemic panic. The other is the still enormous number of wild animals among which the rabies organism is endlessly perpetuated. This indigenous reservoir

includes not only such conspicuous vectors as the fox and the skunk but badgers, raccoon's beavers, squirrels, and since the early 1950's the insectivorous bat.

The full significance of the bat attacks on Frances Roberts, Carl Dayton, David Bonner, and Mabel Tate has yet to be determined. One thing, however, seems certain. These four people were not the victims of a fleeting freak of nature. Their experiences have since been duplicated elsewhere in the country. Three more attacks by rabid bats were reported in 1954. All occurred in Texas—the first, early in April, in San Antonio, and the second and third, in May and July, near Austin. The victims were a youth of 20 and 2 small children. Another was reported in October 1955, in Modera, Calif., and involved a middle-aged man. Last year, two more attacks—one certain and the other probable—were added to the record. The victims of these were a soldier on maneuvers in Louisiana, and a Texas State Health Department field epidemiologist named George C. Menzies. Dr. Menzies, at the time of his exposure, had been collecting specimens of cave-dwelling bats in central Texas to be examined for evidence of rabies infection. How and when he was exposed is not known. It is only known that he returned to his home, in Austin, on January 1. and the following morning developed symptoms of rabies. Two days later he was dead. The five other victims received the Pasteur treatment, and survived.

Dr. Menzies' last assignment was one of a number of similar studies that have been undertaken in collaboration with the United States Public Health Service since the Bonner episode in 1953. The investigation, which was understandably intensified by the harrowing discovery at Carlsbad Caverns 2 years later, is expected to continue for at least another year. Some months will then be required to accurately assess its results. The preliminary findings, however, have been tentatively correlated by Ernest S. Tierkel, Chief of Rabies Control Activities at the Service's Communicable Disease Center, in Atlanta, and they are hardly reassuring. "During the last 18 months or so, various field units have bagged in the neighborhood of 10,000 bats, in 15 different States. Dr. Tierkel says. "About 150 of them were positive for rabies. The group included 4 species of tree-living, or solitary, bats and 8 species of cave-dwellers, or colonials. All, of course, insectivorous. Every State in which we've made a thorough study has yielded its quota of positives. The list, at the moment, is Alabama, California, Florida, Georgia, Louisiana, Michigan, Minnesota, Montana, New Mexico, New York, Ohio, Oklahoma, Pennsylvania, Texas and Utah. Those are the facts that we have to work with. What they mean—their epidemiological significance—is what we hope to find out.

"In the early phases of our investigation, one possible conjecture was that what we were turning up wasn't really rabies. We thought it might be a new virus disease of bats so closely related antigenically to the rabies virus that the two couldn't be differentiated by the usual laboratory tests. But a little more laboratory work disposed of that possibility. The disease is definitely rabies. Another basic question is whether the disease has always been present in the insectivorous bats of the United States and we have only just discovered it, or whether it represents a recent northward invasion into this country from the vampire-bat-rabies areas in Latin America. I'm inclined to suspect that the latter is the answer. We know, at any rate, that the Mexican free-tails of our Southwest migrate deep into the vampire country of Mexico. According to some authorities, the vampires and the free-tails even share the same winter caves. We hope that's all they share. If it turns out, as some preliminary findings have suggested, that our bats also share the vampires' resistance to rabies, we're up against an extremely difficult problem. Vampires—some of them, at least—are known to be capable of transmitting the disease for long periods of time without showing any signs of illness themselves. In other words, they're like Typhoid Mary. They're true carriers. If our bats have that capacity, if we find that they sometimes attack simply because they're frightened and not because they've been driven into a frenzy by the disease, and if we also find that the bat represents an important reservoir of rabies in the United States * * * Well, those are only possibilities, of course. We don't have the data yet to even hazard an answer. But what if they're shown to be facts? I think it would be a very good idea to tighten up our system of rabies controls."

ARIZONA STATE DEPARTMENT OF HEALTH,
Phoenix, April 24, 1957.

HON. DENNIS CHAVEZ,
Chairman, Committee on Public Works,
United States Senate, Washington, D. C.

DEAR SENATOR CHAVEZ: Thank you for writing in regard to the study of rabies in bats. The following are the comments of our chief-engineer of the bureau of sanitation, Mr. George Marx.

"Re letter from Senator Chavez regarding bats in potential rabies reservoir:

"1. Arizona has perhaps more species of bats than any other State.

"2. No trapping and studies of bats have been made in Arizona in relation to rabies, so far as I know.

"3. Some studies have been made in Texas and New Mexico where some rabies has been found in bats—even the insect-eating bats.

"4. Bats migrate and hole up in caves in Latin America. All species, including the vampire bat, use the same caves.

"5. It is assumed that insect-eating bats become infected from the vampire bats and when they return, somehow infect wildlife.

"6. In Arizona many varieties of wildlife become rabies infected from time to time. How, no one has the real answer yet.

"I believe a study should be made in Arizona. Since the vampire bat was found infected in Florida, other States have found more and more infection in various species of bats."

What Mr. Marx has said regarding Arizona's problem holds true of New Mexico, although I have heard reports that the bat population at Carlsbad has been reduced to a fraction of what it was formerly.

You probably have information as to the truth of the above statement and what caused such a drastic reduction in numbers.

As to the amount needed to carry on such a study as you suggest—it would seem to me that a million or two million dollars is rather a large amount to spend on such a project. Could it not be carried out satisfactorily with our State health laboratories as working bases, with personnel assigned from the United States Public Health Service? This is a suggestion that might be explored. If feasible, it would make the setting up of a whole new organization unnecessary.

Very sincerely,

CLARENCE G. SALSBUURY, M. D.,
Commissioner.

COMMONWEALTH OF VIRGINIA,
DEPARTMENT OF HEALTH,
Richmond, May 1, 1957.

HON. DENNIS CHAVEZ,
Senate Office Building,
Washington 25, D. C.

DEAR SENATOR CHAVEZ: Your concern with the public health hazard of bat rabies is most commendable.

The spread of this disease among bats is certainly a serious matter not only to public-health officials, but also to the livestock industry. Last year in Virginia cattle rabies exceeded dog rabies for the first time on record. Dog rabies is being kept at a minimum by vaccination but wildlife reservoirs continue to perpetuate the disease. Bats must now be included as a source.

If I can be of any information or help, please call on me at any time.

Respectfully yours,

M. E. HIBBARD, D. V. M.,
State Public Health Veterinarian.

UNITED STATES SENATE,
April 23, 1957.

HON. LISTER HILL,
Chairman, Committee on Labor and Public Welfare,
United States Senate, Washington, D. C.

DEAR SENATOR: For the attention and consideration of your committee, I am enclosing copy of a letter I have received from John Mason, D. V. M., M. P. H., State epidemiologist, New Mexico Department of Public Health, Santa Fe, N. Mex., in which he discusses the current problem of rabies in bats, with par-

ticular reference to the rabies outbreak in the bat colony at the Carlsbad Caverns in 1955.

I will appreciate your comments, and being advised of your committee's plans to look into this problem.

Sincerely yours,

CLINTON P. ANDERSON.

NEW MEXICO DEPARTMENT OF PUBLIC HEALTH,
Santa Fe, April 18, 1957.

HON. CLINTON P. ANDERSON,
United States Senate, Washington, D. C.

DEAR SENATOR ANDERSON: I would like to call your attention to an article on page 39 of the April 6, 1957, issue of the New Yorker magazine, entitled "The Incurable Wound." The article deals with the current problem of rabies in bats, and in particular discusses the rabies outbreak in the bat colony at the Carlsbad Caverns in 1955.

You will be interested to know that the New Mexico Department of Public Health is cooperating with the United States Public Health Service in a study which has been conducted at the caverns since the fall of 1955. At the present time two Public Health Service veterinary officers are stationed at the caverns carrying out a full-time study to determine the extent of the bat rabies problem and possible means of control.

Unfortunately, Public Health Service funds for this project seem to be limited, and the study has been somewhat hampered during the last 2 years. I think you will agree that this study is of crucial importance to New Mexico, and, I would therefore like to urge you to lend whatever support you can to an adequate appropriation for the Public Health Service Communicable Disease Center in Atlanta, Ga., and in particular for the bat rabies studies that are being carried out by the center.

I understand that Senator Chavez has written to Senator Lister Hill, suggesting that his subcommittee hold a special hearing on the bat rabies problem. I think this is an excellent idea, and is probably the best way to highlight the importance of the problem, not only for the Southwest but for the country as a whole.

Sincerely,

JOHN MASON, D. V. M., M. P. H.,
State Epidemiologist.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE,
Washington, D. C., February 2, 1957.

HON. CLINTON P. ANDERSON,
United States Senate.

DEAR SENATOR ANDERSON: This is in reply to your letter of February 12, 1957, enclosing a telegram from W. C. Childress, president, Carlsbad Chamber of Commerce, relative to the establishment of a bat rabies testing laboratory in Carlsbad, N. Mex.

In August 1955 the National Park Service requested assistance from the Public Health Service in determining the cause of a die-off of Mexican freetail bats in the vicinity of Carlsbad Caverns, N. Mex. Dead and sick bats were found around the entrance to the cave and in the vicinity of the park headquarters. Investigations revealed that many of the bats had died of rabies. Within a few months after receiving this information, the National Park Service and the New Mexico Department of Public Health requested the Public Health Service to investigate the human health hazard in the vicinity of Carlsbad Caverns and other areas of the State where bats are prevalent. These studies revealed further evidence of the widespread distribution of disease among the bats inhabiting Carlsbad Caverns and other caverns in the southeastern part of New Mexico. Precautions were immediately taken by the National Park Service and the New Mexico State Health Department on the basis of these field observations to minimize the risk to the health of visitors and those living in the vicinity of Carlsbad Caverns.

These Carlsbad investigations are a part of the general rabies control program of the Public Health Service which is provided for in the appropriation "Control of communicable diseases, Public Health Service." There is no specific item in the budget for the establishment of a bat rabies testing labora-

tory in Carlsbad. Our activities there are being carried on in quarters provided by the National Park Service.

Sincerely yours,

MARION B. FOLSOM,
Secretary.

INDIRECT COSTS OF MEDICAL RESEARCH

STATEMENTS OF DR. LOWELL T. COGGESHALL, DEAN, DIVISION OF BIOLOGICAL SCIENCES, UNIVERSITY OF CHICAGO; AND JOSEPH HENSEY, DIRECTOR, NEW YORK HOSPITAL-CORNELL UNIVERSITY MEDICAL COLLEGE

PREPARED STATEMENT

Senator HILL. We are glad to have you here, Dr. Coggeshall, and you, too, Dr. Hensey. We will be happy to have you proceed now in your own way.

Dr. COGGESHALL. Mr. Chairman, for the record I am Dr. Lowell T. Coggeshall, dean of the Division of Biological Sciences at the University of Chicago. And I have with me this morning Dr. Joseph Hensey, who is the medical director of the Cornell Medical Center and the New York Hospital.

Mr. Chairman, with your permission, I have a prepared statement that I will submit for the record.

Senator HILL. We will have that appear in full in the record, Doctor.

Dr. COGGESHALL. Fine. Then I will speak directly to it.
(The statement referred to follows:)

STATEMENT OF DR. LOWELL T. COGGESHALL, DEAN, DIVISION OF THE BIOLOGICAL SCIENCES, UNIVERSITY OF CHICAGO, AND PRESIDENT-ELECT AMERICAN CANCER SOCIETY AND ASSOCIATION OF AMERICAN MEDICAL COLLEGES

Mr. Chairman and members, I speak to the portion of the budget before your committee which relates to the indirect costs of federally sponsored research at medical schools and related research institutions. It is becoming increasingly evident that the failure of the Government, or for that matter private funds, to provide full indirect costs in connection with grants for medical research is contributing to the financial difficulties of many of our great institutions of higher learning. As far as the Federal Government's overall policy of support of research in our universities is concerned, there is considerable inconsistency. Some Federal agencies, notably the armed services, have provided full indirect costs on research projects, determination being made on a formula basis and one that will permit an institution to conduct an active, useful research program without financial loss or gain. On the other hand, the National Science Foundation and the Public Health Service, dealing in research matters relating directly to the health of the people, have lagged behind in their allowances for indirect research cost and now provide only 15 percent of direct costs for administration, heat, power, light, library, et cetera. Our universities and medical schools have shown growing concern over this situation. The action last month of the House in connection with the request of the Public Health Service to provide full indirect costs is disheartening. Not only did the House apparently feel it unnecessary to increase the indirect costs payments by the National Institutes of Health, but inserted in the appropriations bill language which specifically prohibits the payment of indirect costs in excess of 15 percent of direct costs for any research grant.

This seems unrealistic and illogical. In essence it means that institutions of higher learning, whose faculties are conducting research for the betterment of mankind in their attempts to cure mental disease, heart illness, and many other frailties, cannot expect to receive sufficient funds to cover the indirect costs of research but must draw from their reserves, if any, or divert funds from their teaching programs to support Government-sponsored medical research. At the same time, other areas receiving Government money for research and develop-

ment are receiving up to 100 percent for overhead. To freeze at a low overhead rate of 15 percent is unsound and in the long run will be harmful to our medical research institutions. There should be a common Government policy correcting this inequity.

Mr. Chairman, in placing before your committee statements which will enable it to consider the matter objectively, I should like to outline briefly the role and the position of the 82 medical schools in the United States as they carry out their triple responsibilities to society: (1) To produce more health personnel, (2) to provide medical service in their teaching programs, and (3) to conduct a major portion of this Nation's medical research. It is to the last point that most of these remarks will be directed.

Since the health of our people is probably secondary only to our national security, it seems evident that the importance of assisting those educational institutions which supply practically all of the health talent and conduct most of the research can hardly be overemphasized. The current combined strength of our medical schools has been a natural development of the rapidly accumulating advances in scientific knowledge applicable to medicine. Truly we are in a medical age.

Prior to World War II, we were leaning primarily on our colleagues overseas for most of the basic knowledge and advances in the medical sciences. We prided ourselves somewhat lamely as being masters in taking the basic discoveries and converting them into practical application. A large number of our medical teachers and scientists were going overseas for their advanced training.

Today the situation is reversed. The medical schools and related research institutions of the United States are conducting educational programs which are resulting in providing the professional and technical personnel for the most effective medical care the world has ever seen. In addition they are conducting a research program amounting to \$58 million, a large portion of which is in the basic science area. And as final evidence of this ascendancy to a position of world leadership in the realm of medicine, they are providing training for many foreign scientists and about 5,000 foreign doctors annually. Because of this program, the United States in less than a quarter century has assumed world leadership in medicine.

The role of the medical schools in this connection is not generally known. They are no longer just medical schools but complex centers of medical science concerned with education of not only medical students, but also providing physicians with graduate and postgraduate education. They also participate in the vocational, technical, undergraduate, graduate, and postgraduate education of many other categories of related health personnel. They are constantly expanding research activities necessary not only in the search for new knowledge in the furtherance of the prevention, diagnosis, and treatment of human ailments, but also to their educational programs. And finally, they are, and must be involved in the operation of the laboratories, hospitals, and clinics essential to this broad responsibility of teaching and research.

For example, in 1956-57, 30,000 undergraduate medical students are being taught in American schools. Approximately 7,000 of these will graduate next month. These same schools are providing advanced training to 11,500 graduate doctors, residents, and specialists. There are 19,000 dentists, pharmacists, technical, or nursing students, plus 8,000 nonmedical biological science students, taking medical courses. Within these groups will be found practically all of the medical investigators for the future. They function as fountainheads of medical science spreading new knowledge to both professional and lay groups and they furnish leadership and guidance for thousands of health agencies, organizations and foundations, as well as for governmental agencies such as the Departments of Defense and of Health, Education, and Welfare, and the Veterans' Administration.

Truly the Nation's 82 medical schools are the foundation of our entire health and medical structure.

With this general statement for background, I would like now to be more specific regarding the indirect costs of medical research.

The conduct of medical research by the medical schools and ancillary institutions has brought forth within the past 2 or 3 decades beneficial results beyond the wildest dreams of our most optimistic predictors. This remarkable advancement in medical science is going on at an ever-accelerating pace. It is recognized by practically every citizen. What is not known or appreciated is that the institutions whose faculties are largely responsible for this near-miraculous progress are struggling against terrific fiscal odds. Unfortunately, the costs of

this expanding research are such that universities are now being forced to divert dollars which normally would go for improved faculty salaries or other basic educational needs. These diversions of university dollars are necessary to compensate for the inadequate "overhead" support which their research is receiving. No one believes payments for indirect costs should be more than that amount which is currently provided by the institution. In no sense could it or should it be construed as a profit. According to estimates I have heard, only 30 percent of the indirect costs are now provided by Government for medical research, whereas some of the other Government agencies provide up to 100 percent.

Probably the university administrator has not told his story sufficiently loudly or well, else it would have been heard. The individual investigator has a relative disinterest in seeing that his institution has coverage for the indirect expenses, or at least their equivalent, because he fears that a relatively smaller amount would be available for his research. The donor, be it a foundation or a Federal agency, also sees it as limiting the number of research dollars, thus restricting program. This was particularly true when there were so many more qualified projects proportionate to the total available funds. This is not so much the case today. It is not generally appreciated that failure to provide for the full indirect costs places a fiscal burden on all institutions, which in the long run, if not already, is resulting in a very adverse effect on their teaching programs. If continued, this situation will eventually slow up our research development.

Federal grants for research are relatively new, as many of the increases have come subsequent to World War II. For example, Federal expenditures for all research in private institutions amounted to only approximately \$15 million at the beginning of World War II, while today it is in excess of a third of a billion annually. When a few projects were supported in an institution they could be absorbed with little or no additional cost on the part of the university. Now, however, the programs have grown so much that they are a heavy burden on the universities. In any one institution two routes are available to adjust the situation, neither of which is tolerable. First, funds for necessary salary raises or acquisitions of new staff can be diverted to research overhead. Alternatively, the research efforts can be cut back to a point where the fiscal difficulties due to inadequate research support are either eliminated or greatly minimized. Either of these courses would be unwise at a time when we need more physicians and medical scientists to care for the problems of an increasing—and aging—population.

In spite of their financial difficulties, the record shows that the medical schools are performing a remarkable service. For example, in the past 10 years they have increased the annual number of their graduates from slightly in excess of 5,000 to just under 7,000. During the same period their research grants have gone from \$17 million to \$58 million. Along with this it is unfortunate that it is not generally appreciated that the medical school operating budgets have doubled since 1949 or quadrupled since 1942 (going from \$27 million to \$120 million). About half of our schools are private, the other half are State or city operated. The income of our schools comes from tax sources, endowments, gifts, transfers from general university funds, and tuition. To help meet the rising costs it has been necessary to increase tuition very considerably. Tuition has risen 84 percent since 1940 and yet only \$20,000,305, or about a sixth of the medical schools' operating budgets, for 1956-57, will come from tuition. As further increases in tuition take place, more and more qualified students will be barred from becoming future investigators and physicians. This is a loss that society can ill afford.

The indirect costs of doing research constitute a real factor in the financial problems facing our medical schools. Indirect costs are referred to as overhead. They include such items as the prorated cost of administration and operation, maintenance, library expense, et cetera. The United States Government has never had a consistent policy for paying these costs, although repeated studies have been made or are in progress. Some governmental agencies have determined the final figure through negotiations. About 10 years ago the Department of Defense conducted a study which led to a policy now known as the contract cost principles, armed services procurement regulations, commonly referred to as the blue-book formula.

In no sense can the indirect costs of university research be considered as profit. Indirect costs are an accountable kind of costs which are not directly involved in any specific project but have to do with the sharing of overall administration, plant operation, and other kinds of cost which if not carried by the project must

be borne by the institution. The blue-book formula has been accepted by institutions as an equitable method for the determination of the university's contribution to the indirect costs of any sponsored research project or program. A recent study by the National Science Foundation describes this formula which establishes a rate based on total salary and wage expenditures for computing indirect costs. The median blue-book rate of indirect costs was found to be 40 percent for private institutions and 38 percent for public institutions, including those which are State supported. One of the pertinent and most cogent findings of this report is shown in a total of \$50 million of federally supported projects, the total indirect costs amounted to \$37.2 million. The Government provided \$25.6 million, or in other words failed by \$11.6 million to meet the amount of the total indirect costs.

Two years ago the Public Health Service and the National Science Foundation were permitting only 8 percent of the total budget for indirect costs. This was entirely unrealistic, and the policy was changed and the amount raised to 15 percent. This figure, also, is unrealistic, and the President's budget for 1958 recommended that full indirect costs be paid. However, as mentioned earlier, the restrictive language in the House-passed 1958 appropriations bill, under the consideration of this committee, specifically prohibits an increase in overhead costs payments.

Mr. Chairman, I know there are arguments to the effect that medical research comes largely in the form of grants-in-aid in which the university investigator solicits support for his research, whereas much of the other research, for example from the Department of Defense, is at the Government's request under a contract. Actually, at the university level these two types of research cannot be so distinguished. Practically all university scientists who conduct contract research are still performing basic research and of a type that could just as well be financed as a grant-in-aid.

I have, Mr. Chairman, gathered some data on the indirect costs for research from a few institutions in the Midwest. They are shown in the following table:

1956 indirect costs for research based on—

	A. Salaries	B. Total expenditures
	Percent	Percent
University of—		
Michigan.....	53.3	42.0
Illinois:		
Urbana.....	37.2	30.9
Chicago Professional School.....	51.0	39.2
Indiana.....	46.0	29.7
Minnesota.....	46.0	29.2
Chicago.....	40.4	30.6

NOTE.—The rate for the University of Chicago was determined by an outside auditor.

Many voluntary health organizations supplying large sums of money for research have gone on record pointing out the inadequacy of the current rates and suggesting appropriate increases. To be more specific, for several years the National Foundation for Infantile Paralysis has been meeting the indirect costs of research and the board of directors of the American Cancer Society has officially rejected the National Institutes of Health overhead rate of 15 percent and recommends coverage of all indirect costs.

In the published House Appropriations Committee hearings it will be noted on page 66 that a group of private citizens who are serving or have served recently on the National Advisory Cancer Council testified that the National Cancer Institute for the fiscal year 1958 should increase the allowance for indirect cost from 15 to 25 percent.

The National Science Foundation specifically recommends:

"In supporting research conducted by institutions of higher learning, agencies of the Federal Government if requested should reimburse those institutions for those indirect costs of research supported."

Dr. James T. Killian, president of Massachusetts Institute of Technology, appearing before the House Appropriations Committee representing the American Council on Education, spoke as follows:

"I wish to urge that this committee recognize the desirability that Government funds for research allocated to educational institutions and hospitals should

provide for indirect expenses or their equivalent, as well as the direct expenses."

The Committee on Institutional Research Policy of the American Council on Education in 1954 published the following statement:

"Since educational institutions constitute one of the primary sources of the Nation's strength it seems clear that the national interest is not well served by any policy of the Federal Government or any of its agencies that demonstrably weakens rather than strengthens the ability of colleges and universities to contribute to the country's welfare. Hence the committee recommends that all Government agencies which sponsor research in educational institutions should recognize the full cost of such research including indirect or overhead expenses."

President Killian also quotes the well-known industrialist, Mr. Alfred P. Sloan, Jr., who heads a large charitable foundation, as follows:

"It is purely a matter of arithmetic that if grants do not carry sufficient overhead, unless of course the discrepancy is made up otherwise, the institution is going broke sooner or later."

In conclusion, I would like to reemphasize that this is not a plea for a hidden subsidy—or a request for the Government to support medical education. It is a straightforward request for the Department of Health, Education, and Welfare to pay its legitimate share of costs of medical research which is done for the betterment of mankind. Otherwise our institutions will become still further impoverished as they make up their deficits from reserves or by diverting funds from other essential educational purposes.

Repeated studies and surveys for the past several years have all shown the justification for my position, all point toward the need for a uniform policy, but all have given disappointing results as far as correcting the situation is concerned. Therefore, I should like to recommend that full indirect costs for research be allowed and that until an overall satisfactory Federal rate is determined it is essential that there be an increase from the present rate of 15 percent to a new rate of 25 percent. As the least measure I would urge the removal of the restrictive clause in the House appropriations bill which limits research overhead payments by the National Institutes of Health to 15 percent. Before closing this testimony I wish to discuss preliminary data which are just about to be released by the National Science Foundation in connection with its comprehensive survey on the dollar volume and manpower resources of university research for the year 1953-54.

The following table is taken from these data:

[*n millions]

	Federal funds expended for research	Total indirect expenses in connection with these expenditures by the in- stitutions	Indirect expense reimbursed by Federal funds	Indirect expense absorbed by institutions	Percent of indirect expense reimbursed by Federal Government
	(1)	(2)	(3)	(4)	(5)
Universities and colleges.....	\$119	\$29.5	\$23.2	\$6.5	79
Medical schools.....	23	7.5	2.4	5.1	32
Total (universities, col- leges, and medical schools).....	142	37.0	25.6	11.6	70

It will be noted that this tabulation separates the medical school from the rest of the university and college operation as far as an analysis of the costs of federally financed research is concerned. I believe that the figures in this table justify the following:

Column 4 shows that for the year of the survey the medical schools invested almost as much of their own funds in defraying the indirect costs of federally sponsored research as did the entire balance of the university and college community (\$5.1 million as against \$6.5 million). And this in spite of the fact that the total of Federal funds expended for research in the balance of the university and college community was more than 4 times that for the medical schools, column 1 (\$119 million against \$23 million).

Column 5 shows this up in another way because the percent of indirect expense reimbursement for the balance of the university and college community (figures

in col. 3 taken as the percentage of the figures in col. 2) stands at over twice that for the medical schools (79 as opposed to 32 percent).

It is my opinion that these discrepancies are largely due to the fact that the bulk of the federally sponsored research going on in our medical schools is financed by the Department of Health, Education, and Welfare which allows only 15 percent for indirect costs while the bulk of the federally sponsored research going on in the balance of the university and college community is financed by the armed services which allow for the full indirect costs. This should certainly pinpoint the unfortunate situation in which our medical schools find themselves.

I also believe that the figures in this table show complete justification for the recommended 25 percent as a fair figure for indirect cost allowances. I say this because the total indirect expense of federally supported research in all of the institutions in question consistently stands at over 30 percent of the total of the Federal funds expended. In other words, if the figures in column 2 are taken as the percentage of the figures in column 1, the following results:

	<i>Percent</i>
Universities and colleges-----	31
Medical schools-----	36
Overall-----	32

INDIRECT COSTS OF FEDERALLY SPONSORED RESEARCH

Dr. COGGESHALL. I wish to speak this morning in reference to the indirect costs of federally sponsored research at medical schools and related research institutions.

It so happens that at the present time at the National Institutes of Health there is an allowance of 15 percent for indirect costs.

Now, indirect costs are those costs that a university bears in relation to its total research projects. They are the costs that are attributed to administration, to the use of library, heat, and light, and so forth.

RISE IN COSTS

In general, there has been a rather healthy situation in that when the projects were small these costs could be absorbed by the institutions without too much difficulty. At the present time, however, medical research in the 82 medical schools in the United States has risen from some \$12 million in the last 10 years to \$58 million at the present time. At the same time, the operating costs of medical schools have risen from \$27 million to \$120 million.

TUITION INCREASE

Now, to help meet these costs, tuitions have risen in that same period 84 percent, but today the tuitions paid by the medical students, the future doctor, the medical investigator and scientist, are—well, their portion of the budget of the medical school amounts to only a sixth.

The average tuition costs I think in this country are about \$700. Some of the private schools go up to \$1,000 per year. And it is such that the deans of the medical schools with justification are becoming concerned that we are keeping from the medical schools many qualified, talented young men because they cannot see their way clear to financing their medical education.

As a matter of fact, we are getting close to the point that only those boys with independent incomes or working wives, nurses, or technicians, or secretaries, are able to go to medical school.

COLLEGES NEED FULL INDIRECT COSTS

Now, all we are asking for today is the full indirect costs for conducting research. Personally being responsible for a \$5 million research bill, most of which comes from the Government, about 72 percent, I am finding that I have to divert money I would like to use to raise faculty salaries, to keep men in academic medicine or bring new people on for repairing roofs, and so on.

I know Dr. John Youmans at Vanderbilt University has been told by his university that they cannot accept any more scientific research grants unless they completely rewire their research building. In other words, they are in an outmoded building.

Now, a school can absorb a certain number of new projects without difficulty, but when they get to a point that they require major changes like this, it requires the diversion of dollars that they do not have.

And the indirect costs should not be referred to as a profit in research. It is simply a fair share of the indirect costs.

Now, in the region that I come from, in the Midwest, I have made a study and have asked the various universities to submit their costs for indirect research commonly referred to as overhead. At the University of Michigan they have determined that it costs them at the present time 42 percent of the total expenditures.

Senator HILL. Forty-two percent?

Dr. COGGESHALL. Forty-two percent.

Senator HILL. Have you any breakdown there, doctor, that would show how they arrived at that 42 percent?

ACTIVITIES UNDER INDIRECT COSTS

Dr. COGGESHALL. It is not a breakdown as to actual percentages, but the activities that fall within these indirect costs are enumerated. I think that will show there.

The University of Illinois is 30.9. At Indiana it is 29. At Minnesota it is 29.2. At our own university it is 30.6. And, incidentally, these were determined by an outside auditor. Those are at the University of Chicago.

Senator HILL. Why would they vary as much as they do among the universities?

Dr. COGGESHALL. Well, sir, they do not vary too much actually, you see. With the exception of 2 universities, the maximum variation there is only 2 percentage points.

Now, the reason they vary is that there are some differences in cost accounting procedures. For example, in one we will assume that the library is a part of the research expense and included as a direct rather than an indirect. And you will find that an actual evaluation of these costs will show the rates are almost identical.

Senator HILL. About the same?

Dr. COGGESHALL. About.

FACTOR AFFECTING VARIATIONS

Senator HILL. What are the factors now that enter there? You have them in your statement, but give them to me now, will you? The different factors, please, sir.

Dr. COGGESHALL. The first one I would put is administration. For example, my own salary. I expect I spend a fifth of my time—I am

guessing now but I think it is a reasonable estimate that perhaps a fifth of my time is spent on discussing these research projects, meeting boys from the Government, from the NIH, discussing the possibilities, and so forth. The same goes for other people.

Another is library costs. The university bears total library expenditures.

There is heat, power, and light.

I can give you one concrete example, Senator, that I think speaks to this. Because of the increased research program that we are doing at the university, we have had to add a new telephone exchange. Every one of these research projects calls for additional people. They require telephones. And it cost us \$300,000 to put in a new telephone exchange.

These are moneys that are hard to come by with any private institution, and I think that the present rate of 15 percent of the indirect costs is inadequate.

ACTION OF HOUSE COMMITTEE

Now, one of the reasons for presenting this as we do is that this matter was considered in the House Appropriations Committee. They said that the money allocated for overhead based on 15 percent, based on a present formula of 15 percent—and I believe the administration asked for an additional 10 percent—was not allowable and that these additional funds should be used for more research. I think that that is bad policy in the long run; constantly draining off of the hard money, that the universities have too little of, is going to result in a very deleterious situation as far as medical research in this country is concerned.

They also wrote restrictive language that said it should not go beyond that.

FORMULA IN USE

At the present time many Government agencies are already paying approximately 35 percent based on the "Blue Book" formula. The National Science Foundation has issued a recent report showing about 35 percent is probably in excess.

So what we are asking for really, Senator, is uniform Government policy for all types of research.

At the present time the research that goes from the Department of Defense for, say, jet airplanes or equipment like that, they pay 100 percent. For health it is only 15 percent. I think that we should not have 100, but it should be no loss or no gain when we conduct medical research.

HOUSE REPORT

Senator HILL. I note the House in its committee report stated:

The committee does not doubt that most medical schools need some additional financial assistance; however, funds appropriated to the National Institute of Health are not for the purpose of general assistance to medical schools, and the committee was not convinced that the research program for which these funds are appropriated would suffer by maintaining the current policies in regard to overhead allowances, or that the maintenance of this policy would be unfair to the institutions that request these research grants. The action of the committee in maintaining the current rate for overhead allowances will free \$6,563,000 earmarked in the budget for overhead and will make it available for ad-

ditional research. Thus, the committee action approximately doubles the amount of funds that will be available in 1958 for increased activities over the level of operations in 1957.

Do you have any particular comment you want to make on that?

Dr. COGGESHALL. Yes, sir. I am familiar with that statement. It does place additional financial hazards on institutions, particularly private ones. It is an inadequate coverage. And as I mentioned a moment ago, the funds requested in the House appropriations bill for indirect costs will have to come out of the university's pocket. That additional that they have referred to there as freeing for additional research just places an additional burden on the medical schools.

COSTS NOT A SUBSIDY

Now, I think where the error in this statement comes is a reference, or an inference I should say, that these indirect costs are either profit or they are hidden subsidy. It is just a question of paying for the research done. If the universities do not receive that amount, they have to get it someplace or stop their research.

Many institutions are practically in that position now. They either have to stop raising salaries, acquiring additional faculty necessary to produce more scientists or doctors, or cut back on the research programs. Those are the three alternatives I see if we go ahead.

Senator HILL. Is there anything you would like to add, Doctor?

DEFINITION OF INDIRECT COSTS

Dr. HINSEY. Yes. I would like to say, first of all, that you asked about indirect costs. I think the definition given in the National Science Foundation release is a very good coverage:

Indirect costs, sometimes referred to as overhead, include such items as administration, plant operation and maintenance, and library expenses. The formula used in this survey for measurement of indirect costs was based on section 15: Contract Cost Principles, Armed Services Procurement Regulations, commonly called the blue book. This formula was the one most generally employed by the Department of Defense and certain other Federal agencies and has been accepted by the institutions as an equitable method for determination of a university's contribution to the indirect costs of sponsored research.

Now, when we look at the actual figures that are shown by this National Science Foundation study, the universities as a whole have 79 percent of their indirect costs that are furnished from Federal funds, but the medical schools, with a smaller amount of research, have only 32 percent.

ACTUAL EFFECT OF HOUSE STATEMENT

Now, the statement in the House committee report implies those funds would be freed for research, but what it does is really take it out of the hide of the basic cost of operating our institutions. And until we learn what is involved in the maintenance of this basic operation in our medical schools we never can appreciate how that will determine how much categorized research we can do.

And that is the point at hand here. And these are not profits. These are actual out-of-pocket costs done by Oscar Levine, a very competent accountant. He supervised this whole study, and I think this is an

impartial study. As a matter of fact, I was surprised that the indirect costs ran as high as they did in the country as a whole.

Dr. COGGESHALL. I am not sure, but I would like to know what the indirect costs, say for the National Institutes of Health, are. That would give a comparable figure. I think we can obtain that and put it in the record, sir.

NEED FOR UNIFORM POLICY

Dr. COGGESHALL. For the past 10 years there has been a study conducted, first by the Secretary of Defense, to have a uniform policy. The study has been thorough, but it has been very disappointing in that they have never arrived at common policy. And I think if we could share on the same basis as the Department of Defense we would not be in the difficult financial position we are.

And to make a flat statement, I believe with the additional research costs and funds available that the Government is, in medical research, contributing somewhat to the financial insolvency particularly of the private institutions.

Now, there are many requests for a million dollars a year for heart or for cancer or what not. That cannot possibly be a fruitful endeavor unless there is some recognition of the hidden cost that the university must provide to conduct this type of research. I think it is just as plain as that.

Senator THYE. If I may, Mr. Chairman——

Senator HILL. Go ahead.

ITEMS INVOLVED IN HIDDEN COSTS

Senator THYE. What would be involved in the hidden cost? Could you detail it?

Dr. COGGESHALL. Yes.

Senator THYE. We are seeking for all the information we possibly can obtain because it will enable us to make the arguments, if necessary, in full committee or on the Senate floor.

Senator HILL. And in conference.

Senator THYE. Yes.

Dr. COGGESHALL. Senator, it is not detailed here, but the various items are listed such as administrative costs, heat, power and light, library, and so forth. The Government contract study called for an itemization. It is in this prepared testimony.

Senator THYE. There has to be an expanded research facility established——

Dr. COGGESHALL. Yes, sir.

Senator THYE. And then once the expansion has taken place, there must be the necessary costs in its maintenance?

EXAMPLES OF INDIRECT COSTS

Dr. COGGESHALL. It calls for additional quarters. It calls for more lighting. It calls for a telephone. Things that are not provided in the contract. The university must either say, "Well, we won't do this research on heart, cancer, or tuberculosis, or what-not."——

Senator THYE. Because it requires——

Dr. COGGESHALL. Money we do not have.

Senator THYE. An animal laboratory, for instance, in order that they may have a continuity——

Dr. COGGESHALL. That is right.

Senator THYE. Of family life——

Dr. COGGESHALL. That is right.

Senator THYE. In their animals?

Dr. COGGESHALL. That is right.

Senator THYE. Because that is the only way you find it transmitted from one generation to the next? Is that not right?

Dr. HINSEY. That is right. Just a matter of the maintenance of the business, the procurement, the keeping of the records, the personnel, and all. Every one of our offices has increased in number. Not only have they increased in number, but we have had to have more space for administrative management. And I think many times even members of our own staffs do not realize what it costs.

Senator THYE. I did not realize it until such time as I visited some of the research laboratories where Federal funds are going or are allocated. And then I commenced to understand that when they talked about the animal life here that was used in the research that it was not only a question of this generation but the generations that are of the future as well as the generations of the past that lent itself to the true facts toward which the research was endeavoring.

Dr. HINSEY. We are really taking some of this out of the bare hide of the rest of our operation. This money has to come from someplace in the private institution. We cannot run on a deficit situation. And it prevents us from really moving ahead in a sound fashion along the whole program of the basic operation of our schools.

Senator HILL. Did either one of you gentlemen testify before the House committee?

Dr. COGGESHALL. We did not. Dr. James Killian, president of M. I. T. and Dr. Ward Darley, former dean of the medical school and president of the University of Colorado, appeared before the House committee and made essentially the same recommendations that we have made, sir.

Senator HILL. But neither one of you testified?

Dr. COGGESHALL. Neither one of us testified before the House.

NATIONAL SCIENCE FOUNDATION APPROACH

Dr. HINSEY. This has been a very important contribution, Senator Hill—what has happened in the National Science Foundation. That really has been something we have been waiting for, because it is an objective approach.

Dr. Coggeshall had an outside group of accountants make his study. But here is a group of people, competent people, working for the National Science Foundation, that have made this study over the country. And I know how much work Mr. Levine has put into this. And to have this come out and show as clearly as it does what our problem is to me has been a great help to us.

Senator HILL. In other words, it confirms your statement?

EXPERIENCE OF OTHER FOUNDATIONS

Dr. COGGESHALL. That is right. And, in addition, the American Cancer Society, that has traditionally followed the policies of NIH,

have gone on record now saying those are inadequate and we must move ahead, the same as the polio foundation.

The National Science Foundation recognizes it and I think it is rather generally known by those people but not on the outside. As Senator Thye pointed out a moment ago, this hasn't been pointed out very effectively before. There are two reasons, one of which is if you ask the independent investigator if he wants more overhead for his research he says, "No; because I have less money to do my research."

If you ask the contracting agency, being a private one or the Government, they say, "We are not interested in more overhead because we have fewer dollars for the research."

If the university president asks for more overhead and tries to justify it, they say, "You are trying to make a profit."

But these indirect costs commonly referred to are not profit. They are just a straightforward analysis of the indirect costs. And I think that is all that should be provided. I, for one, would be very much against a research program that offered any profit to an institution.

Dr. HINSEY. So would I.

Dr. COGGESHALL. Then people would go into research for their own motives.

UNIVERSITIES UNABLE TO BEAR PRESENT COSTS

But I do not think universities are in position to bear the costs at the rate they have been.

Dr. HINSEY. I have been more conservative in this regard possibly than other people, but, seeing what this shows, I realize that we have got to do something to meet this problem. It is either meet this or have lesser service; that is all.

Dr. COGGESHALL. Mr. Chairman, in concluding, I would like to make three recommendations.

Senator HILL. Certainly. Go right ahead.

Dr. COGGESHALL. I would like to recommend the full indirect cost for research be made. That is No. 1. But that until an overall satisfactory Federal rate is determined, an additional 10 percent that would bring it up to 25 be allowed. And as the last measure and the least measure, I would urge removal of the restrictive clause in the House appropriation bill which says that no more than 15 percent shall be paid, because I believe that is harmful, that it will hurt the research programs in the country, and have just the opposite effect that the House committee thought it would have.

Senator HILL. Is there anything you would like to add, Doctor?

Dr. HINSEY. That is all.

Senator THYE. Thank you.

Senator HILL. Gentlemen, we appreciate very much your appearance here this morning. We are always glad to see you. Thank you both very, very much.

(The following letter was later received from Dr. Coggeshall:)

THE UNIVERSITY OF CHICAGO,
Chicago, Ill., May 15, 1957.

HON. LISTER HILL,
Senate Office Building, Washington, D. C.

DEAR SENATOR HILL: To supplement my testimony before your committee on May 6 in regard to indirect costs for medical research, may I present the attached statement prepared by Dr. Hinsey and myself? It is a more specific and thorough statement than that which I was able to present orally.

As representatives of the Association of American Medical Colleges we are most hopeful that no action will be taken which will further jeopardize the financial status of the private medical schools and we hope that our arguments in favor of full indirect costs can be met—if not completely at this time at least a step in that direction would be most helpful. In addition to the original statement and supplement I am including as per your request a list of the items determined to be applicable for indirect costs. They are as follows:

General administration and general expense
Plant operations and maintenance
Use charge—Buildings
Use charge—Equipment
Library costs
Social-security taxes

I greatly appreciate your courteous reception to me and Dr. Hinsey.

Sincerely yours,

L. T. COGGESHALL, M. D., *Dean.*

LETTER FROM SENATOR NEUBERGER

Senator HILL. I have a letter from Senator Neuberger, of Oregon, with which he enclosed a message to him from Mr. W. P. Dyke, director of the Linfield Research Institute, McMinnville, Oreg., both of which suggest the striking out of the House limitation on indirect costs to be paid in connection with research projects. I shall insert these letters in the hearings.

(The letters referred to follow:)

UNITED STATES SENATE COMMITTEE ON INTERIOR AND INSULAR AFFAIRS,

May 3, 1957.

HON. LISTER HILL,

Chairman, Labor, Health, Education, and

Welfare Appropriations Subcommittee,

United States Senate, Washington, D. C.

DEAR SENATOR HILL: I submit for the consideration of your subcommittee the enclosed letter which I have received from Mr. W. P. Dyke, director of the Linfield Research Institute located at Linfield College in McMinnville, Oreg. As you will note, Mr. Dyke is concerned with the possible effect of section 208 of the Labor-HEW appropriations bill. (The reference to sec. 9 is apparently a misprint.)

Mr. Dyke's point appears to be well taken. The purpose of research grants to institutions of higher learning by the Federal Government is to secure information through utilization of facilities and personnel available in such centers of scientific investigation. Indirect costs have an important bearing on the total cost of research and, as Mr. Dyke points out, the 15 percent limitation would have the effect of excluding certain institutions from participation in this program and thus depriving the Government of potentially valuable sources of scientific and technical information.

I hope that you will be able to include Mr. Dyke's letter in the hearing record for the information of members of your subcommittee when reviewing this section of Labor-HEW appropriations bill.

Kind regards.

Sincerely,

RICHARD L. NEUBERGER,
United States Senate.

LINFIELD RESEARCH INSTITUTE,
OFFICE OF THE DIRECTOR,
McMinnville, Oreg., April 29, 1957.

HON. RICHARD L. NEUBERGER,

Washington, D. C.

DEAR SENATOR NEUBERGER: May I call your attention to a proposed rider included in the Labor-HEW appropriations bill (H. R. 6287) as follows:

"SEC. 209. None of the funds provided herein shall be used to pay any recipient of a grant for the conduct of a research project an amount for indirect expenses

in connection with such program in excess of 15 per centum of the direct costs."

Since the indirect cost of most institutions exceeds 15 percent, this rider, if adopted, would require an institution which accepts research contracts from the Departments of Labor and Health, Education, and Welfare to contribute a portion of the cost of the research. While established institutions may be in a position so to contribute, many others are not, and might therefore be denied the opportunity to contribute effectively to the national health, education, and welfare.

This is not a question of profit, at least, in the not-for-profit type of institution which we represent. The issue is whether or not the Government will pay the cost of the research which it needs. A plan more like that in effect in the Defense Department would appear to be preferable.

Thank you for any attention which you may be able to give to this important question. With the kindest personal regards,

Cordially,

W. P. DYKE, *Director.*

LETTER FROM SENATOR SMITH OF NEW JERSEY

Senator HILL. I have a letter from Senator Smith of New Jersey enclosing a communication to him from the treasurer of Princeton University, Mr. Ricardo A. Mestres, with reference to this limitation on the availability of funds for research projects to pay the so-called indirect costs of research, and I shall include these letters in the hearings.

(The letters referred to follow:)

UNITED STATES SENATE,
COMMITTEE ON LABOR AND PUBLIC WELFARE,
April 24, 1957.

Hon. LISTER HILL,

*Committee on Appropriations,
United States Senate, Washington, D. C.*

DEAR SENATOR HILL: Enclosed is a letter which I have received from the treasurer of Princeton University, Mr. Ricardo A. Mestres, with regard to the legislative rider attached by the House to the appropriation bill for the Departments of Labor and Health, Education, and Welfare. The rider referred to is as follows:

"SEC. 208. None of the funds provided herein shall be used to pay any recipient of a grant for the conduct of a research project an amount for indirect expenses in connection with such program in excess of 15 per centum of the direct costs."

You will note from Mr. Mestres' letter his concern over the effect of this section which was added by the House to H. R. 6287 and which Mr. Mestres feels is contrary to the progress being made by the Public Health Service in its study of the whole area of contract research.

I will appreciate your having Mr. Mestres' letter made a part of your committee records on H. R. 6287.

Always cordially yours,

H. ALEXANDER SMITH.

PRINCETON UNIVERSITY,
Princeton, N. J., April 15, 1957.

Hon. H. ALEXANDER SMITH,

United States Senate, Washington, D. C.

DEAR SENATOR: It has come to my attention through the Bulletin of the American Council on Education that the council has requested the privilege of presenting testimony before the Senate Subcommittee on Appropriations in opposition to a legislative rider attached by the House to the appropriation bill for the Departments of Labor and Health, Education, and Welfare. The rider included in the appropriations bill (H. R. 6287) is as follows:

"SEC. 208. None of the funds provided herein shall be used to pay any recipient of a grant for the conduct of a research project an amount for indirect expenses in connection with such program in excess of 15 per centum of the direct costs."

At the present time, the overhead rate on medical-research contracts and grants is 15 percent and it has been proposed that this be raised to 25 percent. The effect of this rider would be to deny this increase.

According to the council report, the House Appropriations Committee's report states that the group "does not doubt that most medical schools need some additional financial assistance, however, funds appropriated to the National Institutes of Health are not for the purpose of general assistance to medical schools, and the committee was not convinced that the research program for which these funds are appropriated would suffer by maintaining the current policies in regard to overhead allowances, or that the maintenance of this policy would be unfair to the institutions that request these research grants."

I have been closely associated with the research contract work which we have conducted here at Princeton. I have been particularly concerned with the indirect expense reimbursement of Government-supported contract research. It seems to me that the report of the House Appropriations Committee, with respect to the statement that "most medical schools need some additional financial assistance," is the heart of the matter. Unfortunately, many lay people consider that the reimbursement of indirect expense in some way is equivalent to profit on the research being conducted. I am certain that this incorrect impression stems from the belief that overhead in business terms includes some profit to the contractor. This is not necessarily true in business and I can assure you in the case of sponsored research in educational institutions, and particularly in the case of Princeton, there is no profit in the overhead allowed on contract research.

The facts are that the allowance for indirect expenses covers costs which are very real to an educational institution. As you may know, the elements which make up the indirect expense calculation include pensions, social security, administration, building, and equipment use, and like items. These are very real costs and in no sense of the word are profit to the institution. I am convinced that the present policy of the Public Health Service in limiting the overhead rate on medical-research contracts to 15 percent results in an actual loss to the institutions accepting this research.

As you may know, the General Accounting Office and the representatives of the armed services and the Atomic Energy Commission are in the process of reviewing the whole question of reimbursement of indirect expense rates to educational institutions. It seems to me that the proposal with respect to the Public Health Service is directly contra to the progress being made by this group in its study of the whole area of contract research. It would be our earnest hope that the Senate will reject the rider recommended on the appropriations bill; namely, section 208 of H. R. 6287.

Sincerely yours,

DICK MESTRES.

LETTER FROM CORNELL UNIVERSITY

Senator HILL. I have a letter from John W. McConnell, of Cornell University, in his capacity as chairman of the Subcommittee on Government Aid to Education of the American Land-Grant Association Graduate Council, urging the deletion of section 208 to limit the use of funds available for research projects to pay in excess of 15 percent of the direct costs for the so-called indirect costs. His letter will be inserted in the record.

(The letter referred to follows:)

CORNELL UNIVERSITY,
THE GRADUATE SCHOOL,
Ithaca, N. Y., May 4, 1957.

Hon. LISTER HILL,

*Chairman, Senate Subcommittee on Appropriations,
The Capitol, Washington, D. C.*

DEAR SENATOR HILL: I am writing as chairman of the subcommittee on government aid to education of the American Land-Grant Association Graduate Council to protest on behalf of the council a rider attached to H. R. 6287. This rider, attached by the House to the appropriations bill for the Departments of Labor, and Health, Education, and Welfare, prohibits the use of funds provided in the appropriations bill for indirect expenses in connection with a research project in excess of 15 percent of the direct costs of the project.

It is difficult to establish precisely indirect costs incurred by a university in carrying on a research activity. As with any organization having a large capital

investment and substantial overhead expenses, additional activities may be carried on by such an organization for a time without any obvious increase in expenses. Ultimately, however, a point is reached where every increment of activity requires sizable additional investment or expenditure.

Studies made by the military authorities have resulted in an estimate of 46 percent on a salary base for indirect costs incurred in Government-sponsored research. This is approximately 30 percent on total expenditures. The National Science Foundation similarly studied this matter and concluded that 25 percent of total expenditures was a reasonable figure for indirect costs. There is no reliable study which supports the 15 percent figure proposed in the appropriations bill referred to above.

Universities are not attempting to gain unwarranted support from the Federal Government through subsidies on Government-sponsored research. Universities unquestionably benefit by the opportunity to carry on research supported by Government funds. This is a mutually beneficial arrangement. I am sure, however, that the Federal Government does not intend that universities should use resources contributed by private individuals or State governments for educational purposes to support research undertaken on behalf of agencies of the Federal Government.

The immediate effect of the proposed legislation would be felt by medical schools, although other departments of universities are often engaged in research for the National Institutes of Health. In the long run, it seems certain that legislating a 15 percent limit on indirect costs would establish a pattern for all Government-sponsored research. Under such circumstances, universities would find it impossible to continue this mutually beneficial arrangement in research with Federal Government agencies.

I trust you will use your influence to remove from the appropriations bill this objectionable rider.

Very truly yours,

JOHN W. McCONNELL.

THE NATIONAL TUBERCULOSIS ASSOCIATION, NEW YORK, N. Y.

STATEMENT OF DR. JOSEPH B. STOCKLEN, REPRESENTATIVE

PREPARED STATEMENT

Senator HILL. Dr. Joseph B. Stocklen, representing the National Tuberculosis Association. We are glad to have you. You have filed your statement; have you?

Dr. STOCKLEN. We have a statement filed which I should like to enter in the record if I could.

Senator HILL. Yes, sir.

(The prepared statement referred to follows:)

STATEMENT OF THE NATIONAL TUBERCULOSIS ASSOCIATION

The tuberculosis-control programs in the United States, it is gratifying to report, continue to show progress. This can be seen in the latest statistics on the tuberculosis death rates and the rate of newly reported active cases. In 1955, provisional figures show that about 15,000 persons died from tuberculosis with a resultant death rate of 9.1. Also in 1955 there were 76,177 new active cases, a case rate of 46.4. Of particular interest and significance is the trend which these two factors have taken for the past few years. Both the death rate and the case rate have been going down, but the characteristics of decline have been markedly different. In respect to the death rate, the percent of decrease from 1952 to 1953 was 22.2 percent, from 1953 to 1954 17.1 percent, and the rate of decline between 1954 and 1955 was 10.8 percent, an average decline of 16.7 percent. From this and other information at hand, it would appear that the number of tuberculosis deaths will not drop sharply to zero but will form more or less a plateau resulting from the cases in which death from tuberculosis has merely been temporarily postponed by modern treatment, plus those cases which are not discovered until too late for successful treatment.

The picture insofar as newly reported active cases are concerned is appreciably different. The rate at which tuberculosis cases are discovered has also

been declining but at an average rate since 1952 of only 5.5 percent per year. It had been expected as improved control programs, including more effective treatment, were continued there would be a resultant impact on new tuberculosis cases which would be evidenced in a more rapidly declining new-case rate. Fragmentary reports on 1956 indicate that the number of new active tuberculosis cases declined appreciably in 1956, perhaps twice as much as the average for the 3 previous years. It is, however, still too early to obtain statistically reliable figures for 1956.

Significant contributions to this progress have come from programs and activities financed by appropriations approved by this subcommittee. Specifically, these are the tuberculosis program of the United States Public Health Service and the National Institute of Allergy and Infectious Diseases. In respect to the latter, almost \$1 million are being devoted this year to important research activities concerning tubercle bacilli, pulmonary function, and a more effective vaccine or prophylactic agent than currently available. Many of these projects are supported, too, by the National Tuberculosis Association's research grants program. The generous action of the Congress in increasing the 1957 appropriation for this Institute greatly accelerated these much needed activities. The NTA is pleased that the House of Representatives approved the fiscal 1958 budget request of the National Institute of Allergy and Infectious Diseases for \$17,400,000 to enable that Institute to continue and expand these programs. We respectfully request the Senate to concur in this action.

Our association is following with great interest the isoniazid prophylaxis research projects of the tuberculosis program, PHS. The modest increase requested for the 1958 budget for this program will enable planned expansion of this project. Although it will probably be 4 to 5 years before results can be authoritatively substantiated, the NTA hopes that this PHS program will continue to be adequately financed. This committee should know that State and local voluntary tuberculosis associations are being encouraged to join with the Federal Government in this research activity in another example of joint effort similar to those which have been so successful in the past.

The cooperative applied research activities of the tuberculosis program of the Public Health Service carried on with independent non-Federal Government researchers has resulted in the obtaining of data vital in the armament against tuberculosis and is recognized for its unusual value not only in this country but throughout the world. The NTA respectfully requests that the Senate concur with the House and approve the 1958 budget request for the tuberculosis program of \$7 million.

As stated previously to this committee, the NTA is very much concerned with the health problems of American Indians. Information furnished by our affiliated associations which are concerned with this problem indicate continued progress by the program of the Division of Indian Health, PHS. We believe that a good start has been made, but the optimum program has not yet been evolved.

The House in passing H. R. 6287 voted to reduce the budget request for Indian health activities a total of \$3,990,000, to \$40 million. The NTA does not agree with the wisdom of this action. There is a tremendous need for accelerated health activities for American Indians as has been well documented by the recently completed survey of Indian health needs. It is pointed out in the survey that a high of \$60 to \$65 million annual appropriations will be necessary to alleviate these deplorable conditions and remove this disgraceful situation from the American scene. With the House approved 1958 appropriation of \$40 million, there could be no progression of these activities over the 1957 level. In fact, it would mean that this PHS program would be forced to operate at a level of proficiency almost one-half million dollars under that of 1957. We believe, therefore, that this is not an economical procedure with its resultant loss of lives and well-being and precious time through interruption of carefully planned acceleration. The NTA, therefore, urgently requests that the Senate approve the full budget request of \$43,990,000 for the 1958 Indian health activities program.

In respect to the request for "Construction of Indian health facilities," the NTA shares the concern of the House Appropriations Committee over the lack of progress made by the PHS in this area. Funds previously provided by the Congress for several desperately needed hospitals, as well as equally needed clinics, remain unobligated. Last year this association made an unsuccessful request for additional funds for personnel quarters. Without bare living essen-

tials, doctors and nurses and other health personnel cannot be expected to live in these remote areas. In this phase, too, there has been a lack of progress.

The NTA has made strong representations to the PHS urging immediate rectification of these conditions within the limits provided by former appropriation of the Congress. We agree with the action of the House in reducing this budget request and respectfully ask that the Senate approve an appropriation of \$3,096,000 for this item. We further request that the language added by the House relating to expenditures of these appropriations through the Department of the Interior at the discretion of the Secretary, Health, Education, and Welfare, be approved by the Senate.

The National Tuberculosis Association sincerely appreciates this opportunity of presenting to this committee the opinions of the voluntary tuberculosis organization.

TUBERCULOSIS CONTROL BUDGET

Senator HILL. You may proceed, sir.

Dr. STOCKLEN. My name is Joseph B. Stocklen. I am a doctor of medicine living in Cleveland, Ohio. My official position is the tuberculosis control officer for Cuyahoga County. However, I come here today as a member of the board of the National Tuberculosis Association and to express their views on some of the problems of budget relating to tuberculosis control programs.

There are three areas in which I would like to—

Senator HILL. Excuse me one minute, Doctor.

We are very happy to have with us the Delegate from Alaska, Mr. Bartlett. Will you come up and have a seat at the table? As soon as Dr. Stocklen is through with his testimony, we would be delighted to have you make any statement you see fit, sir.

Delegate BARTLETT. Thank you. I am in no hurry at all.

Senator HILL. All right, Doctor.

Dr. STOCKLEN. There are three areas I would like to cover. I will try to be brief about this, Senator, and I will not read my statement.

INSTITUTE ON ALLERGY AND INFECTIOUS DISEASES

The first area is the Institute on Allergy and Infectious Diseases, for which a budget of \$17,400,000 has been asked.

The tuberculosis association is interested in all health problems but, of course, particularly tuberculosis, and we are particularly interested in this because most of the money for the basic research on the tubercle bacillus comes from this fund, this Institute on Allergy and Infectious Diseases.

I think two of the other witnesses, Senator, will go into that in more detail. I will leave that by saying the National Tuberculosis Association supports this budget of \$17,400,000.

PUBLIC HEALTH SERVICE TUBERCULOSIS PROGRAM

The tuberculosis program of the Public Health Service will consist of grants and of direct operations. A sum of \$7 million is being asked for this coming year. That is an increase of \$340,000 over 1957. Now, part of this is due to mandatory civil service increases, and the rest is to conduct studies on the preventive use of isoniazid. I think you know the best drug we have for treating tuberculosis today is isoniazid.

PROBLEM OF AIRBORNE DISEASES

It has been extremely effective, but no one knows whether this drug actually would prevent tuberculosis. The airborne diseases are the most difficult of all diseases to prevent. In typhoid fever you can sterilize, you can pasteurize the milk, chlorinate the water, and pretty much control the vector. But in the case of tuberculosis we cannot sterilize the air we breathe, and so we must use some other method to develop a preventive program.

If we could find a good vaccine or a good drug that would do this, it would lead us a long way toward control. In the past we have spent a good deal of time just actually trying to heal people who have tuberculosis. We have gotten to the phase now where we must develop a preventive program so we can maintain the gains we have held so far.

Senator HILL. You recall, sir, this committee in the last Congress provided funds for further study of the isoniazid.

Dr. STOCKLEN. Yes, sir. We were very happy—

Senator HILL. We also provided funds for the study of the British BCG.

Dr. STOCKLEN. That is right, sir. We are very happy about that. Those studies, I am sure you know, Senator, are going forward.

Senator HILL. Yes.

Dr. STOCKLEN. But, of course, they will take some time. A project of that sort is going to involve many thousands of people, and it will take some time to complete it.

Senator THYE. Have any results developed to date?

SERUMS AND VACCINES

Dr. STOCKLEN. We have none. We expect some early results, Senator, on a study which is being done on prophylaxis used to prevent meningitis in children. The study should be completed in the fall, I am told. It has been going on for 2½ years. This length of time was necessary in order to get enough people into the study to come to some conclusive results.

The next section I would—

Senator THYE. Before we leave this subject, have you any ideas on vaccination? Is there any development that promises that a vaccination will be possible in the future?

Dr. STOCKLEN. Senator, there is today a person here who knows much, much more about that—Dr. Dubos. Would you mind asking him? I am sure he can give you the information.

Senator HILL. We will have Dr. Dubos a little later.

Senator THYE. Thank you, sir.

Dr. STOCKLEN. Were there any more questions on this?

Senator THYE. None.

INDIAN HEALTH ACTIVITIES

Dr. STOCKLEN. The next is the Indian health activities. In the past 2 years the Public Health Service has been in charge of the Indian health activities. We have been very pleased to see the support that Congress has given, the recognition they have given it. There was a deplorable health situation among these people, and there have

been very, very definite increases in appropriations, and we believe the program is going forward.

In 1956 the budget was \$33,800,000. In 1957 it was \$38,700,000. In 1958 request was made for \$43,990,000. However, the House Appropriations Committee reduced that to \$40 million.

This is an expanding program. As we now understand it, the Public Health Service is running at better than \$40 million. They are running an operating rate about \$40½ million, because their program has been expanded. Therefore, if this additional appropriation is not granted, actually it will mean a cutback, some cutback, in the Indian health program.

The Public Health Service has made a survey at the request of the House Appropriations Committee, and it is estimated that the eventual need for these Indian health facilities, until the health of the Indians is corrected, will be between 60 and 65 million dollars. We sincerely hope that it will be possible for the full appropriation of \$43 million to be granted. And that is supported by the National Tuberculosis Association.

INDIAN HEALTH FACILITIES

The next item is "Construction of Indian health facilities." That was reduced from \$5,800,000 to \$3,096,000 in the House. We agreed to that, because there are \$7 million of unencumbered funds not spent on construction facilities.

I have seen where these facilities are needed very badly. I am sorry that more progress was not made. However, we do not feel that we can ask for more money when they didn't spend the money they had last year. But we do hope this \$3,096,000 which was given by the House will be continued, because these people desperately need additional health facilities.

I think that is my testimony, sir. If you have any questions I would be glad to answer them.

Senator HILL. Questions, Senator Thye?

Senator THYE. None.

Senator HILL. Doctor, we appreciate your appearance. We appreciate this testimony very, very much.

Dr. STOCKLEN. Thank you, Mr. Chairman and Senator Thye.

Senator HILL. And the committee will consider very, very carefully what you have said. We are always glad to have you here.

LETTER FROM SENATOR ERVIN

Senator HILL. I have received a letter from Senator Ervin, of North Carolina, with which he enclosed a message to him from Dr. Charles D. Eatman, president of the North Carolina Tuberculosis Association, urging the restoration of the appropriation for Indian health activities to \$43,990,000. I shall place both of these letters in the record for the information of the committee and the Senate.

(The letters referred to follow:)

UNITED STATES SENATE,
COMMITTEE ON GOVERNMENT OPERATIONS,
May 6, 1957.

HON. LISTER HILL,

*Chairman, Senate Committee on Labor and Public Welfare,
Senate Office Building, Washington, D. C.*

DEAR SENATOR HILL: I am enclosing a letter received from Dr. Charles D. Eatman, president, North Carolina Tuberculosis Association, urging the restoration of the appropriation for Indian health activities to \$43,990,000.

With best wishes, I am,

Sincerely yours,

SAM J. ERVIN, JR.

NORTH CAROLINA TUBERCULOSIS ASSOCIATION, INC.,
Raleigh, N. C., May 2, 1957.

HON. SAM J. ERVIN,

United States Senate, Washington, D. C.

DEAR MR. ERVIN: I am writing in reference to the 1958 Indian Appropriation to urge your consideration for support in restoring \$3,990,000 under the item "Program activities" to bring the total appropriation for Indian health activities to \$43,990,000. It is our understanding that the original requested appropriation has been cut by the House of Representatives, and we would appreciate your transmitting our views to Senator Lister Hill, chairman of Appropriations Subcommittee on Labor, Health, Education, and Welfare.

The National Tuberculosis Association and its affiliates have been concerned with legislation for Indians for a number of years and have supported appropriating bills intended to alleviate deplorable conditions among the Indians which are conducive to the spread of tuberculosis. Tuberculosis is most prevalent in the lower economic strata. Crowded living, poor nutrition, and non-observance of basic sanitary procedures are important factors which contribute to the tuberculosis problem. All these factors are found among the Indians. A major problem in the overall health picture of the Indians is gastrointestinal diseases, including dysentery and diarrhea. Prolonged diarrhea or dysentery results in malnutrition, if not in death, and malnutrition notoriously reduces resistance to tuberculosis, as well as to certain other diseases. The incidence of gastrointestinal diseases varies from 4 to 12 times higher among Indians compared with the general population.

Since tuberculosis is no respecter of county or State boundaries and since there are Indian populations in North Carolina, I hope you will give your consideration to this request.

Respectfully,

DR. CHARLES D. EATMAN,
President.

PUBLIC HEALTH SERVICE

STATEMENT OF HON. E. L. BARTLETT, DELEGATE IN THE CONGRESS OF THE UNITED STATES FROM THE TERRITORY OF ALASKA

HEALTH OF ALASKAN NATIVES

Senator HILL. Mr. Bartlett, we welcome you here, sir. We are glad to have you. We will be delighted to have you make any statement you see fit.

Delegate BARTLETT. I am very happy to have the opportunity to appear before you, Senators.

My name is E. L. Bartlett, a Delegate in the Congress from the Territory of Alaska. I do not have a prepared statement.

I might say the appropriation requests in this act relating to Alaska are broken down into two categories; one is for the health of the Alaskan natives, as we term them. The item for their health needs is included in the general appropriation request for the entire country.

And on account of reductions made in the House, the Alaska estimates are pared from the budget requests by something over \$900,000.

Now, a good part of that money is used in the treatment of tuberculosis in Alaska. That will be, over the years immediately ahead, a diminishing item in the appropriation request. It is my view that one of the most dramatic chapters in medical history has been written in Alaska in the last 10 years thanks to the action of Congress and more specifically to the action of the Appropriations Committees.

When I came down here in 1945 I had been president of the Alaska Tuberculosis Association. Tuberculosis was rampant. I think that the incidence there was higher than anywhere else in the world. Nothing was being done about it. There were less than a hundred general hospital beds dedicated to the care of the tuberculous in the entire Territory, a fifth as big as the United States.

PROGRESS IN CARE OF TUBERCULOSIS

Now we have several hospitals. The problem is being conquered. And in 10 years I think that we will have won a very substantial victory. Indeed, we have won it already.

There is an imperative need during the next decade to carry on this very fruitful work, and I would hope all the money required for the operation of those hospitals would be provided by the committee, and I know it will be, because in the past you have been most sympathetic.

Senator HILL. How did the House treat you?

HOUSE REDUCTIONS

Delegate BARLETT. They treated us, I must say, very well. The cut that will be applied to Alaska in the general appropriation request is on the order of \$922,000. Now, just how much that reduction is going to impair the operations during the next fiscal year I cannot say. That item is for the operation of Government and non-Government hospitals, preventive health programs, and program direction. And as I take it that the appropriation request was based on reality, it would be my hope, of course, it would be allowed in the aggregate.

ST. LAWRENCE ISLAND CLINICAL FACILITIES

Then there is the item, general also, to be made to Alaska after the act is signed into law, for construction purposes. Alaska would have received according to the budget request something more than \$550,000 allowed by the House. I am especially concerned by two things there, one for clinic facilities at Gambell and another for the same purpose at Savoonga. Both those communities are Eskimo villages on St. Lawrence Island, and they are badly in need of better medical facilities. The item is relatively small, \$60,000 in the aggregate.

Senator THYE. If I may interrupt, where are they cared for now?

Delegate BARTLETT. They are not cared for. That is the trouble. There is an awful lot of disease there on that big island, Senator, act is signed into law, for construction purposes, Alaska would have some Air Force installations there. And the Arctic Research Institute has found some strange and new diseases that we previously didn't know existed in Alaska, and some of them seem to be centered on that very island.

It is my personal belief, and obviously the belief of the Department, that if we could get some clinics over there they would perform a most useful purpose at small cost.

Senator THYE. The nature of the disease affects what part of the body?

UNFAMILIAR DISEASES

Delegate BARTLETT. Well, I wish I had a medical degree now. The fish, for example, the walrus, other marine life and animals which the people eat, which they depend upon very largely for food, are found to be infested by strange parasites of one kind or another, and some of the discoveries are relatively new. Added medical research will have to be done to discover cures for that, of course. But with the presence of clinics there—

Senator THYE. It is transmitted then to the person that consumes that fish or the walrus?

Delegate BARTLETT. That is right. And some of the animals, too, on the mainland. And it has created quite a little concern.

Senator THYE. It is not so much the research in the question of the human being as it is the fish life, the marine life?

Delegate BARTLETT. That is true. That work is going forward very actively now under the direction of the Arctic Health Research Center at Anchorage.

What needs to be done in a general way—and this does not apply only to that sort of thing but to other epidemic diseases, measles and that sort of thing that hit the Eskimo children pretty hard—is that through the employment of these clinical facilities a start can be made in promoting better health among these Eskimos. Obviously it is a very small sum of money comparatively, and I hope that might be allowed.

HOUSING UNITS NEEDED

There are other requests for housing units in various installations throughout Alaska in the amount of \$520,000 which were deleted by the House for reasons, I guess, associated with the general slow-down of construction work throughout the country.

ARCTIC HEALTH RESEARCH CENTER

Then there is another bracket relating to Alaska concerned with direct appropriations. One is an appropriation for this very Arctic Health Research Center of which I have spoken previously. I had one of the most thrilling days of my life when I went into that center a couple of years ago and saw what they were doing there and saw what they hoped to do in the future.

We have there one of the most dedicated groups of scientists that we could find anywhere in this country, people who are willing to go out into the wilderness, into the Arctic, and work long hours, long weeks without any regard for the time clock in this fascinating new field. And it would be my hope that members of this committee might have an opportunity sometime to go to Anchorage and see the quality and quantity of work that is being undertaken and performed there. It is very rewarding.

That item is in the amount of \$411,000. It was allowed by the House.

Administration is on the order of \$55,000. That, too, was allowed in the aggregate by the House.

Then there is a technical-assistance program, cooperative between the Public Health Service and the Alaska Department of Health, \$60,000.

Then there is a supplement for the territorial health program on the order of \$638,000.

All of those were allowed by the House, too.

MENTAL HEALTH PROGRAM

And then there is a new item, mental health, in the sum of \$1 million, likewise allowed by the House. You probably are familiar with that program because it was only last year that the Congress passed the Alaska Mental Health Act.

Senator HILL. Yes.

Delegate BARTLETT. And this is a grant-in-aid program, a million dollars for each of the first 2 years, diminishing at the rate of \$200,000 a biennium thereafter until at the end of 10 years the Territory will bear the entire cost of the program.

Senator HILL. A million dollars is the full amount authorized by the act, as I recall.

Delegate BARTLETT. That is right. And that was approved by the House. And 2 years from now you will be asked for \$800,000, and so on until at the end of 10 years no money request will be made.

There is, of course, additionally, \$6½ million authorized for the construction of mental health facilities in the Territory. That request is not before you now, though.

I do not know of any dollars that have been spent in Alaska by the Federal Government that have been more usefully employed than those for the health of our people. Of course, about 35,000 of Alaska's approximately 200,000 people are Indians or Aleuts or Eskimos, and the Federal Government with respect to them bears naturally a particular responsibility.

Thank you very, very much for giving me this opportunity to appear.

Senator HILL. Thank you. It was very nice to have you with us. Come any time.

Delegate BARTLETT. Thank you.

STATEMENTS OF DR. WALSH McDERMOTT, DEPARTMENT OF PUBLIC HEALTH AND PREVENTIVE MEDICINE, CORNELL UNIVERSITY MEDICAL COLLEGE, NEW YORK; AND DR. RENE J. DUBOS, ROCKEFELLER INSTITUTE, NEW YORK

INSTITUTE OF ALLERGY AND INFECTIOUS DISEASES

Senator HILL. Dr. McDermott, we are glad to have you here, sir. And Dr. Dubos. Would you come around, sir?

All right. You gentlemen may proceed now in your own way. We are glad to have you with us.

PREPARED STATEMENTS

STATEMENT IN SUPPORT OF APPROPRIATION FOR INSTITUTE OF ALLERGY AND INFECTIOUS DISEASES BY DR. WALSH McDERMOTT, LIVINGSTON FARRAND PROFESSOR AND CHAIRMAN OF DEPARTMENT OF PUBLIC HEALTH AND PREVENTIVE MEDICINE, THE NEW YORK HOSPITAL-CORNELL MEDICAL CENTER, AND MEMBER, NATIONAL ADVISORY HEALTH COUNCIL

This is a plan in support of an increase in the appropriation for the Institute of Allergy and Infectious Diseases of the National Institutes of Health in Bethesda. The increase requested is the sum of \$4,101,000 recommended in the budget estimate and approved by the House.

Unlike the other Institutes, the Institute of Allergy and Infectious Diseases has the responsibility for a wide range of diseases, each one of which constitutes in its own right a major public health problem. As the committee knows, the range goes all the way from the troubling, but nonserious colds and respiratory infections, through such serious diseases as pneumonia, tuberculosis, and hepatitis (jaundice) to the postoperative infections which frequently compromise the gains attained by modern surgical procedures. The many disabling and crippling diseases of allergy and the parasitic diseases so important in our tropical areas are likewise a responsibility of this Institute. Like the other Institutes, the research effort in this wide field of diseases is conducted both in the intramural program at Bethesda and through grants to research scientists in the universities and other nonprofit research laboratories throughout the entire country. In a very real sense, the research conducted in these laboratories represents a program which "backs up" the programs from some of the other major programs such as those in heart and cancer. For, in order to keep the advances made in these other fields, it is necessary to have an increased fund of information on how to strengthen the bodily defenses against infection and how to develop and use new drugs for their treatment. It is a most distressing thing to see a real therapeutic advance made in, say, cardiac surgery, or in the treatment of a blood disorder only to see the patient die of an infection to which such procedures frequently make people more liable.

Until last year this major area in our medical research field was not getting major support. Because of this lag in attaining balance in the medical research picture as a whole, there was a very large backlog of highly recommended research projects which could not be supported. The substantial increase in the appropriation made last year was an enormous help in getting this major area of research back in balance with the total health program of the Nation. Because of the long previous lag in support, however, even the substantial increase was not enough to support all of the projects with high scientific approval and by the time the year was two-thirds over, virtually no new projects at all could be supported. It is in recognition of this situation that the plea is made at this time that the appropriation increase approved by the House should receive Senate approval.

It should be emphasized that both the study sections and the council concerned with this field are charged with making their recommendations without knowledge of and without reference to the amount of money which may be made available in the fiscal year in question. The two groups simply record judgments in the order of priority on the scientific merits and the wisdom of initiating a particular proposed research project.

In the 1956-57 fiscal year there was available for the extramural program in allergy and infectious diseases, the sum of \$8,065,000 for the support of projects already in operation and to initiate new research.

At the 3 council meetings concerned, the total sum of the projects which received approval was \$10,465,000 of which \$8,350,000 was for new research.

The \$10,465,000 in approved projects represents \$2,400,000 more than could be paid either from the 1957 appropriation or from the 1958 appropriation assuming it remained unchanged.

This \$2,400,000 in approved but unpaid projects represents approximately 200 applications from research scientists in different laboratories throughout the entire country.

I have reviewed a number of these approved but unpaid projects and can attest that they are concerned with important segments of the field of allergy and infectious diseases and are proposed by first class investigators.

If the rate of Council approval for fiscal 1958 equals but does not exceed the rate for fiscal 1957, there will be an additional 200 such projects or a total of 400 research projects which will have received approval but for which no funds will be available.

On the basis of recent experience, therefore, the total budgetary increase needed during fiscal 1958 would be approximately \$4,800,000 for the extramural grants program. Whereas the increase approved by the House for the extramural program would not completely meet this very real need, it would make it possible to start the projects with the very highest priority.

1957 appropriation for extramural grants-----	\$8, 065, 000
1957 scientific approval for extramural grants-----	10, 465, 000
1957 scientific approval which cannot be paid (approximately 200 projects) -----	2, 400, 000
1958 estimate of additional approvals which cannot be paid (approximately 200 projects) -----	2, 400, 000
Total scientifically approved but unpaid projects for fiscal 1958-----	4, 800, 000

The diseases of allergy and infection do not represent a "stepchild" field in terms of research interest in the medical sciences. On the contrary, there are large numbers of young men and women who are most anxious to become research scientists in this field, yet it has not been possible to provide the support necessary for a satisfactory traineeship program in this broad area. The head of any of the leading research laboratories in the country in this field would have right now anywhere from 2 to 5 highly qualified young men or young women who are anxious to enter into a training career in the field of allergy or infections, yet this cannot be done for lack of funds. It is for this reason that the item of \$650,000 approved by the House for the traineeship program is so particularly important.

Because of the wide number of different diseases covered by the Institute's program, there is no single national voluntary organization to speak for this Institute. Beginning last year, however, some 10 national societies including large voluntary lay and medical organizations which have an interest in various aspects of the field have joined with us in making a plea for the greater support of this Institute.

In my capacity as head of a large university department of public health and as a member of the National Advisory Health Council, I am not concerned exclusively with this field of allergy and infectious diseases, but rather with the health picture as a whole. It is from that background that I have come to hold the conviction that the allergy and infectious diseases field represents 1 of the 3 of 4 major areas in our health-research program and I strongly urge that the appropriation increase approved by the House for the Institute of Allergy and Infectious Diseases receive approval in the Senate.

STATEMENT IN SUPPORT OF APPROPRIATION FOR INSTITUTE OF ALLERGY AND INFECTIOUS DISEASES BY DR. RENE J. DUBOS, CHAIRMAN OF DEPARTMENT OF PATHOLOGY AND BACTERIOLOGY, ROCKEFELLER INSTITUTE FOR MEDICAL RESEARCH; MEMBER, NATIONAL ADVISORY BOARD, INSTITUTE OF ALLERGY AND INFECTIOUS DISEASES; MEMBER NATIONAL ACADEMY OF SCIENCES

This is a plea in support of an increase in the appropriation for the Institute of Allergy and Infectious Diseases of the National Institutes of Health in Bethesda. The amount requested is the sum of \$4,101,000 recommended in the budget estimate and approved by the House.

As the committee knows, the mortality caused by infectious diseases has greatly decreased during the past few years. For this reason, there has been a tendency to think that the problems of infection were no longer important and this belief has led to a relative neglect of this field of medical science. It has now become obvious, however, that while we know a great deal concerning methods for the prevention of death from infection, we have not made much progress toward preventing disease caused by infection. Indeed, it is a well-established fact that infectious diseases account for the largest percentage of absenteeism from industry and from school, as well as from training in the Armed Forces. Similarly, allergic diseases rarely cause death but handicap severely a large number of persons in this country. In other words, while infection and allergy are not among the leading causes of death, they are of enormous economic importance and are responsible for much human suffering.

Until last year the fields of infection and allergy were not receiving much financial support. Fortunately the funds appropriated by Congress last year have permitted a significant increase in the intramural and extramural research programs of the Institute of Allergy and Infectious Diseases. Many new projects of great practical importance have been activated this year. Most of them are focused on acquiring the type of knowledge which is needed for the development of public health and vaccination techniques. It is legitimate to believe that this knowledge will lead to some form of partial control of infectious and allergic diseases in the future. For the first time it has also proved possible to organize centers for the scientific study of allergic conditions. Interestingly enough, several of the leading American medical schools began organizing independent departments of allergy as soon as supplementary funds became available for this purpose.

It is worth emphasizing that many experienced medical scientists expressed eagerness and proved ready to reorient their research projects toward the study of infectious and allergic diseases when it became apparent that support would be available for research in this important area of health. Indeed, there are definite indications that the numbers of applications for research grants in this area will continue to increase—evidence of the fact that many problems of practical importance remain to be solved.

It is becoming clear also that many young men and women having received advanced training in medicine and laboratory sciences are eager to enter the fields of infection and allergy. Yet many of them cannot see their way to doing so for lack of funds. For this reason, the item of \$650,000 approved by the House for the traineeship program is so particularly important.

Thanks to the action of Congress last year, research in the fields of allergy and infectious diseases is finally gaining momentum. It would prove very wasteful of money and of efforts if the program could not be continued at its present level and even expanded for lack of financial support.

REQUEST FOR HOUSE ALLOWANCES

Dr. McDERMOTT. For the record, I am Dr. Walsh McDermott, chairman of the department of public health and preventive medicine, New York Hospital-Cornell Medical Center in New York. And I am here with Dr. Rene J. Dubos of the Rockefeller Institute for Medical Research, also of New York.

Dr. Dubos and I are here to make pleas for the full amount of the House appropriation for the Institute of Allergy and Infectious Diseases. Before going into that, however, Mr. Chairman, I would like to strongly endorse what Dr. Stocklen said earlier about the job the Public Health Service is doing in Indian health.

RESEARCH ON INDIAN HEALTH PROGRAMS

It so happens that I am very active in Indian health, spending about every fifth or sixth week right out in the heart of the Navaho Reservation, so, although I work on the East River, I am in a position to know about Indian health, and I am very much impressed by the job that is being done there.

As I said, Dr. Dubos——

Senator HILL. Are you out there because of clinical facilities or because you are interested in the health of the Indians?

Dr. McDERMOTT. We are conducting a research program in how to deliver health services in such a situation.

Senator HILL. Yes.

Dr. McDERMOTT. Incidentally, our program is supported not only by the Public Health Service and by the university but also by the Navaho Tribe who have made a considerable financial contribution to it.

FUNDS FOR ALLERGY AND INFECTIOUS DISEASES

But this morning Dr. Dubos and I are here, as I said, to make a plea for the full House appropriation for the Institute of Allergy and Infectious Diseases. As the committee knows, this Institute covers a very wide range of diseases, all the way from those of allergy throughout all the various factions.

In the past, up until last year, this very major health program had not been getting what we considered to be adequate support. Last year the Congress—and largely I might say as the action of this committee—rectified that situation and put the program into a reasonably good shape. Because of the fact, however, that there had been the long years of low support, the Institute ran out of funds during the year, not for their own intramural operation but for their outside research program, and again found themselves in a situation where they were lacking funds.

This would be, however, very considerably corrected if the amount approved by the House went all the way through and was approved by the Senate.

EXAMPLE OF INSTITUTE'S RESEARCH

I thought, Mr. Chairman, it might be appropriate this morning to simply choose one item of ongoing research being conducted under this program and mention how it is going as an example of several things in connection with this program of the Institute of Allergy and Infectious Diseases.

The particular piece of research has to do with a drug which was developed as a possible drug for use in tuberculosis. The story begins with the development in the laboratories of industry, in the Upjohn Pharmaceutical firm, of a drug which they thought might be of value in tuberculosis.

They tested it, made some tests in animals, and got hold of us. With concurrent work, it was established that the drug was nontoxic.

We took the drug, to show it could be used in human beings, that it could be tolerated by human beings. And we were all set for the major test, namely, was the drug of any value in the treatment of tuberculosis?

We tried the drug out in appropriate circumstances and discovered that used alone, which was the easiest way and the quickest way to test the drug, it really had very little demonstrable effects. At that point, in the normal course of things, the drug would have been junked and some years' or 2 years' work on the part of some 10 or 12 scientists would have been one of those blind alleys which so frequently occur in medical research and nobody ever hears about.

The point of the story is that it so happened that in addition to testing the drug this way we happened to include it in a program of basic research which was going on in a study of the mechanics of how any drug acts in any infection. In the inclusion of the drug in this, some very interesting things came out, and as a result of them the program was temporarily at least revived, and it is possible that a very valuable agent may be found.

The way this was done——

Senator HILL. You really have hopes for it now?

TECHNIQUE OF COUNTING BACILLI

Dr. McDERMOTT. Yes, sir. Yes, we have hopes for it now.

The way this was done is by a technique which was developed in Dr. Dubos' laboratory, which has to do with actually taking a census of the number of tubercle bacilli in the organs of mice. One infects very large numbers of mice and then puts them in appropriate experimental groups, does various things to them—drugs, vaccines, and this sort of thing—and is able to measure, by taking the census of how many tubercle bacilli there are at various weeks or days or months, whether what one is doing is leading to a wild increase in the tubercle bacilli, a wild decrease, or keeping them constant. And the results come out, Mr. Chairman, just in the form of census curves over a period.

This is a period of approximately 3 months (indicating).

This technique is an extremely tedious one which requires a great many people to do and much apparatus, and it is not the sort of thing one could use for an ordinary screening thing in industry.

The particular tissue that I wish to show here is the spleen of the mouse, the glandular tissue which is the tissue where it is the hardest to eradicate tubercle bacilli or to get them out from there. And in the untreated animal one sees in the beginning the population goes up for a while, falls a little bit, and then remains constant. With the ordinary antituberculous drugs—this is one in here—and these [indicating] are all the most powerful ones put together—one can see that week after week, month after month, although one lowers the population of tubercle bacilli, one never completely rids the animal of the bacilli. With a number of different drugs and drug combinations—in fact, with but one exception—that is what happens. The bacilli multiply and stay constant without drugs. With drugs they fall down but still persist month after month.

There was one drug combination which resulted in a complete falling away of the bacilli and their vanishing. Unfortunately—because that, of course, is the great goal of all—that particular drug was a little bit too toxic.

CLINICAL TRIALS OF DRUGS INSUFFICIENT

That is the background of this experimental program when the particular drug I am now talking about came into it, named streptovaricin. And these are the experiments with this drug, which as I said would have been discarded on the basis of clinical trial alone, would not have been very promising.

In these experiments one can see that again in the untreated animal the population goes up, stays constant. With isoniazid, which is this one [indicating], the common drug, it falls and stays constant there. Now, with this drug, streptovaricin, used alone, the drug was not very valuable during the first 2 months of treatment. Indeed, it behaved in much the same way that it did in the humans. It had very little forcefulness. Yet, strangely enough, in the latter 2 months, the drug began to show a great deal of effect. And the most important thing was that when used together with the isoniazid, which is the way it would be used in the field, by mouth, the drug showed that same phenomenon of a rapid disappearance and falling away of the bacilli.

NEED FOR BASIC LABORATORY TESTS

So we got these results from the basic laboratory story at a time when the results in the humans had not looked too good but gave everybody a chance to see that a drug which might be better in the second 2 months than the first and which acted in the animals very beautifully with the isoniazid might be very, very much worthwhile, and a potentially very valuable compound might have been lost had it not been for this.

So this represents an example of how a program in basic research can, when one least expects it, give rise to a practical answer and possibly save a program which had, up until that time, proved fruitless. Now, there are many other things having to do with this institute.

Senator HILL. You have to have a good deal of determination in this matter of research? You have to stick to it?

COOPERATIVE APPROACH

Dr. McDERMOTT. You do. You have to stick to it. Of course, we do not know whether in the long run this will prove itself or not, but it does represent an example of a university, industry, and the Institute of Allergy and Infectious Diseases all working together, and also the National Tuberculosis Association, which puts money into this program. That is all I have to say, Mr. Chairman. As I said, we are here to plead for the full amount approved by the House.

Senator HILL. Dr. Dubos, would you like to say something?

FUND FOR VIRUS RESEARCH

Dr. DUBOS. Well, if I may take from Dr. McDermott's presentation—but, first, for the sake of the record, my name is Rene J. Dubos. I am a member of the Rockefeller Institute. I am a member of the National Academy of Sciences and a member of the National Advisory Board of the Institute for Allergy and Infectious Diseases. And, in fact, I will take advantage of my association with the Institute of Allergy and Infectious Diseases to give you a sort of progress report concerning what has been done with the increased funds that were appropriated to the Institute last year.

First of all, very briefly, just for the sake of completeness, I shall mention that lines of work that were already being developed could be speeded up a great deal through appropriating more funds to virus research. As you know, virus research has always been popular, so it was not lacking in funds. But, last year, 2 or 3 institutes could be established that will certainly advance this line of work.

INSECTS OF PACIFIC AREA

Now, another line of work that was developed last year is one which at first sight appears somewhat remote from disease. It has to do with the study of insects of the Pacific area. Now, as you know, many of the tropical diseases are transmitted through insects, and yet one knows very little about insect life in the whole Polynesian area. But, last year, a large grant was given to an entomologist in Honolulu who is making a complete survey of all the insects of the Polynesian Islands.

PROGRESS IN ALLERGY FIELD

Now I am coming to an item, allergy, in which really the progress has been phenomenal, thanks to the congressional support given to the Institute of Allergy and Infectious Diseases last year; namely, the field of allergy. As you may know, all in all, there has never been any systematic study of allergy in medical schools in this country. That sounds a bit shocking, but it is a real fact.

Senator HILL. Doctor, excuse me 1 minute. This committee will have to recess for the funeral services of the late Senator McCarthy on the floor of the Senate. We will stand in recess until those exercises are over with. They will be, I understand, about 30 minutes or maybe a little longer, and at that time we will be delighted to have you go forward with your statement. And you, Dr. McDermott, may add anything you wish. And we will go right on with the other witnesses at the conclusion of your testimony.

The committee will now stand in recess, then, until the exercises are over, which I understand will be about 30 or 40 minutes.

(Whereupon, at 10:55 a. m., the committee recessed, and reconvened at 11:30 a. m.)

Senator HILL. The committee will kindly resume its sessions.

Dr. Dubos, you were making an interesting statement at the time we recessed. We will be glad to have you continue.

Dr. DUBOS. I think I shall move on now to another aspect of the activities supported by the Institute of Allergy and Infectious Diseases; namely, allergy.

NO ORGANIZED PROGRAM IN CLINICAL ALLERGY

Now, as you certainly know, Congress instructed last year that added effort be put on the field of allergy, and, as a result, the Institute of Allergy and Infectious Diseases began a review of what is going on in the field of allergy in this country, and it was discovered that none of the medical schools had an adequate organized program in clinical allergy.

It was for this reason efforts were made to see whether some of the leading medical schools would be willing to organize programs in which laboratory research in allergy would be coordinated with clinical observations within the department of medicine.

At the present time, at least four leading medical schools have become involved in such a program with support from the extramural program of the Institute of Allergy and Infectious Diseases. As far as I remember, those schools are Harvard, Tufts, Washington University in St. Louis, and Hopkins University Medical School.

OBJECTIONS TO ANTITUBERCULOSIS VACCINATION

Now, the fourth problem that I shall mention is vaccination against tuberculosis. Here again we have been instructed last year to try to emphasize studies directed toward the possibility of creating immunity against tuberculosis by vaccination.

As the committee knows, at the present time there is only one technique which has been widely used and concerning which there is some clinical evidence; namely, vaccination with BCG. But, in this coun-

try, for reasons that I outlined before the committee last year, there have been definite objections against the use of BCG. One of them is that the vaccine contains living bacteria, and no one in this country likes to inject living bacteria or viruses into a human being.

One of the other objections is that there is not at the present time any adequate technique of standardization of BCG, so that the public-health bodies are reluctant to allow release on the market of a product for which there is no adequate technique of standardization.

On the other hand, there are indications that one can obtain immunity against tuberculosis by vaccinating with a substance derived from, extracted from killed tubercle bacilli. If this could be done, that would do away, of course, with most of the objections against BCG.

VACCINE OF KILLED BACILLI

Having this in view, the officers of the Institute of Allergy and Infectious Diseases organized a few months ago a meeting in Washington, at Bethesda, a meeting of 7 or 8 investigators from different parts of the country who might become interested in undertaking studies toward the preparation of a vaccine made of killed bacilli. This meeting was highly successful. I attended it, as well as a number of my colleagues. It served to formulate the technical difficulties of the program, but also it resulted in several groups of investigators in Chicago, in Wisconsin, in New York to undertake a program of study from which I think one might hope that within not too long a time there will come a product that can be used for vaccination against tuberculosis.

PROBLEM OF ANIMAL HOUSING

May I say in passing that this problem illustrates some of the difficulties that Dr. Coggeshall and Dean Hinsey discussed this morning. If you want to organize a program of vaccination against it, naturally you have to house large numbers of animals. Moreover, you have to house them very long periods of time, because tuberculosis is a chronic, slow-progressing disease.

As soon as you do that, you are faced with problems of building animal houses, animal quarters, supporting these animal quarters. And the question of hidden costs to the medical schools becomes one really very great.

Dr. McDermott and I are well familiar with this, because we have tried during the past 2 years to organize this program of vaccination, and we know how costly it is to Cornell University to reequip the buildings so as to permit housing of animals.

But in any case, there is no doubt that the program of vaccination against tuberculosis is underway, and within 2 years I believe some 4 or 5 groups throughout the country will be actively engaged in it.

So that in conclusion I will now pass on to two other lines that have been talked about that demand investigation that will cost money, so that in the future the need of the Institute of Allergy and Infectious Diseases might well increase.

BRONCHITIS FROM SMOGS

One of them is the problem of bronchitis, which is associated with smogs. Now, smog, as everyone knows, is becoming one of the major problems of health in some of our cities, and there is also evidence that some of the deleterious effects of smog are related to infection.

Well, this is an entirely new field of investigation imposed by industrialization of our cities and for which in the near future some organization will have to be set up.

NUTRITION AND INFECTION

Another one is the problem of nutrition and infection. Here again every layman is convinced, as well as every physician, that a good state of nutrition has an influence on susceptibility to infection, but, remarkably enough, no one knows anything about it. In fact, I cannot point to one study in this country where this problem is being investigated, whereas I do know many people are eager to get into it, know its importance, are equipped to work in it, but the schools lack the funds and especially lack the buildings to do it.

So that in my opinion, I shall make it my business to encourage people to work in that field, because I think it is of immense importance. But by so doing I also realize I shall put an additional financial burden on the requirements of the Institute of Allergy and Infectious Diseases.

I just wanted to prepare the committee for the development of those great problems which we cannot escape but for which we do not have at the present time an adequate setup.

Thank you.

Senator HILL. Anything else you want to add, Doctor?

Dr. McDERMOTT. No, sir.

EFFECT OF 1957 INCREASES

Senator HILL. Your testimony this morning has been most interesting and most informative. Last year you came before us and also gave very interesting and challenging testimony. And you, of course, are familiar with the action of the committee in increasing the appropriations.

Do you feel reasonably well satisfied with the increase this year of the \$4,100,000?

Dr. McDERMOTT. Yes.

Senator HILL. You do?

Dr. McDERMOTT. Yes.

Dr. DUBOS. I think that this will take care of the needs this year. We are limited to what we can do because of lack of people now, because I think the next duty will be traineeship support. That will need support. But as far as funds for research, we have about as much as we can use.

Senator HILL. You have about as much as you can economically and wisely use?

Dr. DUBOS. That is what I think.

Dr. McDERMOTT. If there were any increase this year, Mr. Chairman, it would be in the field of the traineeship program.

Senator HILL. Rather than in the field of the research?

Dr. McDERMOTT. That is right.

Senator HILL. You have about as much this year—you will have—as you can wisely use for this coming year?

Dr. McDERMOTT. Yes.

Senator HILL. Is that right?

Dr. DUBOS. Yes.

Senator HILL. Thank you, gentlemen, very, very much.

NATIONAL PARAPLEGIA FOUNDATION

STATEMENTS OF MORRIS G. MCGEE, PRESIDENT, AND DR. L. W. FREEMAN, CHAIRMAN, MEDICAL ADVISORY COMMITTEE

GENERAL STATEMENT

Senator HILL. Mr. McGee, president of the National Paraplegia Foundation, and Dr. Freeman. We are glad to have you gentlemen. We will be glad to have you proceed. You filed your statement?

Mr. MCGEE. Yes.

Senator HILL. We will be glad to have you proceed in your own way, Mr. McGee.

Mr. MCGEE. Mr. Chairman and Senator Thye, I am, for the record, Morris G. McGee, president of the National Paraplegia Foundation, offices at 432 Fourth Avenue, New York, New York.

PARAPLEGIA

Twelve years ago I was in the Marine Corps on a little Pacific island waiting for the invasion of Japan. Exactly 6 years ago today, as a recalled Marine officer, in the middle of one of those dirty little battles that were so common in Korea, I watched one of my best friends die and another barely alive with shrapnel through his spinal cord. He was a paraplegic.

Less than a month later, on June 3, 1951, I took a Communist bullet through my body that destroyed my spinal cord. I, too, was a paraplegic.

Now, what does "paraplegia" mean? It means I'm trapped in my own body, unable to move or feel below the level of my injury. Nothing below that level works right—kidneys, bladder, bowels. If I happen to marry, the chances of me having children are rare.

I was lucky. I got good care and rehabilitation through the Veterans' Administration. Yet the problems of paraplegia are beyond rehabilitation and care. After all, there are only 6,000 veterans like me who are paraplegics. In some of the National Institutes of Health reports they estimate perhaps 125,000 paraplegics in the United States.

RESEARCH THE ANSWER

Rehabilitation will not restore any of my lost body functions. The only answer is research. And to discuss research I want to introduce Dr. L. W. Freeman, the chairman of the medical advisory committee of the National Paraplegia Foundation.

Dr. Freeman.

Senator HILL. Dr. Freeman, we will be glad to hear from you, sir.

Dr. FREEMAN. Mr. Chairman, Senator Thye, for the record I am professor of surgery and director of the surgical experimental laboratories at the Indiana University School of Medicine.

HOPE FOR PARAPLEGICS

There is a good deal of hope for paraplegics. Given enough time and money, there is every conceivability that one day it may be possible for people like Morris McGee to suffer a severe spinal-cord injury and yet be able to recover completely.

Until 15 or 20 years ago, if Morris McGee or any other of the perhaps 125,000 paraplegics in the United States were to have incurred a serious spinal-cord injury, it would not have been possible for them to have lived for more than a few years.

Through personal experience gathered for a dozen years working with this type of patient, in the Army, in the Veterans' Administration, and at my own hospital in Indiana, I have seen the progress made in rehabilitation processes. As a result of the strides we have made, through research and experience, particularly during the period of World War II, paraplegics can now not only be kept alive but can be brought to successful rehabilitation.

In my capacity as chairman of the medical advisory committee of the National Paraplegia Foundation, I have been able to discuss with most of the leading authorities in the various medical fields allied to paraplegia the probabilities. Given the proper amount of time and the proper amount of money, medical science could be in position to make even greater strides toward the solution of this problem. It is entirely possible that such persons incurring spinal cord injury, today doomed to the wheelchair for life, may one day entirely be cured.

POSSIBLE METHODS OF REMEDIAL WORK

Senator THYE. If you do not mind interruption at that point, would that be a possibility of in some manner rejoining the spinal cord or to carry the nervous system around the injury and uniting it below the injury? Is that the possibility?

Dr. FREEMAN. Yes, sir. I think we touch on that.

Senator THYE. In other words, to effect a nerve contact and to bypass the injury and reconstruct the nerve function?

Dr. FREEMAN. Yes, sir.

Mr. McGEE. For your information, sir, even if they discovered that next year or the year after it would be rather late for a person such as myself who has been in this condition for 6 years.

Senator THYE. Yes.

Mr. McGEE. I have lost function and muscles and everything else has deteriorated to such point I would not——

Senator HILL. How old are you, sir?

Mr. McGEE. Thirty-two years old.

Senator THYE. You are thinking, however, of someone else?

Mr. McGEE. Yes, sir.

Dr. FREEMAN. New ones.

Senator THYE. That is the reason you are here this morning. And that is why I asked the question, because I am concerned as to how

Members of Congress can assist in advancing research in this particular field because of future injuries such as you suffered, sir.

ADDITIONAL RESEARCH FUNDS VITAL

Dr. FREEMAN. It is true that we are paying some attention today to this ultimate hope. It is true that we are spending money for research on spinal cord regeneration, for research on the possible means of alleviating paralysis, for research into the psychological and sociological aspects of severe disability—in short, for research in many areas relating to paraplegia.

However, it is equally true that we have reached a stage in research in this field where we must increase, quickly and materially, the amount of funds we are devoting to this work or stand in danger of losing the value of the investment we have made thus far.

AREAS OF NEED

For example, we have succeeded in bringing about spinal cord regeneration in animals. We do not know why we have succeeded. We must know all of the factors involved. It is perfectly clear that answers to the many problems in this one small facet of the major problem of the paraplegic will require many brilliant workers who are free to pursue their courses of investigation without the necessity of financial worries.

As another example: One of the major difficulties of any paraplegic is the question of bladder control. Many paraplegics of necessity are given tubes, both external and internal, to make possible urine elimination. Not one would question the concept that it would be much better were it not necessary to resort to these artificial measures. Research already done in this limited area, I believe, provides a partial answer to the question of why some paraplegics must utilize these artificial devices and others need not. It would be possible, I think, completely to eliminate the use of these devices, if more money were spent to build upon the information already known.

DIFFICULTIES IN RECRUITING SCIENTISTS

The fact that we are not spending sufficient funds on research in paraplegia and related fields has created another serious problem. The lack of funds has prevented numbers of young, highly-qualified scientists from devoting themselves to work in our field. Not only would the increase in funds for this kind of research insure the investment that we have made up to now but, at the same time, this kind of increase would stimulate additional workers. There are dozens of young and imaginative physicians who are today earning livings who should rather be working with us in the research field. There is no way, short of additional funds, for paraplegic research, to put these men into the laboratories where they belong.

There are not enough people doing research on problems of the spinal cord and there are many who would be interested if they felt that they could launch into long-term attacks on the problem. Most of the problems require many years of patient study, marked by many disappointments. The lack of funds for long-term study can be easily a deterrent to qualified individuals who presently apply themselves to areas where short-term results and larger gratifications are possible.

NEUROLOGICAL INSTITUTE HEAD'S OPINION

Dr. Pearce Bailey, Director of the National Institute of Neurological Diseases and Blindness of the National Institutes of Health, in his foreword to the book *Regeneration in the Central Nervous System* has stated:

The ultimate hope for these sufferers (paraplegics), therefore, lies in the possibility of creating a biological setting which would permit or stimulate regeneration in the central nervous system. And such a setting can only be created, if it can be created at all, by a concerted research attack on this old problem with newer tools now at our command.

Dr. Bailey continues:

I feel convinced that the time is propitious for a professionally calculated risk in research on central nervous regeneration, for, though the path is beset with many insurmountably appearing difficulties, yet the stakes are high and they are human.

My purpose in appearing before you today, gentlemen, is to reiterate Dr. Bailey's words and to urge that you give serious consideration to finding the ways and means through which additional funds can be devoted to research in spinal-cord regeneration and in other medical areas relating to paraplegia.

LIMITATIONS OF PRESENT RESEARCH FACILITIES

The National Paraplegia Foundation, as a private agency devoted primarily to the gathering of funds for these purposes, is, of necessity, limited in what it can accomplish.

The National Institutes of Health, limited by space considerations, can internally perform only a small measure of the work that must be done in this field. I understand that the National Institute of Neurological Diseases already has reached the top limit, spacewise, of the work it can perform within its own four walls.

The answer to the problem must come from increased allocation of funds by the National Institute of Neurological Diseases for work in this area to projects of integrity carried on by universities, medical schools, hospitals, and laboratories throughout the country.

Certainly there is no question that the careful supervision of the expenditure of these funds by the National Research Council would insure that the money would be well spent.

FURTHER PUBLIC EDUCATION NEEDED

Research in spinal cord injury must begin to attract more attention from the public, the medical profession itself, government leaders, and those agencies that are equipped to make a contribution toward progress in this field.

It is a fact that the splendid work done in rehabilitation eclipses the meager progress that has been made by research simply because we just have not paid enough attention to research.

I venture to say that your examination of this problem would disclose that proportionately, in terms of the extent of the problem in relation to population, far less money is being expended upon paraplegia than upon most of the other health problems with which we in medicine are fighting.

I appreciate the opportunity given to me today to appear before you to bring this matter to your attention. It is true, I believe, that

your interest in the problem would have a marked effect upon the progress we can make, not only in terms of additional funds but, just as urgently, in terms of a greater national consciousness of paraplegia and a greater willingness to attack and destroy it.

FOUNDATION'S FUNDS FOR FELLOWSHIPS

Senator HILL. Doctor, let me ask you this question, sir: Is the Foundation today able to make any contributions directly for research?

Dr. FREEMAN. We have expended what moneys we have gathered toward fellowships.

Senator HILL. That is for the training of scientists?

Dr. FREEMAN. Yes. These are scientists in training who work on problems of the spinal cord.

Senator HILL. Well, they are carrying on research, are they?

Dr. FREEMAN. Yes, sir.

Senator HILL. How much are you able to give? Do you know the amount?

Mr. McGEE. I have the figures. It is a little over \$50,000 last year. This year it should be over \$100,000.

Senator HILL. Over \$100,000? Well, now if you all had the opportunity or the knowledge to work out what we might call a program in this matter, have you consulted with Dr. Bailey?

Dr. FREEMAN. Yes.

RECOMMENDATIONS FOR FUNDS

Senator HILL. How much money would you recommend or suggest or are you in position to make such recommendation or suggestion this morning as to what funds should at this time go into this matter of research or paraplegics and what would be the nature of the program?

Dr. FREEMAN. One of the methods of estimating would be perhaps to relate some information we gathered from Dr. Bailey in regard to grant requests made to the National Institutes, processed through the National Research Council, of which in the 6-month period just passed there were approximately one-third of the apparently legitimate requests which were turned down.

Senator HILL. Because of insufficient funds?

Dr. FREEMAN. Because of insufficient funds. Some of these problems I am sure would relate directly to paraplegics. It is a little hard to estimate what the demand might be in terms of how many dollars would be involved, but, for example, if anyone were to work with spinal-cord regeneration, one would be required perhaps to get somewhere in the realm of the expenditure that is being now made internally at the National Institutes of Health, which we guess from the figures that we have is something like \$300,000 a year.

Well, obviously, that is much too heavy a type of support to try to place in a lot of different areas. But primarily one would think in terms of perhaps not more than a half dozen grants, and once the commitment is made that it would be backed—no results are generally forthcoming for perhaps a year and a half or 2 years. I am still

in the 10th year with some of my animals. So one would have to think in terms of some budget like \$75,000 per grant in that area.

I doubt if today one could gather up more than 3 or 4 or 5 requests of that type because of the deficiency of people trained in this area or having interest at present because of the funds situation.

Senator HILL. Well, you gentlemen have certainly presented the matter to us effectively. Don't you agree, Senator Thye?

Senator THYE. Most certainly.

POSSIBILITIES OF PROGRESS

Senator HILL. And I think you might well make inquiry of Dr. Bailey, who is I think a very outstanding and devoted public servant, head of the Institute, just what progress he feels is being made and just what progress might be made.

Senator THYE. Dr. Freeman, does the spinal cord deteriorate below the injury?

Dr. FREEMAN. It does not.

Senator THYE. It does not? It remains alive?

Dr. FREEMAN. Yes. You can see it right here.

Mr. McGEE. That is spasticity. I cannot control it.

Senator THYE. I see. It can remain alive? The cord remains alive?

Dr. FREEMAN. It is alive but it has no control.

Senator THYE. Because the nervous system has been damaged?

Dr. FREEMAN. Yes.

Mr. McGEE. It is inconvenient at times, sir.

Senator THYE. Well, I realize, but I mean if it is a question of dollars and cents in the field of research, then that is where we can help. But we cannot help as the doctor. We cannot help as the scientist. But we can help in trying to convince on the necessity of appropriations.

Dr. FREEMAN. I believe Dr. Bailey would accept additional funds for administration to the universities and hospitals.

Senator HILL. As I say, you gentlemen have certainly rendered a fine service here this morning in coming before the committee and presenting this challenging problem and challenging need. We will do all we can to meet this problem. We appreciate very, very much your presence here this morning. We surely do. Thank you very much.

ASSOCIATION OF STATE AND TERRITORIAL HEALTH OFFICERS

STATEMENT OF ROBERT B. AIKEN, M. D., REPRESENTATIVE

ASSISTANCE TO STATES, GENERAL, PUBLIC HEALTH SERVICE

Senator HILL. Dr. Aiken. We are happy to have you here, sir. You may now proceed.

Dr. AIKEN. I have a prepared statement here which I would like to present.

Senator HILL. That will appear in full in the record.

Dr. AIKEN. Thank you. I am going to stick fairly closely to it because I know your time is short.

I represent the State and Territorial Health Officers Association.

First of all, I would like to thank the committee and its Chairman for the interest they are showing in the health of the people of the United States and for allowing me to appear before the committee as the representative of the association.

I am well aware of the fact that Congress is very economy minded at the present time and the only logical way of saving money is, of course, to cut appropriations. However, I feel that the old saying, "An ounce of prevention is worth a pound of cure," has a very real financial implication to it. It would not take too much budgetary analysis to very definitely prove that, in view of the serious need for preventive services throughout the United States, any dollar which is invested in health will repay tenfold by preventing expensive illness. This not only affects individuals but actually is a moneysaver for State and Federal Governments.

RESPONSIBILITY OF FEDERAL GOVERNMENT

It has been stated by a well-known public-health economist that, by the time a child reaches the age of 18, approximately \$20,000 has been invested in him to bring him to this age level. Certainly, it is uneconomical, to say the least, not to protect this investment by proper public health and preventive medical measures. It might be the opinion of some that this is largely a local and State responsibility. However, I believe that the Constitution implies a partnership in which the Federal Government has a very real, serious responsibility to the people. We cannot isolate health matters in localities or States, especially in view of the present world situation, without some threat to the country as a whole. The Federal Government, in the past and at present, has done much to assist in raising the standards of public health practice, and I think that the Government must realize it has become a permanent partner in this most important business.

ACTIVITIES UNDER GRANTS-IN-AID

I am here today largely to support the increases in general health grants to the States. Possibly we have talked in too broad terms in the past, and possibly we have forgotten the specific basic services about which we are talking and for which we need support. The following are some of the types of activity which these general grants-in-aid help: Communicable disease control, investigation of epidemics, prevention of the spread of disease, investigation of the causes of disease, and the broad field of sanitation, which includes the restaurants in which you eat, the water and milk which you drink, the air you breathe, and the control of industrial hazards to the working population of the United States.

They support laboratory diagnostic services which could not otherwise be paid for. And a very important field of education of the public in health matters. They can be used for some specific diseases, such as venereal disease and polio.

They can be used to finance special administrative studies, with a view to more efficient operation of State health departments. One can purchase professional consultation which is needed on a part-time basis in lieu of full-time workers who are very scarce. They can assist in general training programs for public-health nurses and can assist in the payment of these nurses. They are used in many States

to support very badly needed local health services, some of which could not exist without these grants.

And another most important phase is the initiation of new programs which have not been given categorical grants—the ones that come to mind at the present time being such things as chronic-disease control and the problems of the aging.

SPECIFIC EXAMPLES OF AID

Even the above list may not be specific enough, and possibly we should think in terms of the infant who dies of diarrhea because of a contaminated water supply, or the rural mother who does not see a physician until the time of delivery and thereby may have serious disability or even death because of it; the band-aid with blood and pus on it which was recovered from a package of dates brought to our laboratory, or the newly opened bottle of soda pop with 13 dead flies in it; the inability of a department to properly analyze their activities because they do not have enough money to pay a trained statistician.

QUESTIONNAIRE ON HEALTH SERVICES

One could go on at great length about the glaring need for maintaining and increasing basic public-health services. But I took the opportunity when I heard I was coming down, when I was asked to come, to send out a questionnaire. This questionnaire was sent to every State and Territorial health officer and to the governors. The replies are very complete. There are many comments from the States, and I would like to urge the committee to read these comments. I will not read them because of time, but I would like to summarize.

Senator HILL. They are embodied in your statement?

Dr. AIKEN. Yes; they are embodied in here. And there are replies from States represented on this committee.

Senator THYE. Mr. Chairman, right at that point, and as long as the doctor has departed from his regular prepared statement, you referred to the dead flies in a bottle of pop.

Dr. AIKEN. Right.

Senator THYE. Were they there before the pop cap was removed?

Dr. AIKEN. They were there when it was opened.

STATE INSPECTION

Senator THYE. And is there no general inspection by the State in the State of Vermont that would periodically inspect these bottling establishments?

Dr. AIKEN. No, sir. We have been trying to get an appropriation.

Senator THYE. You mean you have no State inspection?

Dr. AIKEN. Not of bottling plants; no, sir.

Senator THYE. You do not have a bacteriology department within your State?

Dr. AIKEN. We do, but it is understaffed, sir.

Senator THYE. You mean your State is understaffed?

Dr. AIKEN. Absolutely. Our State health department is understaffed; yes.

Senator THYE. Well, I know, but would you not want to appeal to your State administration to—

Dr. AIKEN. I have done so for four successive legislatures, sir.

Senator THYE. Because I would believe that, within your State department or the function of your State government, you should have a bacteriology division.

Dr. AIKEN. We do, sir.

Senator THYE. You have a department of agriculture and a department of food inspection, do you not, within your State?

LACK OF STATE FOOD AND DRUG INSPECTION

Dr. AIKEN. We do not have within our State health department a department of food and drug inspection. We would like to have one.

Senator THYE. But you have food inspection surely within your State function, do you not?

Dr. AIKEN. Oh, yes, we have a legal responsibility for it, but we do not have the money or the personnel to do it, and that is the very point I am trying to make here today.

Senator THYE. That is what I was trying to reach: That you would not ask the State of Minnesota officials to come before this body and ask that this body appropriate funds to proceed with the State's food inspection, would you—

Dr. AIKEN. May I point out—

Senator THYE. Or bacteriology inspection?

Dr. AIKEN. May I point out, sir, dates do not grow in Vermont.

Senator THYE. I beg your pardon. I am on the bottle of pop.

Dr. AIKEN. I realize that.

Senator THYE. The flies within the bottle of pop. Not the dates at all here.

Dr. AIKEN. I cannot guarantee that pop was bottled in Vermont, sir.

Senator THYE. Well, that is the question, because if it was—

Dr. AIKEN. In fact, I—

Senator THYE. If it was bottled outside of Vermont and shipped in to Vermont—

Dr. AIKEN. We have instances of it.

Senator THYE. Then it is a question of National Food and Drug that would permit anything like that to pass State lines.

Dr. AIKEN. I have heard they need some help too, sir.

Senator THYE. But from a standpoint of the bottling works within the State of Vermont, in the event that the State of Vermont does not in any sense supervise the inspection of that work through a bacteriology division of the State, then, of course, that is something with which the State of Vermont must concern itself. That was my reason for the interruption, because it seemed so absolutely glaring to think that so many flies could be found in a bottle of pop that had never been opened.

Dr. AIKEN. I even object to one fly, sir.

Senator THYE. Well, I know, but there must be a lot of flies in the vat if that many could get into one, because you have seen those bottling machines operate, I am sure.

QUESTION OF RESPONSIBILITY

Dr. AIKEN. May I ask you, sir: Do you feel that this is strictly the State of Vermont's responsibility?

Senator THYE. Well, the fact of the matter is it is everybody's responsibility. But in the event that this was bottled in Vermont in such a bottling works and was permitted to operate, that would be such as to permit that number of flies to get in one bottle, then it would seem to me that there must have been either an accident or the local State food inspecors must not have been on their jobs. That is what I mean.

Dr. AIKEN. There are none, sir, and that is why——

Senator THYE. You mean no food inspectors?

Dr. AIKEN. Not for that particular phase of food and drug control.

Senator THYE. You mean there is no food inspector in the State of Vermont?

Dr. AIKEN. There are restaurant inspectors, hotel——

Senator THYE. Are there no State department inspectors that periodically inspect all food establishments?

Dr. AIKEN. No, sir. Well, wait a minute now.

Senator THYE. And is there no bacteriology division within the State that makes inspection of canning and bottling?

Dr. AIKEN. No, there is not.

Senator THYE. There is not?

Dr. AIKEN. No, sir. There is no meat inspection in the State except Federal meat inspection.

Senator THYE. That is Federal.

Dr. AIKEN. Not if it is locally produced, sir. And if we were just going to stay within our own confines and this was only 380,000 Vermonters, that were being affected, I would agree with you, sir, but we do have tourists.

Senator HILL. Do you know of any of the States that would have bottle inspection?

Dr. AIKEN. Oh, yes. I think many States have food and drug inspections.

Senator THYE. Mr. Chairman, the reason that led me to ask that is because I used to have that responsibility in our State, and we used to put our inspectors right down in the canneries——

Senator HILL. Yes.

Senator THYE. When they were canning vegetables, such as peas and sweet corn. And those inspectors were periodically taking samples and running them through the laboratory for various types of foreign matter as well as bacteria. And I know what they were doing in the bottling works. And for that reason I just could not believe that the State of Vermont could not be so negligent.

Dr. AIKEN. I do not think that it is negligence on the part of realizing the need as far as the health department is concerned, sir. I thought that you must know more about this——

Senator THYE. Oh, sir, I have sat in many a court action and I have sat with the chemists when they were running all these tests, so this is not a new field to me. But it is a little bit surprising to get your testimony on Vermont.

Dr. AIKEN. Well, this is not the only State where this occurs, believe me. But, anyway, I could go on at quite some length here, but I think maybe there are other people waiting.

NEED FOR GRANTS SHOWN BY QUESTIONNAIRE

The questionnaire was categorized into a series of seven questions to the State health officers, with "Yes" and "No" answers.

First question:

Have the general grants helped develop needed programs that would not otherwise have been initiated?

Forty-seven States said "Yes." One said "No."

No. 2:

Have they helped to expand already-existing programs in needed areas which might not otherwise have been possible?

Forty-eight said "Yes."

Question No. 3:

Do you feel that a cut in these grants would create a diminution of services to the people of your State which would not be replaced by State funds voted by your legislature?

Forty-four said "Yes." Two said "No." Two said "Probably."

Fourth question:

If these grants were increased would you use them as mentioned in question 1 (which is new and needed program) or question 2 (which is expanding existing programs) or other?

Thirty-seven said they would use them in new and needed programs, and 45 said they would use them to expand existing programs. Four had suggestions in the areas of aging and in training.

Fifth question:

Are these grants essential to the proper operation of an adequate public health program in your State?

Forty-five States said they were essential. Three said they were not.

Question No. 6: And I had a parenthetical remark here:

Please be honest about this one. I will keep your personal answer confidential.

That is why the States are numbered and not named.

If overmatched, has your State ever, or does it ever intend—

I did not intend to sound like an investigation here, but it does a little bit—

if overmatched, has your State ever, or does it ever intend, to use these grants as a substitute for State funds in order to return a proportionate amount to the State treasury?

And to show you how honest they were, 2 said "Yes," they did, and 45 said "No," they did not.

Question No. 7:

If the Federal grants were cut, would your legislature take the attitude that the Government did not consider these health matters important and, in turn, cut the State funds?

The reason I asked this question was that I had heard of this occurring. Replies: Twelve said "Yes," they would also cut the State funds. Twenty-two said "No," they would not. Three said "they did not know." And three said "possibly." Then there were other comments in narrative form.

REPLIES OF GOVERNORS

Now, if we can skip over on the questionnaire to the governors on page 15:

No. 1:

Do you feel that the general health grants-in-aid to your health department have materially assisted your State in establishing health programs which would not otherwise have been embarked upon?

Twenty-seven governors said "Yes." One said "No."

No. 2:

If these grants-in-aid were cut, would this affect your health program adversely?

Twenty-six said "Yes." Two said "No."

And a third question which I think is particularly significant:

If these grants were maintained at the same level as at present, would this slow down the development of needed health programs?

Seventeen said "Yes," it would slow it down, and 11 said "No," it would not.

Now, there were also personal comments from the governors or their representatives which are included here, and I have included both the ones which are for and against what we are asking for—this increase in grants generally.

RECOMMENDATIONS PURSUANT TO QUESTIONNAIRES

On the basis of these questionnaires and on the basis of the serious need to initiate new programs and continue old ones, I would like to make the following recommendations:

1. That there be no cut in the original request in the general health grants. In other words, to restore the \$3 million which was cut in the House.

2. That if there is special money being considered for chronic-disease projects, it be carefully correlated with the general grants, since the whole problem of chronic disease is such a broad general health problems. Practically every State health department is already involved in chronic-disease control and wishes to expand it.

Now, I believe that the House cut out from the appropriation \$1,500,000 asked for chronic disease special project grants and made the comment that they felt this sort of thing should be carried on by the States under the \$12 million grant under "Grants, general."

Now, since that is the same appropriation that we had last year and since the States have used practically all if not all of the money, I do not see how the States can carry on chronic-disease programs unless this money is transferred over to the "Grants, general."

Now, the next paragraph starting "These above recommendations" on page 18 I would like stricken from the record. That is a personal comment, and on reviewing it I feel this is something that the State health officers should probably take up with the Surgeon General and does not have a place in this testimony.

INCREASE PROMISES SAVINGS

In any event, I would like to close this general statement by saying that a relatively small amount of increase which is being requested in

the grants general will save the people of the United States many times this much. May I point out that communities and localities are very much like private individuals in health matters—they do not think they need a doctor until they are sick. Possibly this is why you do not have any great public demand for these services, but this certainly does not mean these services are not needed.

When you economize on your personal health, you know what happens. It runs into expensive illness. When you economize on the public's health, exactly the same thing happens. It runs into expensive medical-care programs, and these come out of the taxpayer's pocket.

Now, I am furnishing you with a special statement from Connecticut which is attached to this report. I would also like to submit the statement by Dr. Shanholtz representing the association when he appeared before Representative Fogarty's committee in the House. And also a very important document prepared by the president of State and Territorial Directors of Local Health Services, which includes statements from the following States emphasizing the importance of these funds to local health departments: Georgia, Massachusetts, Michigan, Oklahoma, Tennessee, Texas, Illinois, and California.

I will be glad to answer any questions.

Senator HILL. Questions, Senator Thye?

Senator THYE. No.

Senator HILL. Thank you very much, Doctor. We appreciate your appearance here very much. Thank you, sir.

PREPARED STATEMENT

(The statement referred to follows:)

STATEMENT BY ROBERT B. AIKEN, M. D., REPRESENTATIVE OF ASSOCIATION OF STATE AND TERRITORIAL HEALTH OFFICERS WITH RESPECT TO ASSISTANCE TO STATES, HEALTH GRANTS GENERAL

Mr. Chairman and members of the committee, first of all I wish to thank the committee and its chairman, Senator Hill, for the interest they are showing in the health of the people of the United States and for allowing me to appear before the committee as one of the representatives of the Association of State and Territorial Health Officers.

I am well aware of the fact that Congress is very economy-minded at the present time and the only logical way of saving money is, of course, to cut appropriations. However, I feel that the old saying, "an ounce of prevention is worth a pound of cure," has a very real financial implication to it. It would not take too much budgetary analysis to very definitely prove, that, in view of the serious need for preventive services throughout the United States, any dollar which is invested in health will repay tenfold by preventing expensive illness. This not only affects individuals, but actually is a moneysaver for State and Federal Governments.

It has been stated by a well-known public health economist that by the time a child reaches the age of 18, approximately \$20,000 have been invested in him to bring him to this age level. Certainly it is uneconomical, to say the least, not to protect this investment by proper public health and preventive medical measures. It might be the opinion of some that this is largely a local and State responsibility. However, I believe that the Constitution implies a partnership in which the Federal Government has a very real serious responsibility to the people. We cannot isolate health matters in localities or States, especially in view of the present world situation, without some threat to the country as a whole.

The Federal Government, in the past and at present, has done much to assist in raising the standards of public health practice and I think that the Government must realize it has become a permanent partner in this most important business.

I am here today largely to support the increases in grants general to the States. Possibly we have talked in too broad terms in the past and possibly we have forgotten the specific basic services about which we are talking and for which we need support. The following are some of the types of activity which these general grants-in-aid help:

Communicable disease control; investigation of epidemics; prevention of the spread of disease; investigation of the causes of disease; the broad field of sanitation which includes the restaurants in which you eat, the water and milk which you drink, the air you breathe, and the control of industrial hazards to the working population of the United States. They support laboratory diagnostic services which could not otherwise be paid for; and a very important field of education of the public in health matters; they can be used for some specific diseases such as venereal disease and polio; they can be used to finance special administrative studies with a view to more efficient operation of State health departments; one can purchase professional consultation which is needed on a part-time basis in lieu of full-time workers who are very scarce; they can assist in general training programs for public-health nurses and can assist in the payment of these nurses; they are used in many States to support very badly needed local health services, some of which could not exist without these grants; and another most important phase is the initiation of new programs which have not been given categorical grants—the ones that come to mind at the present time are such things as chronic disease control and the problems of the aging.

Even the above list may not be specific enough and possibly we should think in terms of the infant who dies of diarrhea because of a contaminated water supply; or the rural mother who does not see a physician until the time of delivery and thereby may have serious disability or even death because of it; the band-aid with blood and pus on it which was recovered from a package of dates brought to our laboratory; or the newly opened bottle of soda pop with 13 dead flies in it: the inability of a department to properly analyze their activities because they do not have enough money to pay trained statisticians.

One could go on at great length about the glaring need for maintaining and increasing basic public health services but I think possibly I have something here which is even more significant. I took the opportunity, when I knew I was going to appear before your committee, of sending out a questionnaire to each State and Territorial health officer and another to the governors. The replies from the State health officers are very complete and a significant number of governors have also answered their questionnaire. I would like to summarize this questionnaire. In addition, I have attached comments from individual States and governors which I will not take the time to read but I sincerely hope you will look at them because the statements are very significant.

REPORT QUESTIONNAIRE

The following 7 questions, which were categorized into yes and no answers, were sent to State and Territorial health officers; 48 of which were returned.

1. Have the general grants helped develop needed programs that would not otherwise have been initiated?

Replies: 47 yes, 1 no.

Comments

Arizona.—In the past but not now. NOTE.—“\$1,298,264. The foregoing is the total appropriation to the State department of health and shall be deemed to include all fees collected and all funds granted to the State health department by the Federal Government except project grants for mental and heart disease, cancer diagnostic clinics, child study and counseling service, hospital medical facilities and construction funds, and special project grants.”

Ohio.—If it had not been for general health grants our district office programs and branch laboratories could not have been initiated. In addition the same funds have permitted us to establish a research laboratory unit in the division of communicable diseases and considerable expansion in our industrial hygiene program with particular reference to radiation and air pollution.

Missouri.—Very definitely.

2. Have they helped to expand already existing programs in needed areas which which might not otherwise have been possible?

Replies: 48 yes.

Comments

Arizona.—In the past but not now unless granted as "special projects." See note on Arizona's comments, question 1.

Ohio.—General health grants have permitted allocating a larger amount of funds to local health departments, which in turn has brought about program expansion through the employment of increased personnel. These same grants are also used to support approximately 50 percent of the cost of conducting both our accredited and nonaccredited training programs.

Tennessee.—(Crossed out "might not" and inserted "would not.")

3. Do you feel that a cut in these grants would create a diminution of services to the people of your State which would not be replaced by State funds voted by your legislature?

Replies: 44 yes, 2 no, 2 probably.

Comments

Washington.—Yes. Not only feel it, we know it by experience.

Ohio.—If general health grants are decreased, based on past experience, it is our sincere belief that they would not be restored through increased State appropriations, and our overall program would therefore suffer.

Oregon.—I would like to emphasize the positive answer in this question, by saying that we have recently had some experience with our legislature indicating they are not entirely willing to replace any Federal cuts with State funds.

New York.—Problematical—would need testing to answer.

4. If these grants were increased would you use them as mentioned in question 1 ----, question 2 ----, other ----?

Replies: Question 1, 37, question 2, 45, other, 4; suggestions were in aging program and in training.

Comments

Arizona.—Increases are helpful only in special projects. See note on Arizona's comments, question 1.

Tennessee.—Possibly other, depending on the amount.

Wyoming.—The mobility and flexibility of these funds is important.

5. Are these grants essential to the proper operation of an adequate public health program in your State?

Replies: 45 yes, 3 no.

Comments

Arizona.—Not now. They were in past years. See note on Arizona's comments, question 1.

Ohio.—If general health grants were suddenly removed from our State budget some programs would have to be completely abolished and others drastically reduced. Those that would suffer the most would include training, research, branch laboratory services set up primarily for local health departments, and air pollution. In addition, most local health departments would have to terminate personnel whose salaries are supported entirely from general health grants allocated to them on a cash basis.

Washington.—While I think we stand a much better chance at getting Federal support for categorical grants, I feel that the general grant is essential to help balance the State and local programs by initiating and supporting those public health programs which are not glamorous, or little known, or new, but nonetheless essential.

Florida.—Yes, until replaced by State funds.

Wyoming.—Help to maintain stability of public health program.

Oregon.—I believe general health grants are essential to the proper operation of adequate health programs in this State, particularly since the legislature has not given any indication toward increasing State health funds.

New York.—Find good use for all funds regardless of source.

6. (Please be honest about this one. I will keep your personal answer confidential.)

If overmatched, has your State ever, or does it ever intend, to use these grants as a substitute for State funds in order to return a proportionate amount to the State Treasury?

Replies: 2 yes, 45 no.

Comments

State No. 1.—The funds are overmatched but I do not think the State at present would use this as an excuse to reduce State appropriation to general health.

State No. 2.—This State has never used any Federal grant, general or otherwise as a substitute for State funds. (In no instance has any Federal appropriation ever been reverted to our State treasury as general revenue.)

State No. 3.—To my knowledge this has never occurred here, nor would we do it, if I could help it.

State No. 4.—In the case of the VD grants, this State had a sizable appropriation for VD lab and epidemiology prior to Federal grants. The Federal grants to this State were sizable. Actually more than we could properly expend when we continued State appropriations and expenditures. We spent our State money to expand other lab and preventable disease services, using Federal appropriation almost entirely to finance serology, etc. Later as Federal VD grants diminished we replaced them with State funds and so informed our legislature. As no time has this State received a reduction in its State health appropriation. In fact, State appropriations have increased at a more rapid rate than Federal.

State No. 5.—Always use State appropriations first leaving any excess in Federal funds.

State No. 6.—State law now requires that any increase in general health grants be used to reduce State health appropriation by an equal amount.

State No. 7.—We are overmatched now. The legislature continues the attitude that if services or things can be paid for from Federal funds, they can save appropriating State funds.

State No. 8.—Not during the past 2 years.

State No. 9.—No, but we have used GH and returned to the Federal treasury part of special funds.

State No. 10.—Not intentionally. If the proper circumstances arise I would naturally rather lapse State money.

State No. 11.—As far as this question is concerned, I don't believe our legislature would substitute Federal funds for State funds in order to return a proportionate amount to the State treasury. As we use a considerable portion of the grants-in-aid for reimbursement to counties or services established for county use, there has been no indication of an overt effort to make substitutions.

State No. 12.—We have occasionally had unused State funds which did revert to the State treasury. This was not planned, but resulted because of budgeted positions, which were not filled because of the shortage of trained personnel.

State No. 13.—We have not had enough of a grant to take care of all the needs—being such a small State.

7. If the Federal grants were cut, would your legislature take the attitude that the Government did not consider these health matters important and, in turn, cut the State funds?

Replies: 12 yes, 22 no, 3 do not know, 3 possibly, other answers were in comment form.

Comments

Ohio.—It is our opinion that the legislature would not decrease State appropriations if Federal funds were either decreased or eliminated, but as previously stated, feel certain the amounts removed, whether they be in part or in total, would not be restored and consequently our State programs would have to be curtailed.

Montana.—Cannot predict the future, but this has happened.

Washington.—Entirely possible, at least to some extent.

Georgia.—It is difficult to answer this question with a definite yes or no. It is certain that many of our legislators would feel that State funds should be cut and it would be most difficult to overcome. When VD grant funds were cut a few years ago we were not successful in obtaining continuation of the program through State funds.

Massachusetts.—We are of the opinion that the State would not reduce the appropriation simply because the Federal Government had reduced Federal appropriations. General health funds are of extreme importance to the operation of the programs in this department. We sincerely hope that Congress rather than reduce general health appropriations will increase them in order that present programs may be expanded.

Oklahoma.—No; but we would not be able to get Federal cuts replaced by the legislature.

Kansas.—Our legislature would assume such to be true and undoubtedly would not appropriate additional State funds so the program could be continued.

Texas.—They would probably leave any State funds at the present level thereby making mandatory a reduction in programs.

Nebraska.—Our legislature is very economy minded, due to our 3 years of poor crops. The only hope we have to obtain approximately the same State fund appropriations is to have the Federal funds to match.

Hawaii.—Have threatened to do this, but have not taken any action.

Rhode Island.—I find it difficult to answer number 7 yes or no. It is my feeling that if the Federal grants were cut, the legislature would not cut the State funds. However, I also feel that the legislature would not appropriate additional State funds to make up for the cut in Federal funds.

North Carolina.—It has not been done so far. In the future—who knows?

Maine.—Probably not, but if cuts are made now in Federal funds I will be in trouble for I could not get additional State funds for 2 years.

Maryland.—This is difficult to judge but I believe there is a distinct possibility that the answer might be "yes."

Pennsylvania.—Number 7 is, of course, a guess; it might very well happen that way. (Answer was "yes.")

Oregon.—Although question 7 is rather difficult to answer with a categorical yes or no, I have checked yes because I feel that the tendency of the Public Health Service in directing more funds into research and less into State grants-in-aid have precipitated some feeling that many of the basic public health services are not as important as they might be. It is presumed that that feeling has been reflected in certain areas to reduce "grass roots" services.

Indiana.—This can only be an expression of opinion; however, based upon experience in the past and the hesitancy of the legislature to appropriate adequate funds for a normal expansion of activities, it is extremely doubtful that our general assembly would be inclined to make up any radical decrease in Federal grants.

New Jersey.—On the basis of our experience with the legislature, we do not believe that they would take the attitude suggested in question 7 if the Federal grants were cut.

Comments—General

Mississippi.—We must continue a partnership program in public health, Federal, State, and local, to get good results in the prevention of disease and satisfactory promotion of necessary public health programs. If our senior partner fouls up it will be unfortunate and disastrous.

California.—Any real development of newer public health programs, such as in chronic diseases, home accident prevention, etc., will probably have to be financed largely through increased Federal general health grant-in-aid funds. Both State and local governing bodies evidence great reluctance to embark on the financing of these newer programs.

New Mexico.—The general health grant is most essential to continuing basic public health in the State of New Mexico.

Minnesota.—The cry in the legislature is that Federal grants are made to start a program and that later they are cut back. The State then is stuck with the maintenance of the program started. We have consistently pointed out to the legislature that specific health grants may be reduced or even cut out but that the total of all health grants has steadily increased over the years. The same is true for State health appropriations.

Colorado.—I sincerely hope you are successful in convincing the members of Senator Hill's committee of the importance of increasing the appropriations for general health purposes. Without strong local general health services we cannot do the best job in the field of specialized services.

New Hampshire.—We feel without adequate Federal funds such programs as heart, tuberculosis, crippled children's services would suffer or be abandoned.

Oklahoma.—Necessary adjustments in our compensation ranges, travel allowances, and other operating costs next year approximate 8 percent. Unless Federal grants are increased proportionately our programs utilizing these funds will, of necessity, be curtailed accordingly.

Louisiana.—What we would like to see is a substantial increase in the general health funds with a corresponding decrease in any of the long-standing categorical program funds, thereby permitting more flexibility in the use of Federal funds.

South Dakota.—Our big need is for more general funds, categorical funds could be cut proportionately.

Delaware.—We believe that the general grants are more helpful than some of the categorical grants. There is more flexibility in applying general funds to expand or improve programs when need is indicated.

South Carolina.—Health is a national problem basically. Many other problems including education are local problems but not health, particularly under modern transportation and tourists.

Tennessee.—Our State appropriation exclusive of county appropriation: State appropriation for the hospitals; State appropriation for mental hospitals and capital expenditure for building is \$3,425,000; approximately 1 million of which we allot to counties to help with their work. For the hospitals we have \$3,375,000, and this year the department of mental health is getting over \$7 million. Even with this, we need badly the general health appropriation to carry on the needed essential work in basic public health organization and service. All of the special grants made by the Congress could be reduced and half of the amount reduced added to general health and the total program would be improved. Reduce general health and ultimately all of the various programs will be hurt. General health program is the "keystone" on which all special programs are built and without this service maximum efficiency cannot be expected from any.

Maryland.—As everyone knows general public health services critically need to be strengthened at the present moment, not cut. The singling out by the Congress of "general health funds" for cutting might well serve as a signal of caution to those who profess impatience with "categorical" health grants. From the standpoint of State health officers and others who are familiar with the basic nature of the health problems which are facing the Nation, this proposed reduction in general health funds which will be felt in diminished local health services is indeed discouraging.

Indiana.—May we suggest that if Congress proposes any drastic decreases, it declare its intentions to the States at least 3 years in advance of such action.

Hawaii.—Our Territorial Legislature have taken over staff and program started with grants-in-aid moneys. Training and travel to mainland conferences have been provided for by general grants.

The following three questions, also categorized into "yes" and "no" answers, were sent to State governors; 28 were returned.

1. Do you feel that the general health grants-in-aid to your health department have materially assisted your State in establishing health programs which would not otherwise have been embarked upon?

Replies: 27 yes, 1 no.

2. If these grants-in-aid were cut, would this affect your health program adversely?

Replies: 27 yes, 1 no.

3. If these grants were maintained at the same level as at present, would this slow down the development of needed health programs?

Replies: 17 yes, 11 no.

Comments, general

Georgia—Marvin Griffin, Governor.—If Federal grants-in-aid to Georgia were maintained at the present level, we would still be able to expand and develop our health program. An annual State appropriation of over \$10 million to the State department of public health makes this development possible.

Michigan—Administrative assistant, Governor's office.—I should like to assure you of the fact that we regard Federal assistance to be of very great importance in the maintenance of the current public health program in Michigan, and I wish you luck in impressing Congress of the importance of this vital Federal program.

Mississippi—Felix J. Underwood, M. D., State health officer.—I fully agree with the Governor in his answers to the three questions and hope very much that the Congress will encourage this State to increase its appropriation by leading the way as our partner in the prevention of disease and the improvement of the public health. We cannot stand still, and we cannot secure and maintain public health workers unless we can allow them reasonable salaries and traveling expenses. All of the materials which we have to purchase now to carry on modern public health programs cost more than formerly. We shall continue to give a dollar's worth and more for every public health dollar spent in this State.

Governor Coleman and I are deeply interested in adequate appropriations by Congress, the State legislature, and counties and municipalities throughout the

State. We do not have sufficient funds as yet to maintain, much less expand, our public health program. We must pay more attention and expend more effort in chronic disease control, accident prevention, housing, safeguarding our water supplies, milk and foods generally. The public demands these services, and I hope we will be able to respond to their reasonable demands.

New Hampshire.—*Lane Dwinell, Governor*.—I have some doubt about Federal-aid programs which, after they have begun, force the contributing States later to adopt major activities in health or other areas never given wholehearted approval by the policymaking agency of the State, the legislature. Governments should certainly be willing to assume responsibility for those necessary functions which the people can less well perform for themselves. We should not in effect, bribe State governments, however, to begin large new programs with Federal funds which they would not have agreed to institute with State funds alone.

My personal knowledge of these federally aided programs suggests that probably every one has value. My answer to your second question must be that if grants-in-aid were cut, portions of our health program would also probably be cut. That is not enough of an answer, however. Since the costs of government must be kept within the ability of the people to pay, then despite the admitted existence of some value in the programs, they should not be adopted beyond that ability to pay. This leads inevitably to your third question. Of course, if the Federal grants are not increased, the expansion of health activities will not be as rapid as under increased grants. I am afraid I cannot so easily agree with your phrase, "needed health programs." Can State and local governments, and individuals, take care of none of these needs? Must we go to Uncle Sam to get back our own money, minus Federal administrative costs, for all of them?

I do not believe that we do, and I do not believe that we can forever both seek to keep Federal taxes down and also transfer an ever-growing portion of the burden to our Federal taxpaying shoulder. (Personal comment: I happen to know that the New Hampshire Health Department is suffering badly from lack of personnel. They have about one and one-half doctors on their staff, which includes the commissioner.)

Montana.—Comment on question 3: Yes, because of higher costs today.

Nevada.—Comment on question 3: No new programs can be initiated without additional funds.

Minnesota.—Present levels adjusted to new population needs should be maintained at a minimum.

On the basis of these questionnaires and on the basis of the serious need to initiate new programs and continue old ones, I would like to make the following recommendations:

That there be no cut in the original request in the general health grants;

That if there is special money being considered for chronic disease projects, it be carefully correlated with the general grants, since the whole problem of chronic disease is such a broad general health problem. Practically every State health department is already involved in chronic-disease control and wishes to expand it.

In any event, I would like to close this general statement by saying that the relatively small amount of increase which is being requested in the grants general will save the people of the United States many times this much. May I point out that communities and localities are very much like private individuals in health matters—they do not think they need a doctor until they are sick. Possibly this is why you do not have any great public demand for these services, but this certainly does not mean these services are not needed.

I am furnishing you with a special statement from Connecticut. I would also like to submit the statement by Dr. Shanholtz representing the association when he appeared before Representative Fogarty's committee in the House; and a very important document prepared by the president of the State and Territorial Directors of Local Health Services, which include statements from the following States emphasizing the importance of these funds from a local health department standpoint: Georgia, Massachusetts, Michigan, Oklahoma, Tennessee, Texas, Illinois, and California.

STATE OF CONNECTICUT,
STATE DEPARTMENT OF HEALTH,
April 5, 1957.

MACK I. SHANHOLTZ, M. D.,
*Secretary-Treasurer, Association of State and Territorial Health Officers,
State Department of Health, Richmond, Va.*

DEAR DR. SHANHOLTZ: We wish to advise you of the effect on Connecticut should any reduction be made in general health funds under the tentative allotments released in the President's budget, January 23, 1957.

This would cause:

1. Reduction in grants to 7 local health departments in Connecticut, which aid them in carrying out the local health program.
2. Reduction in personnel in the State agency, to include:
General and business administration
Bureau of industrial hygiene
Division of local health administration
Bureau of public health education
Bureau of public health nursing
Sanitary engineering services
Laboratory services
3. A curtailment of Federal funds would cause reduction in the services now provided in the above local and State health programs.
4. Annual increments to personnel on these programs could not be provided.
5. In view of the above programs and services no Federal funds would be available to absorb the chronic disease program which we understand would be included in the general health funds.

In the present fiscal year, Connecticut's general health allotment was \$108,810.53. To continue these programs and their personnel, we will need \$116,000. However, our present legislature, now in session, is expected to enact a salary increase for all State personnel for which additional general health funds in excess of the \$116,000 should be provided. At the moment we do not know what this increase will be per employee.

Should reductions occur in any of the other categorical Federal grants (tuberculosis, cancer, heart, and special grants for venereal disease) such a reduction would affect each of these programs in the same proportion.

Sincerely yours,

STANLEY H. OSBORN, *Commissioner.*

STATEMENT BY MACK I. SHANHOLTZ, M. D., SECRETARY-TREASURER, ASSOCIATION OF STATE AND TERRITORIAL HEALTH OFFICERS, TO REPRESENTATIVE JOHN E. FOGARTY, CHAIRMAN, APPROPRIATIONS SUBCOMMITTEE, LABOR-HEALTH, EDUCATION, AND WELFARE, WITH RESPECT TO ASSISTANCE TO STATES, HOSPITAL CONSTRUCTION, AND WATER-POLLUTION CONTROL, FEBRUARY 28, 1957

Mr. Chairman and members of the committee, as secretary of the Association of State and Territorial Health Officers I have been requested to present views and recommendations of our association pertaining to specific United States Public Health Service appropriations requests for fiscal year 1958 which bear directly on public-health programs throughout the communities of this country. They fall generally under three categories which are outlined below.

ASSISTANCE TO STATES—GENERAL

The general assistance grants to States made possible under this item are a tangible expression of the joint Federal-State-local responsibility in support of vitally needed basic public-health programs. For 1958 an increase for the general-health grant of \$3 million is requested. Our association fully supports this request and earnestly solicits the favorable consideration of this subcommittee. The added funds will enable State and local health departments to make a start admittedly limited on the seemingly insurmountable problems facing our Nation in the areas of chronic disease and the aging. These funds are especially needed to initiate study projects and pilot programs.

At the annual meeting of our association in November 1956, a recommendation for specific legislation dealing with the prevention and control of chronic disease and the promotion of health of the aged was made. It is not the opinion of the association that the requested project grants in this field calling for an appropriation of \$1.5 million is the correct answer to this problem. Rather it is believed that the intent and purposes of the request could better be served if the requested \$1½ million were included as a part of the general-health grant and earmarked for this specific purpose. A similar appropriation in the case of the polio-vaccine program was made. The total of these requested increases are urgently needed and are but a start on this tremendous problem.

The traineeship-grant program included in this program and begun last year is one of great potential and vital to the needed growth in public-health programs. The persons thus trained can better make their contribution to this program wherever these talents are placed. All State and many local health departments have training programs but these are limited necessarily by many factors. Our association supports the requested increase to \$2 million for 1958.

HOSPITAL CONSTRUCTION

The contribution of the Hill-Burton program through the years in providing much needed medical facilities is well received and greatly appreciated. However, State hospital construction authorities report approval applications far in excess of funds available. At its November 1956 meeting our association adopted a resolution requesting that authorization for this program be extended an additional 5 years and further that authority be sought for annual appropriations of \$210 million.

We were disappointed to learn that the 1958 budget request for this hospital construction grant program was less than the 1957 appropriation voted by Congress. Our association earnestly requests this committee to approve an amount for 1958 not less than \$125 million, an amount equal to the 1957 appropriation. We would further request that the amount of the decrease namely \$3,800,000, be added to the \$90 million requested under part C, for 1958.

WATER-POLLUTION CONTROL

In still another action at the November 1956 conference, our association requested that the annual ceiling limitation for grants under the amendments to Public Law 660, 84th Congress, be doubled from their current \$50 million to \$100 million. It was possible soon after the start of the program to authoritatively state that the moneys available would be inadequate for the need. Our local communities are faced with the problem of keeping pace with population growth. Sometimes this growth results in new communities almost overnight. In addition there are the vast difficulties brought about by a rapidly developing and technically advancing civilization which also has the increasing problems of outmoded facilities, pollution, industrial, and other wastes. As this committee knows one-half of these grants must go to communities of less than 100,000 population and it is interesting that with 124 projects approved as of February 21, 1957, the median population of these communities is just slightly in excess of 2,300 persons. Our association realizes that it is not within the province of this committee to increase the 1958 appropriation above \$50 million as we had formerly hoped, but we do support the request for that stated amount for 1958.

There are two other items in this program which are not so significant financially but which contribute greatly to our programs. First of these are the program grants for which \$3 million has been requested for 1958. These grants have been and are of no little consequence in establishing and maintaining the designated State agency which controls this program. These agencies are essential to improving programs and procedures, a vitally needed base upon which to build this program. We fully support the 1958 request of \$3 million for this program.

There has also been requested \$1,140,000 for research activities including grants and projects. There is currently a great need for increased knowledge relating to many problems in this field. This research is done through the Taft research facility in Cincinnati, Ohio, NIH, universities and research institutions throughout the country. This research cannot be accomplished by most individual State health departments but the knowledge gained is very much

needed for our State programs. Our association supports the 1958 requests of \$1,140,000 for water-pollution research.

It is the hope of the Association of State and Territorial Health Officers that the limited information provided above will be of value to your committee. We shall be pleased to furnish further information upon your request.

GENERAL HEALTH FUNDS—GRANTS-IN-AID

(Statement submitted by Robert E. Archibald, M. D., president, Association of State and Territorial Directors of Local Health Services)

GENERAL STATEMENT

It is recognized that public health is primarily the responsibility of State and local governments. With the passage of the Social Security Act the Federal Government assumed its rightful share of responsibility and has made increasing amounts of grants-in-aid available for continued improvement of public health for the people of this Nation. General health funds, in contrast to categorical grants, enable the State health officer to conduct programs in areas of greatest need where it has not been possible to secure funds from State or local sources.

Any sudden curtailment of general health funds would seriously affect State and local health programs unless the State government could make up the deficit. This might be quite impossible without adequate time for budgetary changes. When general health funds were reduced a few years ago, the State governments in most instances failed to make up the deficit. There appeared to be a lag in full-time local health services beginning about 1951, which coincided with the decrease in general health funds.

Representative State directors of local health services, at my request, have submitted ample justification for an increase in general health funds. Their statements are included in this report.

Georgia

Many political subdivisions have public-health responsibilities far in excess of their financial abilities. General health funds as grants-in-aid to States and political subdivisions help bridge the financial gap in providing health services and facilities.

Citizens of political subdivisions are also citizens of States and the Nation. Providing adequate health services to our citizens is a joint responsibility of the Federal, State, county, and municipal governments. No government can escape its responsibility in the maintenance of health services to guarantee manpower needs in industry, agriculture, the armed services, and civil defense in both peacetime and periods of national emergency.

Georgia and its political subdivisions need additional general health grants to maintain present services and accelerate programs not yet developed to meet acceptable standards. Additional funds are needed to support and implement programs supported in part by categorical funds. General health funds permit States and local political subdivisions to conduct public-health programs and services to meet the needs of the respective health jurisdiction at less administrative cost than is possible with earmarked funds.

The General Assembly of Georgia in recent session appropriated public-health funds for 1957 at the same level as for 1956 but could not increase appropriations to provide additional health services nor to increase grants-in-aid to counties. If Congress reduces general health funds it will mean a curtailment of health services in Georgia.

Environmental health services, epidemiology, the control of communicable diseases, public health for migratory workers, industrial hygiene, water quality control, and civil defense for any given political subdivision are vital to our Nation's economy and prosperity. Training personnel to perform these vital services is an essential function of government and inasmuch as trained personnel transfer from one governmental agency to another training becomes a joint responsibility. Any curtailment of Federal funds to Georgia will reduce recruitment and training opportunities which are already too low to meet our needs.

Massachusetts

In Massachusetts, where a large number of municipalities do not have full-time health units, only about 4 percent of general health funds is allocated to

local health departments. However, 9.5 percent of these funds is used to pay salaries and travel of personnel assigned to our State district health offices as well as for the operation of these offices. This represents direct service to the people. Twenty-three percent of general health funds goes to the Division of Administration which provides the basic foundation upon which to build the State health program. Approximately 20 percent is allocated to the Division of Sanitary Engineering; 8 percent to the Division of Health Information; 5.4 percent to the Division of Training; 4.4 percent to the Division of Food and Drugs, partly for the operation of the Food and Drug Laboratory. Lesser amounts go to the Division of Communicable Diseases, Sections of Nursing and Nutrition, Division of Hospital Facilities, Division of Tuberculosis, and several other units in the Department. The present allotment of general health funds to the State does not provide for any expansion of the Department's programs. Additional general health funds could be used to great advantage in strengthening our programs and initiating new services which we are at the present time unable to provide, such as accident prevention and problems of the aged.

Michigan

General health funds mean a good deal to the public-health program in Michigan. A little over one-half of the total Federal funds coming to the State are redistributed by formula to the full-time local health departments. In many areas, particularly the sparsely populated areas which have difficulties financing their program, these general health funds are of vital importance.

The second priority use of general health funds relates to our training program. If we believe in public health, we must believe in training. These funds make it possible for a few State health department people and a number of local health department people to get advanced training in the field of public health. It averages about 13 to 17 persons going to school full time each year and for nonaccredited training programs, for short courses, institutes, workshops for various professional groups related to a number of programs of extreme importance. These are not just meetings but a training session in which there were over 1,200 people last year.

Oklahoma

General health grants have been used and are necessary in Oklahoma in the financing of basic health services. Some of these moneys are used to pay supervisory personnel in the State health department, but in the main they are used to help pay salaries and travel of sanitarians, nurses, and doctors in the county health departments over the State. These are the sanitarians who supervise the milk supplies, the restaurants, rural and urban water supplies, and the overall community sanitation program. These funds are used toward the salaries of the doctors and nurses who provide the basic public health nursing and medical services, to which may be added the special services of tuberculosis, the venereal diseases, and some aspects of maternal and child health and mental health.

It is this supplementing of local and State moneys that has enabled counties in rural Oklahoma to establish their health programs, the basic structures on which may be added programs to meet some of the public health problems which have come to light more recently—heart disease, cancer, mental retardation. Without these moneys, most of the public-health services of the State will suffer and some of them will have to be discontinued.

General health grants to Oklahoma have run as follows:

Year:		Year—Continued	
1947-48.....	\$192, 000	1952-53.....	\$234, 000
1948-49.....	207, 000	1953-54.....	181, 000
1949-50.....	300, 000	1954-55.....	168, 000
1950-51.....	291, 000	1955-56.....	166, 000
1951-52.....	240, 000	1956-57.....	194, 000

You will notice that our largest grant, \$300,000, was for the year 1949-50. The grants gradually were decreased until we reached a low of \$166,000 in 1955-56, although there was some increase in 1956-57. Since the cost of rendering public-health services almost doubled over this 10-year period, the reduction in Federal grants is much more serious than it would appear from reviewing the figures presented.

It may be that the attitude of Congress and the Federal agencies is that the basic health services should be supported entirely from State and local sources.

I do not think this is a realistic approach to meeting the national public-health problems. There is genuine need for leadership at the national level to enable us to carry on local health services and to maintain high standards of performance.

Results in public health are negative in nature. By our efforts we eliminate communicable diseases and remedy conditions adverse to the Nation's health. These better conditions are soon taken for granted and are considered unworthy of increased appropriations even though as much effort must be made to maintain an environment conducive to the continued absence of these diseases as previously, and the costs of services are rising.

New programs in accident prevention, the problems of the aged, and supervision of nursing homes and rest homes are responsibilities which have recently been added to the local health departments in Oklahoma. All require time and skilled personnel to provide the types of services the people in the community want and to which they are entitled. New programs, such as those in the areas of the chronic diseases, mental health and mental retardation, will more than offset any savings which may be accruing from the decreased incidence of infectious diseases, and it takes more highly trained personnel to meet these problems than it did to meet some of the problems of a few years ago.

Public health has proved itself over the years. With leadership from the national level, both financial and professional, we can meet some of the newer problems in the field. In meeting them, we can save the taxpayers many dollars. Any decrease in general health funds to Oklahoma will mean a reduction of personnel and services at the community level. In fact, the great need is for an increase to help meet the rising cost of basic health services and to enable us gradually to reach into the 30 counties of the State that have no organized health programs.

Tennessee

Here in Tennessee we consider general health funds, made available to us by the Federal agencies, as our basic fund in that it can be used in any of our programs. If general health funds are reduced, then our State health department program will be very greatly curtailed. Little or no general health fund goes into county health department budgets.

To be more specific about general health funds, I will state that practically all of our generalized training is supported by general health funds. This is for scholarships for doctors, nurses, engineers, laboratory personnel, etc. With the announcement of Federal scholarships for the coming school year we had a number of State and local persons apply for these scholarships. Many of the schools have notified them that they could not take them on Federal scholarships and they have turned to us for support. A reduction of general health funds would certainly greatly reduce the number of scholarships that we could support for the coming year.

We maintain a central laboratory and four branch laboratories. These laboratories manufacture biologicals and other products for distribution, without cost, to city and county health departments and the practicing physicians. Certain specimens are examined in the laboratory for diagnostic purposes for city and county health departments and practitioners. These are without cost to the ones asking for the examination. The operation of these laboratories depends to a great extent upon the availability of general health funds.

Our division of sanitary engineering at the State level is supported in a large measure by general health funds. There is no State appropriation for this division.

Our health education service is supported largely through general health funds. If general health funds were reduced, then the health education service to county and city health departments would have to be very markedly reduced, as well as services from the other divisions.

We maintain a field technical staff that renders consultant services to city and county health departments for their generalized programs. This staff includes doctors, nurses, nutritionists, dentists, engineers, sanitarians, statistical and clerical personnel. If funds for salaries and travel for this particular group were curtailed it would mean a very great loss to the program that is carried on throughout our State.

Texas

There are 254 counties in Texas and only 57 of the counties, through our 47 full-time local health departments, receive needed full-time public health protec-

tion. Many of the counties have been unable to finance adequate local public-health programs due to the lack of local and State funds. Many of the existing full-time local health departments are understaffed and should be strengthened.

The improvements that have been made in the local public-health program in Texas have been brought about principally through the use of grant-in-aid Federal funds. The specialized funds are desirable, but since they are earmarked for specific purposes, they do not fulfill the principal need. The administration of these funds is difficult to handle in such a way that the taxpayers' public health dollar can accomplish the most good for the public's health.

Local and State health officials, through their evaluation of existing health problems, are in the best position to determine how the taxpayers' public-health dollar should be spent. The most good can be accomplished through the use of general health fund grants. We believe that specialized funds are desirable, and we believe the specialized funds will accomplish a great deal of good, but a better achievement could be brought about through the use of general health funds.

Approximately \$312,141 general health funds are allotted to local health departments. Any reduction in these funds will seriously curtail or hinder the public health program in Texas.

The general health funds to the local health departments are largely for the payment of salaries of highly qualified technical and professional personnel, such as physicians and directors of laboratories. Any curtailment of general health funds would seriously jeopardize the quality of public health services now being rendered. Any reduction of general health funds at this time would probably bring about the elimination of some of the much-needed existing full-time local health departments in the poor areas of Texas.

The general health funds are also utilized in financing sanitary engineering, occupational health, training, food and drug public health services, and public health education from State level.

Any reduction in general health funds will reduce services at both State and local level. At this time there is a great need for an increase in the allotment of general health funds for the expansion of services, in order to meet at least the minimum needs for reasonable public health protection of our citizens.

Illinois

The Illinois Department of public health is seriously understaffed in relation to its functions and responsibilities in a State with over 9 million inhabitants. At this time, for example, there are only 12 public health physicians on the department's payroll whereas double that number would be regarded as a modest medical staff for a modern State health department in a large State. There are only 26 sanitary engineers on the payroll whereas the rapid developments of industry, the rapid growth of the population especially in urban areas, the developments in the field of nuclear energy, the increase in nursing homes, the emphasis on recreational facilities and higher sanitation standards imposed on dairy products require twice that number to do a reasonably good job of protecting streams from serious pollution, maintaining safe public water supplies and safe waste disposal and keeping sanitation at acceptable high levels in hospitals, nursing homes and similar institutions. Professional and technical personnel in other categories are correspondingly short in relation to need in doing a good job.

Most of the local health departments in Illinois are shorthanded in similar degree.

Every year, on the other hand, and indeed almost from week to week, the demands on health departments increase. This results partly from greater public consciousness of the need and importance of health protection and partly from the constant flow of new knowledge from research useful in protecting and improving health.

All this adds up to the need of more adequate financing of public health departments. While there is a shortage of trained public health personnel, the supply is increasing noticeably and many jobs could be filled now if money were available.

The money available to the Illinois Department of Public Health from State and Federal sources is sufficient only to maintain the status quo in public health service. The effect on Illinois Health Department finances of the 20-percent cut

in the \$15 million budgeted for general public health assistance grants, made by the Fogarty subcommittee in the House would be as follows:

1. Received from Federal this year-----	\$498, 000
2. Grant for next year as per budget submitted to Congress-----	609, 700
3. Grant if cut is sustained-----	487, 760
4. Decrease from present budget for Illinois next year if cut is sustained -----	10,240

California

For the fiscal year 1954-55, the last for which we have the final figures, Federal grant-in-aid funds represented 2.4 percent of the total local expenditures for public health in California. State funds represented 14.8 percent and local funds represented 82.8 percent. I am enclosing a graphic chart¹ which shows clearly this relationship since 1946. You will note the highest percentage of Federal funds in the decade has only been 4.8 percent.

The continually increasing percentage of local support has been very gratifying and we feel is one of the basic strengths of the California program. However, there is one present weakness in the picture. While Federal funds play only a minor part in the funding of on-going traditional activities, we are rapidly approaching the limit on local appropriations and local governing bodies are evidencing increasing reluctance to increase these. This means that any real progress in developing new and needed programs or expanding existing ones is going to be made generally in California only by finding other sources of funds to support them. This is especially true of any effort to develop strong programs in chronic disease, not to mention air-pollution control and home safety. Inasmuch as the total amount of State subvention is determined on a per capita the only anticipated increase in these funds is on the basis of population increase.

It would appear therefore that in California our main hope of developing local programs and services in chronic disease and other new programs in public health lies in a substantial increase in the general health funds appropriated by the Congress. In California the major portion of such funds are made available for the support of local public health services and could be used for the above-mentioned purposes. Curtailment of these funds, on the other hand, would most certainly preclude any probability of an advance at this time in the field of local chronic-disease programs or in other new programs, the need for which has become obvious. Any further major decrease in these funds at this time would also have an adverse effect on present programs in that local funds would have to be diverted from their present use to make up the deficit in available Federal funds.

We would, therefore, strongly urge and support the request for additional Federal general health funds and be equally concerned at the prospect of any further curtailment in the appropriation.

LETTER FROM ASSOCIATION OF LABOR HEALTH ADMINISTRATORS

Senator HILL. I have a letter from Dr. Morris Brand, president of the Association of Labor Health Administrators, urging additional funds for the extension and improvement of local health units and for occupational health. The letter will be included in the hearings. (The letter referred to follows:)

ASSOCIATION OF LABOR HEALTH ADMINISTRATORS,
May 14, 1957.

Senator LISTER HILL,

*Chairman, Subcommittee on Labor, and Health, Education, and Welfare,
Senate Committee on Appropriations, Senate Office Building, Washington, D. C.*

DEAR SENATOR HILL: The Association of Labor Health Administrators has studiously reviewed the proposed budget for the United States Public Health Service and respectfully requests your assistance in the correction of two deficiencies.

First and foremost is the complete absence of funds for the extension and improvement of local health units. As you know, a bill to provide Federal grants-in-aid for this purpose was passed by the Senate in the 81st Congress after

¹ Chart attached only to statement sent to Dr. Shanholitz.

extensive hearings. Numerous expert witnesses testified at that time that basic public-health services should be made available to all the population and that, in their opinion, specific grants-in-aid for this purpose would constitute the most important single piece of health legislation that Congress could undertake. No action was taken in the House on this bill. The same bill (S. 445) was passed by the Senate in the 82d Congress and sent to the House with an accompanying report (No. 96) by you from the Committee on Labor and Public Welfare. Again no action was taken in the House on this bill. Legislation on this subject was introduced in both the 83d and 84th Congress but in each instance it was effectively killed by inclusion in bills primarily concerned with assistance and loans to voluntary prepayment health plans.

The association is deeply disturbed about the continuing lack of Federal funds for local health units 8 years after overwhelming evidence clearly indicated this was a dire need throughout the Nation. Labor-sponsored health centers are today constantly providing services which should be available from local health units and caring for sickness which would be nonexistent in the presence of adequate full-time local health units. Funds are being appropriated each year for the provision of certain health services but these services can rarely be made available to communities in the absence of an adequate administrative unit; namely a full-time local health unit. Many counties and a number of States are still unable to solve the basic problem of adequately financing such units. The increasing movement of industries and workers to suburban or even rural areas as well as the increasing number of negotiated health and welfare funds underscores the necessity of full-time local health units.

The second glaring defect in the 1958 budget is the penurious request for \$791,000 for occupational health. The occupational health program of the United States Public Health Service has developed a proposed program, a shortened version of which is attached. The occupational health committee of the Association of Labor Health Administrators had studied in detail this proposed program and it is their considered opinion that this is a realistic and long overdue revision of activities. It more adequately begins to meet the needs of the worker than the limited services thus far provided. It is also their opinion that a minimum of \$2 million should be appropriated to support this proposed program. An additional \$500,000 would be necessary for the acquisition and development of a site for the proposed occupational health center with \$10 million more needed for constructing and equipping the center.

Unfortunately the budget request of \$791,000 can never finance the proposed program. This amount is undoubtedly much less than was originally requested and it is barely sufficient to cover increased costs which are largely due to directed salary increases. The House further reduced their request to \$656,900 which is exactly the amount being spent on the present restricted program. This House action was taken despite the special attention devoted to occupational health by Surgeon General Leroy E. Burney in his opening statement to the House Committee on Appropriations. It is my understanding that the Senate Subcommittee on Labor, and Health, Education, and Welfare concurred with the House figure although Surgeon General Burney strengthened his request for adequate occupational health funds in his statement to the subcommittee. Should this drastic reduction remain in effect, less than 1 cent per employed worker will be spent during the 1958 fiscal year for the prevention, detection, and elimination of occupational health hazards.

We would appreciate it if you would draw the contents of this letter to the attention of the subcommittee and have it included in the recorded proceedings of the subcommittee.

Sincerely,

MORRIS BRAND, M. D., *President.*

NATIONAL INSTITUTE OF DENTAL RESEARCH BUILDING

STATEMENT OF HON. JAMES E. MURRAY, UNITED STATES SENATOR FROM THE STATE OF MONTANA

GENERAL STATEMENT

Senator HILL. Now we have with us our distinguished colleague, the senior Senator from Montana, former chairman of the Committee on Labor and Public Welfare, always tremendously interested in health problems and health matters. Particularly has Senator

Murray been a leader in introducing the bill to bring into being the Dental Institute.

Senator MURRAY, we would be delighted to have you say anything you wish.

Senator MURRAY. Mr. Chairman, I appreciate this opportunity which you and your colleagues on the subcommittee have given me to testify concerning the National Institute of Dental Research. Because I know that you are conversant with the subject and, I believe, sympathetic to the project, I shall be brief. I believe that will be satisfactory to everyone.

CONSTRUCTION OF INSTITUTE BUILDING

In 1948 the Congress passed a bill which I had the honor of sponsoring and which called for the erection of a building to properly house the activities of the National Institute of Dental Research. We authorize an appropriation of \$2 million for the construction of the building.

Unfortunately, the outbreak of hostilities in Korea caused the postponement of all such construction at that time. When critical building materials were again available for civilian purposes, unfortunately, the cost of construction had so increased that the \$2 million previously authorized was altogether inadequate. As a result, the 84th Congress enacted legislation increasing that authorization to \$4 million and clearly indicated its conviction that the time had come to halt any further delay, and to so house the dedicated men and women who work in our National Institute of Dental Research as to make it possible for them to carry on their work efficiently for the health and well-being of the Nation.

ADMINISTRATION POSITION ON BUILDING

The Congress has done its part. You gentlemen authorized the expenditure of funds. This administration, however, for reasons which are altogether beyond my understanding, insists that the work be again postponed. With tight money getting tighter, the costs of construction are mounting every day. If this undertaking is still further delayed, then, no doubt, we in the Congress will have to enact legislation increasing the authorization from \$4 million to \$6 million. This, to me, is an incredible situation.

I do not know exactly what can be done about it. I am here, however, to plead with you gentlemen that, if it is at all possible, you work out some way to force the administration to undertake the construction of this necessary edifice immediately. We owe it not only to the dentists of America, who so wholeheartedly espouse the cause of dental research, but to the people of America who will be the beneficiaries of this undertaking. I would suggest that, even if it becomes necessary for you in the full Committee on Appropriations to go so far as to block the appropriation of funds for the construction and purchase of two helicopters for the White House in order to get this building underway, you should not hesitate to take even this strong an action.

I thank you, gentlemen.

Senator HILL. Senator Thyne, any questions?

Senator THYNE. None.

Senator HILL. Thank you very much, Senator Murray. We are always glad to have you here, sir. We know your deep interest in the whole matter of health and medical research.

I have briefly stated you are a leader in the institution of the Dental Research Institute, and we certainly are delighted to have you here this morning.

Senator MURRAY. Thank you.

Senator HILL. Thank you very much.

THE AMERICAN NURSES ASSOCIATION

STATEMENT OF JULIA C. THOMPSON, WASHINGTON REPRESENTATIVE

HEALTH AND GRADUATE NURSE TRAINEESHIPS

Senator HILL. Now, Miss Thompson. You may proceed, Miss Thompson.

Miss THOMPSON. Thank you, Senator Hill.

Senator HILL. Have you filed your statement?

Miss THOMPSON. Yes; I have a statement to file for the record, and it is brief, and I would like to read it. I think it will take less time than attempting to comment on it.

I am Julia C. Thompson, the Washington representative of the American Nurses Association, and I am appearing here today in place of our president, who is leaving tomorrow for Rome for the International Council of Nurses. She was sorry she was unable to attend this committee meeting.

I represent the American Nurses Association, which is the national organization of registered professional nurses. The association has over 180,000 members in 54 constituent State and Territorial associations. I appear here today in support of certain appropriations relating to the field of nursing. The items to which I wish to speak are the provisions for public health and graduate nurse traineeships, for practical nurse training, and for nursing research. I realize these items are relatively small in relation to the other requests in this total budget. But we believe they are no less significant.

FUNDS REQUESTED

The American Nurses Association supports the increase of \$1 million for carrying out the provisions of each of titles I and II of Public Law 911. The most serious nursing problems facing the country at this time lie in the critical shortage of prepared administrative, supervisory, and teaching personnel. Professional nursing practice is rapidly becoming more complex. The majority of nurses now practice within the organized services of institutions and agencies. Highly skilled administrative personnel are essential to the operation of nursing services and of nursing education programs. Well-qualified teachers are essential to the education of future practitioners.

Necessary progress in nursing education is hampered by the fact that only 55 percent of the present nursing educators have completed the recognized minimum preparation for the positions they hold (Graduate Nurse Education in Colleges and Universities, National League for Nursing, 1954, reported in Nursing Outlook, December.

1954). Every appropriate means must be used to correct this situation. In addition, we must prepare for a continuing increase in the number of nursing students.

WIDER EDUCATION NECESSARY

The demands of administrative and supervisory positions in nursing services require preparation in addition to basic nursing education. Such preparation must be secured in university programs with appropriate field practice. Only 8 percent of the nurses now practicing in hospitals and other institutions hold academic degrees. Only about one-half of the nurses now filling top administrative positions in nursing services have received adequate preparation for the complex responsibilities they must fulfill. Financial considerations keep many nurses from entering programs in colleges and universities. For economic reasons, most students in such programs are enrolled on a part-time basis and the time when they can make their most effective contribution to nursing is delayed—often for long periods of time.

WORK UNDER PRESENT PROGRAM

The graduate nurse traineeship provisions of the Health Amendments Act of 1956 have already made it possible for some graduate nurses to prepare themselves for positions in administration, teaching, and supervision. In a very short period of time following the allocation of funds under title II of Public Law 911, 553 traineeships were awarded to qualified applicants; 28 additional traineeships were awarded early this year. Applications from many other qualified nurses have been received by the approved training programs.

And I might interject there that according to the report from the schools there are already 1,200 eligible applicants for the next year's traineeships.

We have every reason to believe that the amount of \$3 million requested for this program would be used by qualified persons in the coming fiscal year. In view of the serious implications of the present shortage of qualified administrative, teaching, and supervisory personnel in nursing, we urge favorable consideration of this item in the budget for the Public Health Service.

PROFESSIONAL PERSONNEL

Title I of Public Law 911 authorized another much needed traineeship program, that for professional public health personnel. Not only are funds needed to provide additional training for persons already engaged in public health work, scholarship aid is needed to prepare new personnel for the field.

Already 178 nurses have received traineeships under this program. Many of them will be new recruits to public health nursing practice. We have every reason to believe that there will be more than enough qualified applicants for the \$2 million appropriation requested for this program. Because of the great need for qualified professional public health personnel, we urge favorable consideration of the request for funds for this important program of the Public Health Service.

DECLINE IN UNIVERSITY PROGRAMS

In spite of an increasing demand for nurses with broad professional preparation, we had seen a disturbing decline in the number of persons enrolled in nursing education programs for graduate nurses in colleges and universities. In 1950, there were 12,381 nurses enrolled for full-time or part-time study. By 1953, when fewer nurses were eligible for financial assistance under the GI bill of rights, the number had returned to 11,877 the number enrolled in 1947 (Graduate Nurse Education in Colleges and Universities, National League for Nursing, 1954, reported in Nursing Outlook, December 1954). In 1955, there were 11,329 graduate nurse students, 548 less than the number enrolled in 1953. It is estimated that there were approximately 13,000 graduate nurse students enrolled in the fall of 1956. We may assume that the Health Amendments Act of 1956 has already made some impact on this serious nursing problem.

PRACTICAL NURSE TRAINING

The American Nurses' Association is gratified with the progress made to date in the implementation of title III of Public Law 911 which provides for an expansion and improvement of practical-nurse training. There is a great need for prepared practical nurses to perform those nursing functions which do not require the knowledge, skill, and judgment of professional nurses. The need is greatest in mental hospitals, nursing homes, and programs for the care of long-term illness. Trained practical nurses are needed to extend the nursing services required by our aging population. Adequate financial support of the practical-nurse program in vocational education will add to the number of trained nursing assistants and thus permit better utilization of professional nursing skills.

We are pleased to note the appointment of qualified professional nursing educators to the staff of the Office of Education. This will insure a sound development of the practical-nurse training program throughout the country.

We urge favorable consideration of the request for \$4 million to continue the program of grants-in-aid to States for the improvement and expansion of practical nurse training.

NURSING RESEARCH

Research in the field of nursing is adding to our knowledge of the nature of the essential functions of the nurse in modern health services. From the findings of nursing research, we can learn more about what is needed from nursing personnel and more about ways of providing nursing service with the personnel we have. Increasing the number of nurses will not in itself answer the increasing demand for nursing services. We must continually seek ways of improving the utilization of personnel. Through research, we must constantly add to the knowledge about nursing in order that nursing education may keep abreast of the actual demands upon the practitioner.

Funds from all appropriate sources, including the Federal Government, are needed to support research in nursing. The American Nurses' Association believes the Federal Government has a vital role to play in this area of research, just as it has in other areas of re-

search relating to the public health and welfare. Therefore, we urge favorable consideration of the request for \$700,000 for research in nursing, including the training of nurses for research.

The surveys of nursing needs and resources conducted in the States with the assistance of the Division of Nursing Resources are valuable guides to community planning for health services. This program should be continued and expanded to meet the demands of the States. We, therefore, urge favorable consideration of the request for \$342,000 for the Division of Nursing Resources.

The American Nurses' Association believes that a sound start has been made toward adequate financial support of nursing research. We hope to see the participation of the Federal Government in nursing research develop along with increasing support from other sources. We shall continue to work closely with the Department of Health, Education, and Welfare to the end that the best possible use may be made of both the public and the private funds which are available for studies in nursing.

SURVEY OF NURSES' SALARIES

We wish to thank the Congress for providing funds this year for a survey of hospital nursing salaries now being done by the Bureau of Labor Statistics. There are two reports left to be finished—from New York and Minnesota, Minneapolis. The first final report was just published about 2 weeks ago, and this is the way they will appear [indicating] from each one of the 17 cities in which studies have been made. We find the data has been extremely useful to date.

Constituent State associations of the American Nurses' Association continue to work for appropriations of State funds for the support of nursing education through scholarship aid to basic and graduate students in nursing, and through matching funds for practical nurse training programs. We believe that the nursing programs of the Department of Health, Education, and Welfare are vital to the Nation's health. They represent the minimum essential contribution of the Federal Government toward meeting the country's needs for nursing services. A major step forward was taken when the 84th Congress enacted the Health Amendments Act of 1956. With adequate financial support, this legislation will provide one means of increasing the number of prepared nursing personnel.

I will end by saying that on behalf of the association I wish to thank you for the opportunity of appearing here and presenting the views of the nurses on some of the appropriation measures before the committee.

Senator HLL. Any questions, Senator Thye?

Senator THYE. No.

Senator HILL. We want to thank you very much, Miss Thompson. We are happy to have had you here, and we appreciate your statement very much.

AMERICAN SOCIAL HYGIENE ASSOCIATION, NEW YORK

STATEMENT OF T. LeROY RICHMAN, ASSOCIATE EXECUTIVE
DIRECTOR

VENEREAL DISEASE CONTROL

Senator HILL. Dr. Richman. We are glad to have you here, Doctor. You filed a statement for the record, did you?

Mr. RICHMAN. Yes.

Senator HILL. That will appear in full in the record.

Mr. RICHMAN. Senator Hill, I should say first I am not a doctor. I am proceeding under somewhat of a disadvantage here. Dr. E. Gurney Clark, who testified before you a year ago—

Senator HILL. He has been with us in the past.

Mr. RICHMAN. Yes.

Senator HILL. We are always glad to have him here.

Mr. RICHMAN. Who was to be here today, is ill and could not make it. So you have before you a layman who will do his best in a fairly technical field.

The statement which you have I shall not read, but I should like to say that it is a joint statement of the Association of State and Territorial Health Officers, the American Venereal Disease Association, and the American Social Hygiene Association. It covers a survey of venereal disease needs in this country made during the past year.

VENEREAL DISEASE STILL PROBLEM

Now, venereal disease is still, unfortunately, a problem. Syphilis is still a killer, and gonorrhea is still a crippler.

Senator HILL. We have had a good deal of testimony on that when we had the representatives of the Public Health Service here, confirming just what you have said, Mr. Richman.

Mr. RICHMAN. Yes. Both diseases—and I think this is particularly pertinent to our discussion here today—still travel widely and secretly in the population.

Until a few years ago an effective Federal-State program was winning a distinct advantage in the struggle against them. In 1952 and 1953 and in 1954 steadily dwindling funds and personnel all but scuttled this program. Only a few States were able to maintain what now developed to be merely skeletal programs.

EVIDENCE OF RISE IN INCIDENCE

This year there is evidence that syphilis and gonorrhea again are rising in the population. For the first time in 10 years, this evidence begins to show increases for the Nation as a whole.

Now, in the past there has been some evidence of a rise in local areas, but this year for the first time in 10 there begins to be a rise in syphilis for the Nation as a whole, total syphilis, and in all categories except "early latent," which I think is extremely significant here.

Many State health officers think the increases recorded are minimal. Now, we are going to talk now about recorded, reported VD, and that is not incidence and it is not prevalence. It is just the report. Thirty-

two States and 49 cities do not believe that the number of reported cases of syphilis and/or gonorrhea is a reliable index of the VD problem.

STATE FUNDS FOR REPORTING CUT

Now, they explain this in terms of the fact that their reporting programs were terribly cut into a few years ago when resources for this program, because I suppose of overoptimism more than anything else, were cut. So you have not the national reporting situation you had a few years ago. You have a few States that are able to maintain reporters but many that are not. And so they are a little bit at a disadvantage in analyzing their own data.

Among those States and cities that place more reliance on number of reported cases as an index of the problem, most confidence is placed in the syphilis data.

Reported cases of gonorrhea in Seattle, Wash., "constitute a big understatement of the rate."

In Virginia a special study of reporting concluded:

* * * it appears evident that there is a great deal more gonorrhea in the State than the annual morbidity rates of the State health department show, and that there probably is considerably more syphilis than is indicated by these morbidity rates.

In Ohio:

Actual surveys indicate poor morbidity reporting.

This is not because the State health departments do not want to do a good job. They do. And they have got to rebuild the staffs it took to do it.

North Carolina estimates that—

5 to 10 cases of gonorrhea and 2 to 3 cases of syphilis are occurring for each case reported.

TEEN-AGE VICTIMS

Now, you noticed in the Washington Post this morning an interesting statement on teen-age venereal disease, released by another committee of the Senate.

Senator HILL. Yes, we saw that. We will be glad to put this in the record if you wish it—

Mr. RICHMAN. I think it might be.

Senator HILL. At the conclusion of your remarks.

Mr. RICHMAN. Yes, sir.

Well, increases in teen-age venereal disease, which have attracted a lot of attention, are reported from 11 States and 18 cities. And we are very cautious in reporting this because we do not want to point to teen-agers as a peculiar problem in our country.

The States and cities involved are on both the east and west coast and in the Midwest, the Deep South, and among the border States. And I think that is significant that this is widespread and not localized.

Most of them indicate that the teen-ager is becoming a major problem in VD control—that is, most of these reporting increases.

Now, there are some typical comments which I think you might appreciate. Some cities I can name and some I cannot, depending on how the health officer reported his information.

This is a Southeast coast city :

They (teen-agers) continue to be our major problem. And the numbers are continually increasing.

Los Angeles reports a slight increase in gonorrhea. In 1954, 12.8 percent in the 15 to 19 age group. In 1955, 13.9 percent.

Now, that data in that area varies quite widely. Since 1949, Dr. Gilbert, who is the city health officer there—or the county health officer—reports 100 percent increase in gonorrhea, which is quite dramatic, and a 33 percent increase in population.

Illinois says :

Yes, there is an increase among teen-agers in primary and secondary syphilis.

South Bend, Ind. :

Greater number infected with gonorrhea and at a younger age than before.

And it is that “younger age than before” that we are watching most closely.

Kansas :

An age breakdown for 1956 has not been made. However, the trend toward gonorrheal infection at an early age seems to be continuing.

Detroit :

Suspect there has been a slight increase, but have no data. This trend has been going on for a number of years.

Mississippi :

The average age has dropped approximately a year in the teen groups.

Approximately 40 percent of infectious venereal disease cases are in the 14-to-21 age group.

POPULATION MOBILITY INCREASES PROBLEM

Now, that is one aspect of the problem. Another aspect of the problem is the extreme mobility of our population these days, and the State health officers point to the military, to other transient groups, defense workers, and again you have some interesting data.

They report that military installations and defense plants—by “they” I mean all 48 health departments and in 96 cities over 100,000 population—contribute appreciably to the VD problem—32 States and 15 cities and 3 reporting Territories.

PROBLEM RELATED TO MILITARY

The reactions of most State health officials reflect the inadequacy of current health programs to meet the VD problems related to military installations and defense industries. Venereal disease in the military originates from contacts with the civilian community, of course. For this reason, health officials in the past are assigned a major proportion of their VD-control resources to areas with defense-connected needs.

Decreases in program and program support in the past few years have made it impossible for health officers to cover adequately all areas serving the country's defense needs.

The following observations indicate that areas with military installations and defense plants now present a serious VD problem for two-thirds of the State health departments.

San Diego says:

Military acquire VD from across the border and bring it into San Diego.

In Connecticut:

We have been unable to do preemployment blood tests or recheck tests for (defense plants) during the past few years.

In Georgia:

Some of our worst problem areas in gonorrhea control are closely related to the military.

Hawaii:

Troop movements provide a constant replenishment of our infectious reservoir.

Kansas:

In the Fort Riley area the State currently is conducting an epidemiologic study, not yet complete, which involves thus far 59 individuals, civilian and military, of whom 15 have syphilis.

This is interesting:

The epidemiologic chains reached into Alabama, Arkansas, Colorado, Georgia, Kansas, Missouri, Oklahoma, Texas, Wisconsin, and across the Atlantic into Germany.

You have there a real, wide-ranging chain of infection.

The large number of military personnel in Biloxi and a lesser number at Columbus and Greenville contribute to the venereal-disease problem.

And so on down. And I could read you a great many more States. Missouri, North Carolina, Oklahoma, South Carolina, a Midwest State, a Southwest State, the State of Washington, Seattle-King County, Spokane City. All of these report this problem of the transient and military personnel.

Thirty-five States—

Senator HILL. Excuse me one minute. Off the record.

(Discussion off the record.)

Senator HILL. Go right ahead, sir.

Mr. RICHMAN. The need here, I think, is primarily one of two things. I think we have to know a lot more about the people who get VD. We have never been able to do too much in the research area.

Senator THYE. How would you go about knowing a lot more?

RESEARCH IN TEEN-AGE FIELD

Mr. RICHMAN. Right now my association has developed some studies that have to do with teen-agers, and I can explain to you how we can get to know a lot more about them very easily. We are doing a study at the University of California in Los Angeles, and we are exploring a teen-age population in a problem area, and we are selecting teen-agers who do not have VD, have never had any experience with it, and teen-agers who do, and we are studying those two groups and all of the groups that fall in between, because there are groups who have had some experience but did not result in VD, and so forth.

And we are trying to find out what relationship promiscuity, indiscriminacy in association, family life education, school education, socioeconomic status of the family group of the children—what relationship those all bear to teen-age VD. And particularly we are interested in the attitude these teen-agers have toward their community,

their family, their church, and authority in general. We hope that will give us some information on which we can base better programing, particularly better education.

Senator HILL. Any other questions, Senator Thye?

Senator THYE. No, sir.

Senator HILL. Well, you tell the doctor he had a good representative here.

Mr. RICHMAN. Thank you.

Senator HILL. We are sorry he could not be here. Your statement will be very much in the record. We appreciate very much your coming, Mr. Richman.

PREPARED STATEMENT AND NEWSPAPER ARTICLE

(The prepared statement and the newspaper article referred to follow:)

TODAY'S VD CONTROL PROBLEM

A joint statement by the Association of State and Territorial Health Officers, the American Venereal Disease Association, and the American Social Hygiene Association

SUMMARY

In the fourth annual statement on venereal disease control problems and programs, States, Territories, and cities report no substantial improvement in program over last year and a definite worsening of the VD picture in selected areas and for the country as a whole. The statement was prepared by a committee representing the Association of State and Territorial Health Officers, the American Venereal Disease Association, and the American Social Hygiene Association. It is based on separate reports from all 48 States, 3 Territories, and 94 of the 109 cities in the United States with populations of 100,000 or over.

Trained personnel and/or funds continue to be priority needs in at least two-thirds of the States and one-third of the cities reporting.

The United States Public Health Service finds that, for the first time since 1948, total cases of syphilis reported show an increase. Although the increase (4,144 cases) is not large, it is general, including all stages of syphilis except early latent. The increase in primary and secondary syphilis and the small increase in congenital syphilis are disturbing as sensitive indicators of increased attack rate.

In his statement before a subcommittee of the Senate Appropriations Committee in May of last year, Philip R. Mather, president of the American Social Hygiene Association, anticipated that reported syphilis for the country as a whole would show an increase. Mr. Mather directed the attention of the committee to the increased number of cases of primary and secondary syphilis which had been reported for the first three quarters of fiscal year 1956. He remarked that this may be the beginning of a "rising tide of infection," and he called for increased Federal appropriations for State and local VD-control programs.

Since then, the slight increase in primary and secondary syphilis has become a fairly substantial increase in total syphilis. States and cities continue to report the appearance of new epidemic outbreaks of venereal disease, a noticeable lowering of the age of admission to diagnostic and treatment centers, and a mounting concern for expanded program directed toward specific population groups. Among the groups singled out for special mention were: transient labor, Armed Forces personnel, teen-agers, resort personnel, and others involved in interstate transportation and transportation services.

The increase in primary and secondary syphilis is reported from 19 States and 19 cities. In these areas, an increased attack rate has been noted for the State or city as a whole since November 1955.

In the State of Arkansas, for instance, total syphilis increased 33.6 percent and gonorrhea 63.2 percent. A total increase of all venereal disease in Arkansas was 50.2 percent.

The city of Chicago reports that the number of early infectious syphilis cases reported "increased steadily from November 1955, so that in the first 6 months of 1956 the number approximateley doubled that of the same period in 1955."

In some areas outbreaks of infectious syphilis were noted where for years there had been no single case of syphilis reported. In one such area diagnostic and treatment facilities had been closed or converted to other services.

In reporting their problems, States, Territories, and cities show increasing concern about transients and Armed Forces personnel. This concern is demonstrated in the answer to the question, "Do military and defense plants within your State contribute appreciably to your VD problem?"

Thirty-two States and 15 cities answered, "Yes."

To a similar question, "Do you think the transmission of VD through transient laborers contributes appreciably to your VD control problems?"

Twenty-one states and 11 cities answered, "Yes."

From their findings, the 3 associations offering the joint statement present 5 recommendations which they feel are "musts," if the States and cities are to prevent an increasing venereal disease problem in the United States.

They recommend that the Federal Government increase and support studies leading to a better understanding of teen-age venereal disease and action for "removing or ameliorating its causes."

They urge immediate application of a newly developed cluster survey technique in venereal disease case finding. Tried in a few areas during the past year, cluster surveys bring to diagnostic observation associates of the patient in addition to his sexual contacts.

They urge that intensive research be directed toward finding a "specific and practical test for the laboratory diagnosis of gonorrhea." VD control workers feel that until diagnosis of gonorrhea in the female becomes more practical, there can be little progress in reducing the amount of gonorrhea in the population below the presently high level of 1 million cases a year.

They recommend continuous serologic screening "in all situations that offer an opportunity to protect health." This recommendation is directed primarily at serologic testing "for syphilis on all patients or all groups of patients on admission to hospitals." This refers to the action of the Joint Commission on Accreditation of Hospitals in dropping serologic blood testing in hospitals as a factor of accreditation.

Finally, in line with needs specified by health officers, the three associations strongly urge a "Federal venereal disease appropriation of at least \$5 million for fiscal year 1958" in order to maintain at least minimal control services in areas of greatest potential for spread of infection.

FOREWORD

The Association of State and Territorial Health Officers, the American Venereal Disease Association and the American Social Hygiene Association, in releasing this 4th annual joint statement on today's venereal disease control problem, express their sincere thanks to the health officers and their staffs who by their courteous cooperation and candid appraisal of their own program needs and deficiencies have made the statement a valuable public health document.

The statement this year was compiled from questionnaire replies from all of the 48 State health departments and from the health departments of 3 Territories and 94 of the 109 cities in the United States with populations of 100,000 or over. It represents a thorough and authoritative canvassing of the country's current venereal disease problems and program needs.

In 1956, infectious syphilis and total syphilis increased nationally for the first time in 8 years.¹ Considered against this grim fact, the 1957 joint statement on venereal disease problems and programs in the United States and Territories is discouraging. It shows: VD rates rising statewide in 19 States, VD control programs demonstrably inadequate in 35, teen-age VD increasing in 11, new VD epidemic outbreaks in 19, and a serious problem of transients (including military and defense-plant personnel) in 30 States and 23 cities.

Five years ago, the forces for VD control were on the offensive. In State after State aggressive control programs were gaining the advantage. Before an integrated system of information, casefinding, referral, and rapid treatment, the venereal diseases were melting away. The resulting optimism proved disastrous.

¹ See appendix I, table I.

Panacea was spelled p-e-n-i-c-i-l-l-i-n. Forgotten, even by some health officials, was the carefully perfected epidemiological apparatus that brought the patient and the penicillin together. The infectious syphilis rate was pitched so sharply downward (and gonorrhea rates had also started down) that it was inconceivable they would stop, even if all programing ceased. Anybody could get and take penicillin.

The intervening years and the painful review of some carefully documented hindsight have established the fact that drugs alone do not stop venereal disease. It is now clear that the ground lost while this expensive lesson was being learned can best be regained by reestablishing in full force and with expanded resources the effective partnership of Federal and State Governments which existed prior to 1952.

The data collected for the statement falls under three general headings: The problem, in terms of who has VD, and whether more or fewer people are getting it; the program, in terms of the control operation and its resources; and the needs, in terms chiefly of organization and staff.

THE PROBLEM

Rising rates—syphilis

Nineteen States (six more than last year) report statewide rises in the attack rate of syphilis since November 1955. Nineteen cities and one Territory also report rising attack rates. In some States the rate increases may, in part, reflect more effective casefinding made possible by the slightly increased Federal funds currently available.

In other States, however, the rate increases can portray only an actual increase in venereal disease. Arkansas, for instance, reports increases up to 53.1 percent in the various stages of syphilis; 33.6 percent for total syphilis, and 68.2 percent in gonorrhea.

Even among the States that have been able to maintain a substantial VD budget over the years from State and local funds, there is evidence of increase. As an example, the State reporting the largest State-local budget and the most well-rounded program in terms of staff and facilities finds itself constrained to report, "Present data is provisional, but it appears now that there will be a slight increase in rates for both total and primary and secondary syphilis in 1956."

Although Baltimore did not participate in the survey, the following from *Guarding the Health of Baltimore, 1955* is significant.

"During the year 1955 it became clear that, for the time being at least, the trend of reported new infections with syphilis was definitely upward. There were 172 cases of primary and secondary syphilis reported in 1955, as compared with 122 in 1954. Total reports of syphilis also increased to 1,408 in 1955, as compared with 1,283 in 1954. This Baltimore increase in syphilis was consistent with experience in many other places in the United States."

Rising rates—gonorrhea

State or citywide increases since November 1955 in gonorrhea are reported from 16 States and 22 cities. In 6 of the States and 9 of the cities, increased attack rates were noted in special areas within the State or city.

From a number of States and cities reporting no increase, comments would suggest some reservations:

"So many individuals are treated on suspicion, without diagnosis or reporting."

"Reporting practically nil."

"Gonorrhea reporting is very ineffective in this State."

"Despite continued effective epidemiology, gonorrhea rates have continued at level of 10 years ago."

"Our incidence is almost identical with the previous year."

Obviously in many States, "no increase in gonorrhea" is a carefully qualified comment. It is true that gonorrhea morbidity is difficult to determine at best. Today's reporting inadequacies do not make it easier.

The indexes

Both State and city health officers are inclined to believe that VD rates tend to conceal actual high prevalence in specific areas. Thirty-one States and 36 cities report such misgivings.

The reasons most commonly given are underreporting, especially by private physicians, lack of spot surveys to check reporting, or lack of continuously intensive casefinding in areas of suspected high prevalence.

In North Carolina, the State laboratory performs about one-half the total serologic tests in the State, the other half go to private laboratories. Last year, private physicians sent 8,000 positive specimens to the State laboratory. During the same period, all private physicians reported only 1,200 cases of syphilis from all laboratories.

Thirty-two States and 49 cities do not believe that the number of reported cases of syphilis and/or gonorrhea is a reliable index of the VD problem.

Among those States and cities that place more reliance on the number of reported cases as an index to the problem, most confidence is placed in the syphilis data.

Reported cases of gonorrhea in Seattle, Wash., "constitute a big understatement of the rate."

In Virginia, a special study of reporting concluded, " * * * it appears evident that there is a great deal more gonorrhea in the State than the annual morbidity rates of the State health department show, and that there probably is considerably more syphilis than is indicated by these morbidity rates."

In Ohio, "actual surveys indicate poor morbidity reporting."

North Carolina estimates that "5 to 10 cases of gonorrhea and 2 to 3 cases of syphilis are occurring for each case reported."

Teen-age VD

Increases in teen-age venereal disease are reported from 11 States and 18 cities. Geographically, the States and cities involved are on both east and west coasts, in the Midwest, the Deep South and among the border States. More of both States and cities report increases in syphilis. Most of them indicate that the teen-agers is becoming a major problem in control. Following are typical comments:

Southeast coast city: "They (teen-agers) continue to be our major problem. And the numbers are continually increasing."

Los Angeles: "Gonorrhea 1954—12.8 percent in 15 to 19 age group; 1955—13.9 percent."

Illinois: "Yes, in primary and secondary syphilis."

South Bend: "Greater number infected with gonorrhea and at a younger age than before."

Kansas: "An age breakdown for 1956 has not been made. However, the trend toward gonorrheal infection at an early age seems to be continuing."

Detroit: "Suspect there has been a slight increase, but have no data. This trend has been going on for a number of years."

Mississippi: "The average age has dropped approximately a year in the teen groups."

Oklahoma: "Approximately 40 percent of infectious venereal disease cases are in the 14 to 21 age group."

Tabulations of national data by age indicate a slight decline from 1953 to 1955 in the cumulative percentage of total venereal disease and of infectious syphilis reported among teen-agers. Slight increases over the period are noted among females for both syphilis and gonorrhea.

Military, defense, and other transient groups

Asked if military installations and defense plants contribute "appreciably to your VD problem," 32 States, 15 cities, and the 3 reporting Territories said "yes."

The reactions of most State health officials reflect the inadequacy of current programs to meet the VD problems related to military installations and defense industries. Venereal disease in the military originates from contacts with the civilian community. For this reason health officials in the past have assigned a major proportion of their VD-control resources to areas with defense-connected needs. Decreases in program and program support in the past few years have made it impossible for health officials to cover adequately all areas serving the country's defense needs. The following observations indicate that areas with military installations and defense plants now present a serious VD problem for two-thirds of the State health departments:

San Diego: "Military acquire VD from across the border."

Connecticut: "We have been unable to do preemployment blood tests or recheck tests for (defense plants) during the past few years."

Georgia: "Several of our worst problem areas in gonorrhea control are closely related to the military."

Hawaii: "Troop movements provide a constant replenishment of our infectious reservoir."

Kansas: "In the Fort Riley area the State currently is conducting an epidemiologic study, not yet complete, which involves thus far 59 individuals, civilian and military, of whom 15 have syphilis. The epidemiologic chains reach into Alabama, Arkansas, Colorado, Georgia, Kansas, Missouri, Oklahoma, Texas, Wisconsin, and across the Atlantic into Germany."

Mississippi: "The large number of military personnel in Biloxi and a lesser number at Columbus and Greenville contribute to the venereal disease problem."

Missouri: "St. Louis is a major recreation area for Fort Leonard Wood and many infections result from contact between military personnel and St. Louis civilians."

North Carolina: "When military personnel return from maneuvers, they are frequently infected with venereal disease * * * There are noticeable increases in the recreational areas after soldiers return from extended field operations."

Oklahoma: "There are seven military installations in the State and such facilities always impose additional public-health problems upon both State and communities in which they are located."

South Carolina: "Fort Jackson in Columbia and the large naval base in Charleston take up the full time of two of our men."

Midwest State: "The county with a military establishment has an appreciably higher gonorrhea rate than any other county in the State."

Southwest State: "In fiscal 1955 the volume of case-finding investigations of the Armed Forces personnel with a total of 3,075—placed this State highest among the States."

Washington: "Approximately two-fifths of all contacts investigated within the State are contacts of military patients."

Seattle-King County: "Approximately one-third of case contacts are military. Additional contacts come from among defense plant personnel."

Spokane: "Yes. The large male population from Fairchild and Geiger Airbases that neighbor on Spokane means that this area is their primary civilian contact for shore leaves of absence from the base."

Thirty-five States, twenty-one cities, and two Territories report population groups that are mainly a Federal responsibility. These consist for the most part of the military, Indian tribes, migrant workers (because they are interstate transmission hazards), national contract farm laborers that are brought into the country under the aegis of the Federal Government, fishing fleet personnel, merchant marine and coast guard personnel, and defense plant personnel.

New Jersey reports, "Personnel of five military installations, migrant labor groups (farm laborers, racetrack workers, seafood industry, and hotel resort workers) are both a State and a Federal responsibility."

Although these are specific groups for whom the Federal Government may be charged with major responsibility, it is becoming clear that no group is exclusively a State or Federal responsibility. Oklahoma reports, "It is our feeling that the control of venereal disease in all our population is a joint Federal, State, and local responsibility."

States having international boundaries with easy access to cities, representing quite different cultures, on either side of the border claim a unique demand on the Federal Government for support of their VD activities.

Transient labor

Thirty States and twenty-three cities report seasonal movements of transient workers likely to introduce venereal disease into their host communities. In 21 of these States, 11 cities, and 1 territory, transient labor contributes appreciably to the VD problem.

In Arizona, about 9 percent of the transient labor force are found to be infected with syphilis. A similar percentage was established in a study of 70,000 migrant farmworkers in California.

Tobacco workers in Connecticut and Kentucky, automobile plant employees in Michigan, truck garden, cotton, fruit, and other crop workers along both seaboards and in the South, transient Indian populations in Oregon, New Mexico, and Arizona, crews from out of State installing natural gas pipelines in Spokane, Canadian and Mexican harvest hands in Washington—all contribute to a VD problem in their host States.

Epidemics

Nineteen States, thirteen cities, and the Territories of Hawaii and Puerto Rico report new epidemic outbreaks of venereal disease. Last year only 15 States and 4 cities reported such epidemics.

In Hawaii, the outbreak was small, but it accounted for "reintroduction of infectious syphilis after absence of new cases for several years." In Puerto Rico the epidemic was discovered through investigation of a contact reported to Puerto Rican authorities by the New Jersey Health Department.

In Calvert County, Md., an epidemic investigation still underway at time of reporting had turned up 21 cases of primary, secondary, and/or early latent cases of syphilis. The outbreak occurred in an area where for 4 years the VD clinic had been closed and no case of early syphilis had been reported from any source.

In a rural area in Massachusetts, a single VD epidemic was charted involving 48 persons, 24 of whom were infected with gonorrhea and/or syphilis in some stage.

In South Carolina, two outbreaks of syphilis were uncovered. The first, in Anderson County, involved 3 interlocking chains of infection with 22 cases of syphilis; the second, in Florence County, with a single chain of infection, produced 18 new cases of syphilis.

PROGRAM

Funds

The great majority of the States, two of the Territories, and a significant number of cities report inadequate funds and program for effective and progressive VD control.

Thirty-seven States, twenty-five cities and two Territories report that current VD control appropriations are not adequate.

Only 11 States report adequate appropriations.

These States are alone in reporting sufficient increase in State and local funds since 1952 to offset former loss in Federal appropriations.

Coverage

Thirty-one States, twenty-four cities, and one Territory report their programs do not provide adequate VD control coverage. Those who reported adequate coverage were inclined to hedge in their comments: "However, the southern half of the county does not have as complete coverage as the northern and urban areas." Or, "increased casefinding needed," or "casefinding in the lowest socioeconomic groups is inadequate."

Boomtowns account for some problem areas. Utah's uranium towns are reported as requiring "continuous surveillance * * * in order to prevent and curtail disease outbreaks."

Pockets of infection

All 31 of the States reporting areas with inadequate VD control coverage report that one or all of the areas reported are serious transmission hazards to other areas.

Specific population groups mentioned were: Military forces, transient industrial and farm labor groups, floater groups in boomtowns, transport personnel and the groups that serve them on the mainline rail and highway arteries, seasonal resort area workers and tourists, and members of some Indian tribes that move from town to town adjacent to reservation areas.

Sixteen cities report areas within their confines to be transmission hazards. Seaport cities list military and merchant marine as the chief transmission group. Inland cities list transient labor and service personnel.

Casefinding

More than two-thirds of the States (35) and one-third of the cities (32) still consider their VD casefinding programs inadequate to maintain a downward trend in incidence.

Casefinding is the heart of VD control in the United States. Weakness there, for a prolonged period of time can be fatal to the control effort. Since 1954 there has been no significant change in the number of States reporting casefinding inadequacy—in 1955, 1956, and 1957, 34, 36, and 35 States respectively.

One large city in a State which regards its casefinding program as adequate, reports: "We are barely keeping abreast of our present ordinary workload, and are * * * starting to fall behind as more and more cases require investigation."

St. Louis reports that a downward trend will not be established "until there are funds to survey the lower incidence areas of the city. At this time we have funds only to survey the highest incidence areas."

Most of the States and cities reporting inadequacies in casefinding point to shortages of funds and scarcity of trained personnel. Personnel has been cut so low over the past 4 years that a reservoir of VD is developing.

NEEDS

General

Those States and cities which indicated lack of funds and program inadequacies were asked what improvements to the present program would be made if additional funds were available. Expanded casefinding in selected areas received No. 1 priority.

Twenty-eight States and thirty cities would expand their casefinding programs.

Fifteen States and sixteen cities would expand clinic services.

Thirteen States would increase service to private physicians.

Eleven States, fourteen cities, and two Territories would increase their public and professional education effort.

One State and eleven cities stressed the need for venereal disease control programs specially tailored to the cultural patterns of specific racial groups.

Funds versus personnel

Inadequate programs were reported by 35 of the 48 States, 2 of the Territories, and 32 of the 94 cities. Asked if deficiencies would better be met by additional funds or assignment of trained personnel, the replies were as follows:

Eleven States, eleven cities, and one Territory reported a need for both funds and personnel to meet program deficiencies.

Fourteen States and ten cities reported a need for funds only; and ten States, twenty-three cities, and one Territory need personnel only.

This is not a mere matter of preference—money or personnel. In many areas service is needed now. Recruitment and training of personnel would take precious time. Therefore trained personnel, provided by the Federal Government, is often preferred.

Diagnosis and treatment

It is of major importance in a climate of rising venereal disease rates to have adequate treatment facilities; and since diagnosis is the ultimate casefinding device leading to treatment, it is also necessary to have adequate diagnostic facilities.

Twenty-five States, fifteen cities, and two Territories report their diagnostic and treatment facilities are inadequate for effective and progressive venereal disease control.

Arizona reports several counties in which there is a venereal disease problem but no clinics or treatment facilities.

Arkansas notes lack of health officers and funds for transporting patients.

San Jose, Calif., needs funds for additional medical and nursing investigator services.

Denver, Colo., cites need for expanded laboratory service.

Connecticut would use funds for preemployment blood tests.

Delaware would increase the frequency of clinic sessions, expand laboratory service, establish private physician service in isolated parts of the State.

Georgia would have additional diagnostic and treatment centers.

Chicago needs additional physicians trained in venereal-disease control.

Iowa needs additional clinic facilities.

Kansas must either provide additional clinic facilities or expand casefinding service to private physicians.

Kentucky needs two treatment and diagnostic centers, consultative service to private physicians, expanded investigative service.

There is discernible here a tendency to rely more on the private physician by making interview-investigative service and drugs available to him, by providing him with special training in the diagnosis and management of venereal diseases, and/or by paying him for his services.

In the more congested areas along the eastern seaboard there is a need for full-time venereal disease control directors in the larger cities and in high incidence areas.

In some States the physical facilities are satisfactory, but a shortage of trained physicians limits their usefulness.

Interview service

As military and defense plant personnel contribute an increasing proportion to the venereal disease problem in the majority of the States, it becomes a matter of some concern that 18 States and 11 cities report provisions inadequate for complete and careful interview of infected military and defense plant personnel and for statewide investigation of their contacts.

Casefinding

Thirty-nine States and thirty-eight cities report suspected high prevalence areas which should be surveyed with mass blood-testing or other casefinding procedures.

Within the 39 States are 229 such areas with populations ranging from a few hundred persons to near a million. In all, some 20,500,000 persons live in the 229 areas which State health officers feel need casefinding surveys.

Private physicians

When Federal funds were drastically reduced in fiscal 1953, many States and cities began to explore the possibility of closing the diagnostic and treatment facilities. They looked naturally to the private physician as a source for these services and began to consider how he might be encouraged to fit into the control effort.

This plan has not worked out in most States, not because the private physician was unwilling to participate, but because the States were not able to provide him with interview-investigation service which is essential if the control effort is to be effective. Thirty-one States and thirty-three cities report their inability to provide casefinding services to private physicians treating venereal disease. They report lack of staff and lack of money. Needed most are not only trained investigators, but also nurses and physicians for consultation.

Financing

It was demonstrated during the forties that as Federal funds for venereal disease control increased, the amount of State and local funds increased also. Thus, in 1947 a total of funds in venereal disease control from all sources probably reached \$35 million, of which just under \$17 million was from the Federal Government. As Federal funds began to dwindle in the fifties, State and local funds also declined. Thus, withdrawal of Federal support had the net effect of diminishing total support.

The joint committee has recommended since 1954 a minimum Federal appropriation of \$5 million to help support a surveillance program, aimed primarily at "holding the line" and at preventing any serious upsurge in the incidence of venereal disease. In reviewing needs in the various areas of program, the committee has asked for advice from the States, cities, and territories on the amount to be recommended this year.

Thirteen of the States, sixteen of the cities, and one of the Territories recommend a minimum Federal appropriation of more than \$5 million. Thirty-one States, forty-seven cities, and two Territories recommend a minimum Federal appropriation of \$5 million; and one State and one city recommend that the Federal appropriation be less than \$5 million.

In view of the substantial expression of need (44 States, 63 cities, 3 Territories) for \$5 million or more from the Federal Government in fiscal 1958, it may be well to note answers to a previous question, "How much additional funds in excess of present Federal venereal disease grant assistance do you think will be necessary from Federal sources to fulfill the needs of venereal-disease control in your State or city?"

To this question only 7 States said unequivocally, "None." Nine gave qualified answers; and 32 States and 15 cities named figures ranging from \$1,000 to \$100,000. Each increase included a statement explaining the need for the additional funds. Total increase needed by the States was \$878,020; from the cities, \$189,800; or \$1,067,820 in all. This amount added to the 1957 Federal appropriation would bring the total need for additional Federal funds to well over \$5 million for the presently conceived minimal venereal-disease control operation with accent on surveillance rather than elimination of the venereal diseases as public health hazards.

It is interesting to note that while 13 States recommended more than \$5 million from the Federal Government, more than twice that many (32) stated their needs from Federal sources substantially in excess of their current Federal allocations.

RECOMMENDATIONS

The facts presented in this report document forcefully the following five recommendations for improved venereal disease control in the United States.

1. In view of the rising concern among States and cities for the teen-age venereal disease problem, we, the undersigned, recommend that the Federal Government encourage and support—

(a) studies leading to a better understanding of the problem; and

(b) action for removing or ameliorating the causes.

2. In view of the urgent need for more effective action against syphilis epidemics, we strongly urge immediate application of the newly developed "cluster test" techniques which widen the area of productive investigation and, at the same time, direct the blood testing more surely to infectious persons.

3. Reported cases of gonorrhea in this country have declined only slightly in the past 5 years and have steadied at the relatively high level of approximately 1 million cases per year. It is now obvious that penicillin alone is not the answer. The perplexing problem of diagnosing gonorrhea in the female persists and blocks progress in further control. We therefore recommend that an intensive research effort be directed to find a specific and practical test for the laboratory diagnosis of gonorrhea.

4. In further support of the serious need for continuous serologic screening in all situations that offer an opportunity to protect health, the signers of this joint statement encourage serologic tests for syphilis on all patients or all groups of patients on admission to hospitals.

5. In order to bring State and local VD control programs up to minimal effectiveness, we strongly urge a Federal VD appropriation of at least \$5 million for fiscal year 1958.

APPENDIX I

TABLE I.—*Cases of syphilis and gonorrhea reported by State health departments, fiscal years 1948-56*

Fiscal year	Total syphilis ¹	Primary secondary syphilis	Early latent syphilis	Late and late latent syphilis	Congenital syphilis	Gonorrhea
1948	338,141	80,528	97,745	123,972	13,309	363,014
1949	288,736	54,248	84,331	121,931	14,295	331,661
1950	229,723	32,148	64,786	112,424	13,446	303,992
1951	198,640	18,211	52,309	107,133	12,836	270,459
1952	168,734	11,991	38,365	101,920	9,240	245,633
1953	156,099	9,551	32,287	100,195	8,021	243,857
1954	137,876	7,688	24,999	93,601	7,234	239,661
1955	122,075	6,516	21,553	84,741	5,515	239,787
1956	126,219	6,757	20,014	89,851	5,535	233,333

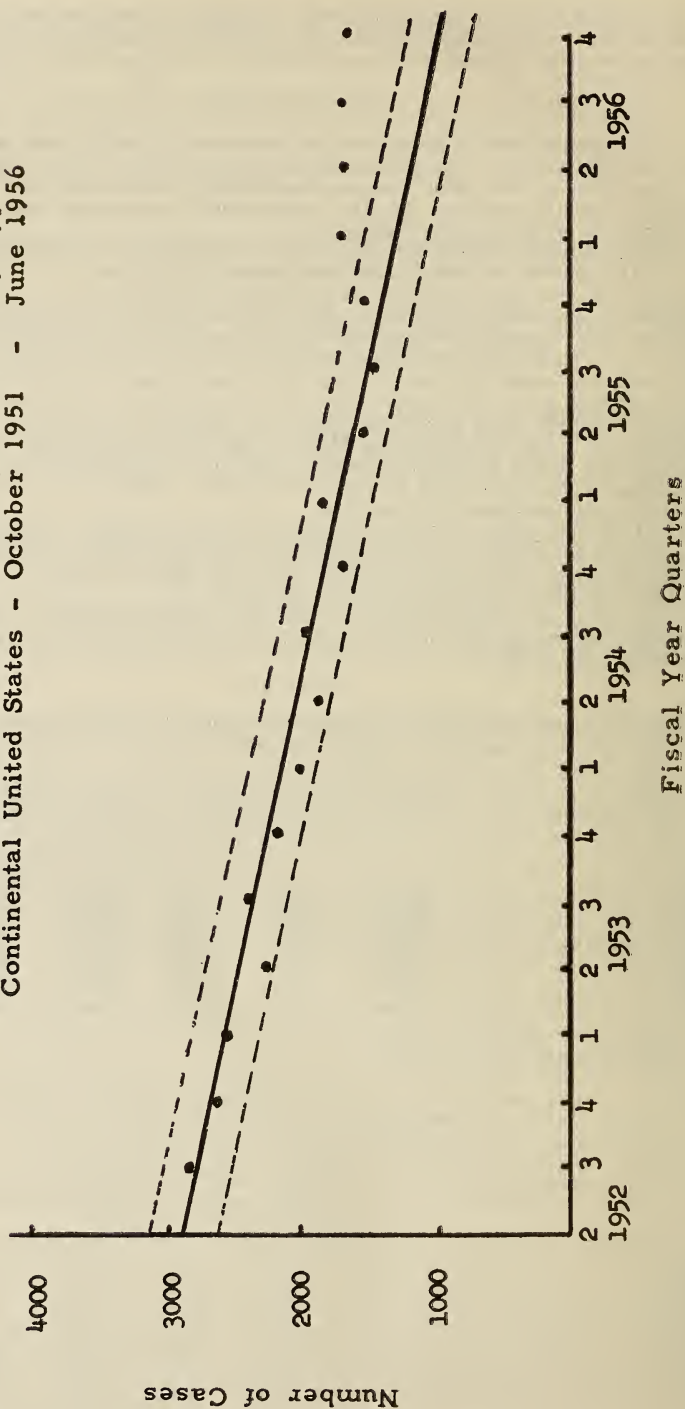
¹ Includes "Stage of syphilis not stated."

TABLE II.—*Reported syphilis case rates per 100,000 population, fiscal years 1948-56, continental United States civilians*

Fiscal year	Total including "not stated"	Primary and secondary	Primary, secondary, and early latent	Congenital	Late and late latent
1948	234.7	55.9	123.8	9.2	86.1
1949	197.3	37.1	94.7	9.8	83.3
1950	154.2	21.6	65.1	9.0	75.5
1951	131.8	12.1	46.8	8.5	71.1
1952	110.8	7.9	33.1	6.1	66.9
1953	100.8	6.2	27.0	5.2	64.7
1954	87.5	4.9	20.7	4.6	59.4
1955	76.0	4.1	17.5	3.4	52.7
1956	77.1	4.1	16.4	3.4	54.8

Appendix II

Trend of Reported Cases of Primary & Secondary Syphilis
Continental United States - October 1951 - June 1956



NOTES

Heavy center line is the trend of primary and secondary syphilis in continental United States from October 1, 1951, through July 1, 1956.

Broken lines indicate limits within which points may fall due to chance variation (1 percent level of significance).

Points plotted represent actual cases reported by State health departments to Public Health Service for each quarter shown.

APPENDIX III.—*Tabulation of answers to questionnaire, 48 States*

	Number of States answering		
	Yes	No	No answer
Is your appropriation for VD control for the current fiscal year adequate to permit an effective and progressive control program?.....	11	37	-----
Have sufficient State funds been made available to your VD program during the past 4 years to make up for the loss of Federal funds in 1952?.....	11	37	-----
Are there areas in your State without adequate VD control coverage?.....	31	16	1
Are any of the inadequately covered areas transmission hazards to any other parts of your State, or any other State?.....	31	15	2
Have you had any epidemics or outbreaks of venereal disease not reported in previous questionnaires? Please supply descriptions and diagrams, if available.....	19	29	-----
Has your State or any areas in it experienced a rise in the attack rate of syphilis since the last questionnaire, November 1955?.....	19	28	1
State as a whole.....	15	16	17
Special area within State.....	16	29	3
Of gonorrhea?.....	6	22	20
State as a whole.....	11	33	4
Special area within State.....	13	35	-----
Has your State experienced any increase of venereal disease among teenagers since the last questionnaire, November 1955?.....	22	25	1
Do you consider your present VD case-finding program adequate to force or maintain a downward trend in VD incidence in your State?.....	31	16	1
Are your diagnostic and treatment facilities adequate to the need of an effective and progressive VD control program? If answer is "No," please list the inadequacies and your proposals for remedy.....	17	31	-----
Do you believe the rates for your State tend to conceal actual high prevalence in specific areas within the State?.....	35	13	-----
With your present staff and budget can you offer adequate case-finding facilities to all private physicians treating infectious venereal disease? If answer is "No," what additional resources do you require.....	29	18	1
Are there population groups in your State whose VD problems you regard mainly as a Federal responsibility?.....	32	15	1
Are adequate provisions made in your State for the complete and careful interview of infected military and defense plant personnel and for the investigation on a statewide basis of contacts named by them? If answer is "No," please indicate what is needed.....	30	18	-----
Do military and defense plants within your State contribute appreciably to your VD problem? Please give specific illustrations.....	21	27	-----
Have you experienced any seasonal (temporary or permanent) influx of transient workers who are likely to introduce venereal disease into your State?.....	14	30	4
Do you think the transmission of VD through transient laborers contributes appreciably to your VD control problems? If no surveys have been made, please give your opinion.....			
Assuming that Federal participation is unchanged, in fiscal 1958, do you believe that funds available from all sources will be sufficient for an effective venereal disease control program in your State?.....			

If more funds were available to you, what additions or improvements to your present program would be made?

	Number of States
1. Case finding:.....	1
(a) Intensify.....	28
(b) Expand.....	15
(c) Emphasis on selectivity.....	4
(d) Improve.....	-----
2. Case holding.....	-----
3. Education.....	11
4. Clinic services.....	15
5. Training of personnel.....	1
6. Laboratory and diagnostic service.....	6
7. Program evaluation.....	1
8. Private physician services.....	13
9. Special program for racial groups.....	1

If answer to question "Do you consider your present VD case-finding program adequate to force or maintain a downward trend in VD incidence in your State?" is "no," would deficiencies better be met by:

	<i>Number of States</i>
Additional funds.....	14
Trained personnel.....	10
Both.....	11
No answer.....	13

	Number of States answering		
	Yes	No	No answer
Do you have in your State any suspected high prevalence areas which should be surveyed with selective mass bloodtesting or other casefinding procedures?	39	9	-----
How many areas?.....			229
Approximate total number of people in them.....			20, 542, 458

Last year, the American Venereal Disease Association, the Association of State and Territorial Health Officers and the American Social Hygiene Association recommended a Federal appropriation of \$5 million for the Nation's VD control effort. The appropriation to the Public Health Service for VD control in fiscal 1957 was \$4,170,000—an increase of \$670,000 over the appropriation for fiscal 1956. Do you think this year's joint statement should again recommend \$5 million?

More.....	13
Less.....	1
Same.....	31
Not answered.....	3

APPENDIX IV

Tabulation of answers to questionnaire, 94 cities, including District of Columbia

	Number of cities answering		
	Yes	No	No answer
Is your appropriation for VD control for the current fiscal year adequate to permit an effective and progressive control program?.....	61	25	8
Have sufficient local funds been made available to your VD program during the past 4 years to make up for the loss of Federal funds in 1952?.....	53	34	7
Are there areas in your city without adequate VD control coverage?.....	24	59	11
Are any of the inadequately covered areas transmission hazards to any other parts of your State, or any other State?.....	16	42	36
Have you had any epidemics or outbreaks of venereal disease not reported in previous questionnaires? Please supply descriptions and diagrams, if available.....	13	74	7
Has your city or any areas in it experienced a rise in the attack rate of syphilis since the last questionnaire, November 1955?.....			
City as a whole.....	19	61	14
Special area within city.....	6	47	41
Of gonorrhea?.....			
City as a whole.....	22	57	15
Special area within city.....	9	41	15
Has your city experienced any increase of venereal disease among teenagers since the last questionnaire, November 1955?.....	18	59	17
Do you consider your present VD casefinding program adequate to force or maintain a downward trend in VD incidence in your city?.....	53	32	9
Are your diagnostic and treatment facilities adequate to the need of an effective and progressive VD control program? If answer is "no", please list the inadequacies and your proposals for remedy.....	69	15	10
Do you believe the rates for your city tend to conceal actual high prevalence in specific areas within the city?.....	36	45	13
With your present staff and budget can you offer adequate casefinding facilities to all private physicians treating infectious venereal disease? If answer is "no," what additional resources do you require?.....	52	33	9
Are there population groups in your city whose VD problems you regard mainly as a Federal responsibility?.....	21	62	11
Are adequate provisions made in your city for the complete and careful interview of infected military and defense plant personnel and for the investigation on a Statewide basis of contacts named by them? If answer is "no," please indicate what is needed.....	69	11	14
Do military and defense plants within your city contribute appreciably to your VD problem? Please give specific illustrations.....	15	65	14
Have you experienced any seasonal (temporary or permanent) influx of transient workers who are likely to introduce venereal disease into your city?.....	23	62	9
Do you think the transmission of VD through transient laborers contributes appreciably to your VD-control problems? If no surveys have been made, please give your opinion.....	11	69	14
Assuming that Federal participation is unchanged in fiscal 1958, do you believe that funds available from all sources will be sufficient for an effective venereal disease control program in your city?.....	50	19	25

If more funds were available to you, what additions or improvements to your present program would be made?

	<i>Number of Cities</i>
1. Case finding:	
(a) Intensify-----	3
(b) Expand-----	30
(c) Emphasis on selectivity-----	8
(d) Improve-----	1
2. Case holding-----	1
3. Education-----	14
4. Clinic services-----	16
5. Training of personnel-----	
6. Laboratory and diagnostic service-----	3
7. Program evaluation-----	3
8. Private physician services-----	3
9. Special program for racial groups-----	11

If answer to question, "Do you consider your present VD casefinding program adequate to force or maintain a downward trend in VD incidence in your city?" is "No," would deficiencies better be met by—

	<i>Number of Cities</i>
Additional funds-----	10
Trained personnel-----	23
Both-----	11
No answer-----	50

	Number of cities answering		
	Yes	No	No answer
Do you have in your city any suspected high prevalence areas which should be surveyed with selective mass bloodtesting or other casefinding procedures?			
How many areas?-----	38	45	11
Approximate total number of people in them-----	4,892,000		

Last year, the American Venereal Disease Association, the Association of State and Territorial Health Officers, and the American Social Hygiene Association recommended a Federal appropriation of \$5 million for the Nation's venereal disease control effort. The appropriation to the Public Health Service for venereal disease control in fiscal 1957 was \$4,170,000—an increase of \$670,000 over the appropriation for fiscal 1956. Do you think this year's joint statement should again recommend \$5 million?

More-----	16
Less-----	1
Same-----	47
Not answered-----	30

[From the Washington Post and Times Herald, May 6, 1957]

A MILLION DELINQUENTS SEEN IN UNITED STATES BY 1965

(By John Chadwick)

Senate investigators said yesterday that if the upward trend of juvenile delinquency continues unabated, more than a million children will be brought before the courts in 1965.

The warning was voiced by the Senate Juvenile Delinquency Subcommittee in a 252-page report setting forth its recommendations for dealing with the problem. Juvenile drinking, venereal disease, vandalism, youth gangs, crime comics, TV programs, and the use of narcotics are among the many aspects of the teenage problem discussed by the subcommittee.

The report said traffic in erotic photographs and other pornography "may run higher than half a billion dollars annually." It was estimated that 200,000 teenagers contract venereal disease each year.

The subcommittee decried travel to Mexican border towns by teen-agers from Southwestern States. These towns "beggared description," the report stated. "Prostitution, drunkenness, sale of narcotics and pornographic matter, perversion, and other forms of vice flourish openly."

Senator Thomas C. Hennings, Jr., Democrat of Missouri, who succeeded Senator Estes Kefauver, Democrat of Tennessee, this year as chairman of the subcommittee, said in a statement that the report "contains an amalgam of ideas and suggestions from delinquency experts in all areas of the country."

He added that "of course, as everyone realizes, juvenile delinquency is a problem which must be solved almost entirely by State and local authorities." But "Congress can help, not only by the passage of certain very useful legislation, but also by making available results of hearings and studies, such as contained in the present report."

Much of the legislation recommended by the subcommittee already has been introduced, and some of it enacted. A measure sponsored by the group in the last Congress, on which no action was taken would bar persons under 18 from crossing the Mexican border without their parents, or their consent embodied in an official permit.

THE AMERICAN DENTAL ASSOCIATION

STATEMENTS OF DR. THOMAS J. HILL, CHAIRMAN OF COUNCIL ON DENTAL RESEARCH; BERNARD CONWAY, SECRETARY OF COUNCIL ON DENTAL LEGISLATION; AND DR. C. WILLARD CAMALIER, PAST PRESIDENT

GENERAL STATEMENT

Senator HILL. Now Dr. Hill, Dr. Camalier, and Mr. Conway. We are glad to have you here. We are delighted to hear all of you gentlemen. It is a pleasure. We will be glad to have you proceed now.

Dr. HILL. For the record, I am Dr. Thomas J. Hill, of Cleveland, Ohio. I am chairman of the council on dental research of the American Dental Association. I have served as a member of the National Advisory Dental Research Council for the National Institute of Dental Research, and I am at the present time a consultant to that agency.

With me is Mr. Bernard Conway, who is secretary of the council on legislation of the American Dental Association, and Dr. Willard Camalier, a past president of the American Dental Association.

Senator HILL. And, may I say, both old friends of this committee.

Dr. HILL. We have prepared a statement which we would like to submit for the record. I do not want to read this statement, but I should like to read a summary and, if I may, very briefly discuss some of the pertinent facts.

Senator HILL. You go right ahead.

RECOMMENDATIONS OF DENTAL ASSOCIATION

Dr. HILL. In summary, the specific recommendations are:

That the American Dental Association urges Congress to include in its fiscal 1958 budget for the Public Health Service \$3,700,000 for the construction of a building and facilities for the National Institute of Dental Research.

The association also urges Congress to increase the fiscal 1958 appropriations for the dental health activities of the Public Health Service from the \$6,430,000 proposed by the President to \$7,430,000. The recommended increase of \$1 million would apply to the grants pro-

gram of the National Institute of Dental Research to increase the funds for research-project grants from \$2,825,000 to \$3,325,000, a \$500,000 increase, and to increase the funds for research training grants from \$500,000 to \$1 million, which is another \$500,000 increase.

DENTAL-RESEARCH BUILDING

Now if I may discuss those three things very briefly, I do not believe there is any necessity for me to say anything about the past history of the building, which you know well or much better than I. I would like to call attention to the fact that \$300,000 of this money has been authorized, and the greater proportion of that has been spent, in the preparation of plans. It is my understanding that plans at the present time have progressed to the stage where it would be possible for that building to be started late this fall or the early winter.

I would like also to call your attention to the fact that the money for the building has not been appropriated in spite of the fact that the need for the building is supported both by the Senate Committee on Labor and Public Welfare last year, which is in my prepared statement, and which you remember very well, and again by the House Committee on Appropriations on March 21 of this year, where they reported that it would be desirable and they questioned the advisability of any further delay in this building.

That is submitted in this record, and you are very familiar with that.

The American Dental Association recognizes the urgent need for the construction of this building, and they believe that further delay in building this is economically unsound and certainly not in the best interests of the oral health needs of this Nation.

INADEQUACY OF PRESENT SPACE

We recognize the very cramped condition under which these scientists work, which at the present time in building 2 is about 125 square feet per man, whereas it is desirable to have in the neighborhood of 200 feet or thereabouts. Most of the National Institutes of Health have a very much higher square foot per scientific investigator than do the dental scientists in building 2 at Bethesda.

They are also very cramped because of their lack of animal quarters and the inability to have the space for a library for current issues of publications which should be of ready reference.

I think we also recognize that this inadequacy of space does not permit the economical utilization of technical assistants; which inadequacy decreases the productiveness of that institution. The ratio of technical assistants to principal scientists is now ranging about or a little less than $1\frac{1}{2}$ per man, where it should be raised to over 2 per man. Certainly in 125 feet per man, which is a 10 by 12 room, you cannot have more than 1 assistant in that room, particularly when you have to have a large amount of equipment.

We, the association, believe that this building is urgent. We believe it is urgent from the standpoint of the promotion of the activities of the National Institute of Dental Research and from the standpoint of the oral health needs of this Nation.

RESEARCH-GRANT PROGRAM

The research-grant program: I should like to say that the American Dental Association is very appreciative of the very excellent reception that this committee gave to its requests last year, and I think it is evident that those requests were timely and were good for the Nation's oral health needs.

And may I say that as a matter of comparison in fiscal year 1956 the Public Health Service supported only 51 grants in a total of 22 institutions. The 1957 budget permitted the support of 275 grants in about 75 research institutions. Today, dental research supported by the Dental Institute is being conducted and active programs of research are in progress in 37 of the possible 45 dental schools that we have in this country. That is practically double the dental schools that were conducting active research under this program during fiscal 1956.

Senator HILL. The schools are interested in going right ahead, then?

Dr. HILL. Yes, and other institutions, too, because we have 37 dental schools but we have a total of 80 institutions that have either applied for or are now conducting research—that is, hospitals and some medical schools. So the interest has spread well beyond the schools of dentistry.

QUESTION OF INCREASED OVERHEAD

The President's proposed budget for the fiscal year 1958 would permit \$2,825,000 to be spent on the grants program. That is, assuming that the overhead is not increased. If it is increased, the program will be less than this year's by \$100,000. Of this \$2,825,000 in the proposed program there is about \$2,600,000 committed for projects that are now under way—that is, projects that were started this past year or some in 1956 and 1955, projects that are now under way.

PRESENT FUNDS AVAILABLE FOR GRANTS

So there would be available this coming fiscal year under this present budget less than \$300,000 for new grants. There are now in the hands of the National Institutes of Health 90 applications for research in this dental field, and they will be reviewed at the coming meeting, the June meeting, of the National Advisory Dental Research Council. Those 90 applications make requests for about \$1 million. If only one-third of those applications are approved—that would mean about \$300,000—it would be entirely possible on this present budget for our total funds to be committed before the 1st of October of this year.

The American Dental Association believes that it is imperative to have additional funds for dental research—the need for them is obvious—and requests that the allocation for dental research project grants be increased by \$500,000.

On the training grants program: I am sure it was at the suggestion of Congress that a training grants program was instituted by the National Institute of Dental Research. This program promises to be very successful. At the present time there are 16 centers in which men are now being trained for research in the oral health fields.

As these programs get into their fuller usefulness and into their fuller expanded program, they also will need increased support. There are also some additional areas where training money should

be given. For that reason, and because of the success that has been attained or is promised from the present program, the American Dental Association is requesting that this also be increased by a like amount of \$500,000.

The association believes very strongly that there is a very urgent need for serious thought on these oral-health needs, and it requests that this committee give serious consideration to its recommendations, which are specifically, if I may read those again:

That Congress include in its 1958 budget for the Public Health Service \$3,700,000 for the construction of a building to house the National Institute of Dental Research.

INCREASES REQUESTED FOR DENTAL HEALTH

Second, the association also urges Congress to increase the fiscal 1958 appropriations for the dental health activities—that is, total dental health activities—of the Public Health Service from the \$6,430,000 proposed by the President's budget to \$7,430,000. The recommended increase of \$1 million would apply to the grants program of the National Institute of Dental Research to increase the funds for research project grants from \$2,825,000 to \$3,325,000, a \$500,000 increase, and to increase the funds for research training grants from \$500,000 to \$1 million, another \$500,000 increase.

Now, in addition to the things that I have said, there is considerable additional evidence within this report to substantiate the request that is being made by the association.

Senator HILL. Doctor, I am very anxious, and I am sure Senator Thye is, to see you get your building out there for the Dental Institute. You appreciate what the problem is right now. We have what you might call a freeze on, so far as construction is concerned. The fact of the business is if the money were in the bill, unless there is a very definite change, the construction would not go forward. It would not be expended.

We can appropriate funds, but, of course, we have no power to require the Executive to invest or expend those funds.

Dr. HILL. Senator, I appreciate your very sympathetic interest.

Senator HILL. Well, I am very much interested. In fact, I am disappointed that the building is not under construction, to tell you the truth.

Dr. HILL. I am, too. I believe it is extremely urgent.

Senator HILL. I hoped when we passed the bill last session authorizing the increased amount for the construction and then when we got the funds in the deficiency bill for the plans and specifications that we might certainly at this session of Congress get the funds to go forward with the actual construction. I imagine the reason the House did not put those funds in the bill was the very thing that I have just said about this freeze.

Dr. HILL. May I say that the House indicated that they believed it should be built.

Senator HILL. But they did not put the funds in the bill. And I do not know but I imagine the reason they did not put the funds in was—Go ahead, sir.

Dr. HILL. The House Appropriations Committee reports that it does register the doubt that it is an economical move to defer this con-

struction since the Institutes are having to rent space because of overcrowded conditions in their own buildings. It would indicate that they were very sympathetic.

Dr. CAMALIER. Senator Hill, might I make a statement off the record?

Senator HILL. Go right ahead.
(Remarks off the record.)

NEED FOR BUILDING

Senator HILL. I am anxious and eager to do everything to get this building under construction at the earliest possible moment. I think it ought to be built—not tomorrow, but it ought to be built now. Now.

You realize other problems that we have here—this terrific demand now about not increasing but rather reducing the budget. But I want you to know I am going to make clear my feelings about it. I shall do everything I can, and I am anxious to do everything I can to see to it that this building gets under construction at the very earliest possible moment.

Dr. Camalier, would you or Mr. Conway like to add anything for the record?

TRIBUTE TO COMMITTEE

Mr. CONWAY. I believe Dr. Hill's comments and the statement filed have covered everything adequately, Mr. Chairman. I would like to add that the American Dental Association would like to pay tribute to you again for the excellent cooperation which you and the members of your committees, this committee and the Senate Labor and Public Welfare Committee, performed last year in our behalf, particularly in your efforts to have the Dental Institute building program initiated. And we know in you we have a fighting champion on our side.

Senator HILL. Well, to bring those efforts to fruition we must start pouring concrete. Is that not right?

Mr. CONWAY. Yes, sir.

Senator HILL. That is exactly what I want to see us do—is to start pouring that concrete and get that building under construction.

Dr. CAMALIER. There was one other point. I understand the Department did put this item in the appropriation bill. I mean in their request.

Senator HILL. You mean in the budget request?

Dr. CAMALIER. Their budget request. But somewhere along the line, probably at the Budget Bureau, it was cut out.

Senator HILL. Yes; they put it in their budget request.

Dr. CAMALIER. Is that not an intimation that they might go ahead?

Senator HILL. The Department did make a request to the Budget for \$3,724,000 for the construction of the building, but the Budget did not allow any, and the House did not put any in the bill. But, as I have said, I shall certainly do everything I can to get this building under construction at the earliest possible moment. I sure will.

Off the record.

(Discussion off the record.)

Senator HILL. Back on the record. Doctor, you have brought us a very excellent statement here, and we are very happy to have had you here. We are delighted to have had Dr. Camalier and Mr. Con-

way. You are always most helpful to the committee, and we know you are our friends, and we certainly welcome you here.

Dr. HILL. Thank you very much.

Mr. CONWAY. Thank you.

Dr. CAMALIER. Thank you.

PREPARED STATEMENT

(The prepared statement referred to follows:)

STATEMENT OF THE AMERICAN DENTAL ASSOCIATION ON APPROPRIATIONS FOR THE DENTAL HEALTH AND RESEARCH ACTIVITIES OF THE UNITED STATES PUBLIC HEALTH SERVICE FOR FISCAL 1958 WITHIN H. R. 6287

Mr. Chairman and members of the committee, I am Dr. Thomas J. Hill, of Cleveland, Ohio. I am chairman of the American Dental Association's council on dental research. I have served as a member of the National Advisory Dental Research Council for the National Institute of Dental Research and am presently a consultant to that agency. With me is Mr. Bernard J. Conway, of Chicago, Ill., secretary of the association's council on legislation. I am here today to present the association's recommendations on the need for construction funds for the National Institute of Dental Research building and for an increase in the appropriations for the dental-health activities of the Public Health Service

The need for a building and facilities for the National Institute of Dental Research

Only last year, the American Dental Association through its efforts as an organization and through the petitions of thousands of its members eloquently illustrated to Congress the immediate need for constructing a building for the National Institute of Dental Research. As a result of these efforts both Houses of Congress overwhelmingly approved the enactment of a measure (S. 3246, 84th Cong.) to increase the funds authorized in 1948 (Public Law 753, 80th Cong.) for the Dental Institute building from \$2 million to \$4 million. After enactment the President promptly signed the legislation into law (Public Law 732, 84th Cong.).

Shortly after this increased authorization was enacted, Congress appropriated \$200,000 within the Second Supplemental Appropriations Act, 1957 (Public Law 855, 84th Cong.) for the preparation of plans and specifications for the Dental Institute building.

The President's budget estimate for the next fiscal year (p. 672) indicates that the fiscal 1957 appropriation of \$200,000 for plans has been obligated, with \$150,000 being spent during this fiscal year and \$50,000 to be spent during fiscal 1958. The original plans completed in 1950 cost about \$100,000.

Thus, \$300,000, a substantial portion of the \$4 million authorized for the Dental Institute building, is already committed. Despite this, the President's fiscal 1958 budget estimate eliminated a request of the Department of Health, Education, and Welfare for an appropriation to construct the Dental Institute building. The American Dental Association is convinced that no sound argument exists for a further delay in constructing the Dental Institute building. The unanimous report of the Senate Committee on Labor and Public Welfare (S. Rep. 1719, 84th Cong.) on the building authorization legislation testifies to the need for immediate construction of the building. I would like to quote from that report:

"The Committee on Labor and Public Welfare unanimously recommended and the Congress in passing the National Dental Research Act of 1948 approved and authorized the construction of a building to house the activities of the National Institute of Dental Research. In that legislation the Congress authorized an appropriation of not to exceed \$2 million for the construction of that building. Subsequently, the Congress appropriated \$100,000 which was used to develop building plans and specifications for the Dental Institute. The conflict in Korea intervened, however, and, of necessity, the construction work had to be postponed. Subsequently, and despite the fact that plans for the building have been drawn at a great cost, there has been no appropriation to begin its construction. The explanation is very simple. It lies in the fact that building costs have advanced considerably since 1948, and while the sum of \$2 million was

undoubtedly sufficient at that time, to construct the Dental Institute building in accordance with the already approved plans, it would, it is estimated, cost a great deal more now than the amount originally estimated. Failure to initiate the construction of the Dental Institute building at the time Congress authorized the project has proved a most costly postponement. If this construction should be further postponed, it will be still more wasteful. More important than the monetary aspects of this situation, however, is the fact that lack of proper facilities for the Dental Institute's program poses a serious threat to this Nation's progress toward the effective control and prevention of dental disease."

Inadequacy of existing space and facilities for the National Institute of Dental Research activities

The American Dental Association has firsthand knowledge of the physical facilities needed by the Dental Institute. The association's president, Dr. Harry Lyons, and two members of the association's staff have served on the National Advisory Dental Research Council. Dr. H. Trendley Dean, secretary of the association's council on dental research, served as Director of the National Institute of Dental Research. My own evaluation of the facilities required for effective research is based upon my background as a department head at Western Reserve University's Dental School charged with conducting a research program, as a member of the Dental Institute's Advisory Dental Research Council, and as a consultant to that agency.

The Dental Institute building, as planned, would contain about 35,000 square feet (net) of working space. The present facilities for dental research activities provide less than 10,000 square feet. Some of the dental schools have more working space for dental research than is assigned to the Dental Institute with its much larger scientific staff. New York University and the University of Minnesota are good examples. The former has 15,000 square feet of its facilities available for dental research; the latter has 13,000 square feet.

Seven years ago, officials of the Public Health Service indicated in testimony on the fiscal 1950 and 1951 budgets that the clinical center and other planned construction could not provide sufficient space for the Dental Institute. That prediction is now a fact.

Because of the steady and vitally needed expansion of the programs of the other Institutes of Health, the Dental Institute scientific staff has again been shifted. Most of the staff is now located in building No. 2 at Bethesda. In building No. 2, the Dental Institute has approximately 125 square feet of floor space for each principal investigator. The association has been informed that the minimal standard allowance for the National Institutes of Health is 150 feet of space for each principal investigator. Actually, in most of the Institute buildings an average laboratory contains 218 square feet of floor space. The animal facilities for the Dental Institute at building No. 2, furthermore, are inadequate and there is no area available to the dental scientists for a library where literature may be stored for convenient access to the dental staff.

There is a further factor contributing to the critical need for space. The ratio of supporting laboratory personnel to the principal scientific investigators at the Dental Institute is about $1\frac{1}{2}$ to 1. The most efficient use of the highly trained research staff will require an increase to provide two or more technicians or assistants for each principal investigator. This is simply impossible under presently proposed space allocations, but could be realized within the next 3 years, if the construction funds for the Dental Institute are appropriated during this session of Congress.

The space and personnel problems at the Dental Institute were highlighted during last year's hearings on the building authorization legislation before the Subcommittee on Health and Science of the House Committee on Interstate and Foreign Commerce. A member of the committee asked Dr. James A. Shannon, Director of the National Institutes of Health, whether the number of supporting laboratory personnel at the Dental Institute was adequate. Dr. Shannon replied:

"I can't give you a figure for that, sir. This [supporting laboratory personnel at the Dental Institute] is calculated on the basis of space assigned to the Dental Institute. To make effective use of all their people, they would have to have more space than we can provide."

Again, the report of the Senate Committee on Labor and Public Welfare, only last year, declared:

"The testimony of these individual witnesses as to the need for the construction of separate housing for the national Institute of Dental Research, the

desirability of promptly proceeding with such construction * * * was impressive. They have convinced the committee that the scientists now working at the Dental Institute are so crowded that effective work is difficult and expansion almost impossible. Moreover, the services of men of outstanding ability are not being utilized to the full, inasmuch as there is insufficient space to house the number of research workers who, if they could be assigned to assist chief investigators, would multiply the efficiency and output of the latter."

The National Institute of Dental Research has a mandate from Congress to conduct investigations in two areas—basic research and clinical research. Unless plans are executed now for constructing adequate facilities for the Dental Institute, its basic research program cannot attain the effectiveness envisioned by Congress. The House Committee on Appropriations, in its report of March 21, 1957, on Health, Education, and Welfare appropriations for fiscal 1958, confirmed this position. On page 18 of that report (House Rept. 217, 85th Cong.) the committee declared:

"The policies of the executive branch with regard to buildings has already been discussed at some length in this report [pp. 8-10]. Since there is ample information in the hearings with regard to the urgent need for a new administration building and a new dental research building the committee will not burden the report with a recitation of the need, but it does register its doubts that it is even an economical move to defer this construction since the Institutes are having to rent space because of the overcrowded condition in their own buildings."

The need for an expanded program at the National Institute of Dental Research

The dental diseases have not been dramatized as have cancer, heart disease, arthritis, and many crippling afflictions of children. Nevertheless, they account for a tremendous toll in human suffering and depreciation of health; they bear importantly upon the ability of thousands of persons to gain and hold employment.

The dental diseases are so complex in their causation that successful research on these problems requires the combined and coordinated knowledge and skills of many scientists—dentists, anatomists, histologists, nutritionists, pathologists, pharmacologists, bacteriologists, histochemists, biochemists, physiologists, physicists, roentgenologists, physicians, statisticians, and others. Only in an adequately housed, equipped, and staffed National Institute of Dental Research can all these workers and their efforts be fully coordinated in an effective assault on major dental problems such as—

Cleft palate and harelip congenital deformities, a condition present in 1 out of every 800 live births in this country.

Malocclusion or crooked teeth and associated facial deformities, which have a relation to gastric disorders, facial esthetics, mental well-being, and many other aspects of health.

Dental caries or tooth decay and its infectious results, which afflict over 95 percent of our population. For example, in rheumatic heart disease and subacute bacterial endocarditis, both of which are dramatic killers of persons of all ages, their relation to dental caries and resultant infections is an established fact.

The periodontal or gum diseases, which are essentially complete mysteries as far as their causes and prevention are concerned. Given a long enough lifetime, furthermore, everyone succumbs to some type of gum disease, accounting for the loss of 75 percent of all teeth.

Cancer of the mouth, which accounts for 6 percent of all cancers.

Many types of investigations in these areas which are in need of expanded research require expensive facilities and equipment that cannot ordinarily be provided by non-Federal research centers such as the dental schools. The direct-research program of the National Institute of Dental Research was created to carry on such investigations. It is essential that the Dental Institute be provided with the space, facilities, and equipment to launch its contribution to the dental-research program that this Nation deserves. The American Dental Association urges Congress to include within the fiscal 1958 budget an appropriation of \$3,700,000 for the National Institute of Dental Research building.

The need for an increase in funds for the research project grants administered by the National Institute of Dental Research

The American Dental Association deeply appreciates the overwhelming support that this committee gave to the association's recommendations for the Dental Institute's grant programs last year. The substantial funds (\$2,700,000) allocated for non-Federal dental research projects have provided a powerful stimulus to the dental schools and other research centers interested in conducting dental research. The association assured this committee last year that these dental research institutions were prepared to initiate more than 200 projects. At that time, the Dental Institute was supporting only 51 projects. Today, the Dental Institute is supporting 275 projects. In addition, there are at least 90 applications for grants to be reviewed at the June meeting of the National Advisory Dental Research Council. In terms of the number of institutions involved, these projects and applications represent 37 of the Nation's 45 dental schools and 43 other research institutions, a total of 80. In contrast, during fiscal 1956, the Dental Institute supported only 45 projects in 22 institutions. This healthy interest and extraordinary progress in dental research deserves to be maintained and heightened.

The President's budget estimate for fiscal 1958 allocates \$2,825,000 to the National Institute of Dental Research for dental research project grants, an increase of \$125,000 over the fiscal 1957 allocation. H. R. 6287 requires that the increase over the fiscal 1957 allocation be devoted to research rather than to an increase in the overhead allowance for research projects, as proposed within the President's budget estimate. But, should the allocation for dental research project grants during fiscal 1958 be at the level of \$2,825,000 as proposed within H. R. 6287, there will be little, if any, funds available to the Dental Institute to support projects submitted during fiscal 1958. This will be true for the following reasons:

First, \$2,300,000 or thereabouts is needed to continue during fiscal 1958 approximately 240 projects which are beginning during this fiscal year;

Second, about \$300,000 is needed to continue during fiscal 1958 approximately 30 projects begun during fiscal year 1956 and earlier years;

Third, less than \$250,000 of the \$2,825,000 fiscal 1958 allocation will be available for beginning projects after July 1, 1957;

Fourth, the National Advisory Dental Research Council will review at its June meeting about 90 applications amounting to more than \$1 million. If grants are awarded to support 30 of these projects, the \$2,825,000 fiscal 1958 allocation will be committed before October of 1957.

The association's council on dental research, through its close liaison with the dental schools and research centers, believes that it is urgent that these institutions be given support for a number of new projects, many of which can be started in fiscal 1958 if the Dental Institute has the funds to support them. Some of these important investigations are in the following fields:

Radiation and methods for improving dental X-ray techniques.

Congenital anomalies of the mouth.

Tobacco as a factor in oral cancer.

Malocclusion and associated deformities.

Periodontal disease in higher primates.

Biological stress and periodontal disease.

The Papanicolaou technic in respect to oral cancer (early recognition of cancer).

Bone physiology—the tolerance of bone to various types of metal and non-metal implants.

Oral infections—*streptococcus viridans* and its relation to subacute bacterial endocarditis.

Dental caries—exploration of methods for preventing new cavities from forming under fillings.

Dental caries—control of tooth decay in persons who do not get fluoridated water in childhood.

Dental caries—prenatal dietary influences.

Periodontal (gum) disease—understanding the mechanism of inflammation.

Periodontal disease—epidemiological studies of general and selected populations

Salivary glands—their relation to oral and general systemic health, including a study of trace inorganic elements, proteins, and enzymes

Physiology of the mouth

The American Dental Association believes that it is imperative that Congress provide at least an additional \$500,000 for the project grant program of the National Institute of Dental Research.

The need for an increase in funds for the training grants administered by the National Institute of Dental Research

The Dental Institute has inaugurated a program of training grants to support the establishment of research training centers in the dental schools and other dental research institutions. The significance of this program is fully recognized by the association. The expansion of this Nation's health research efforts depends primarily upon increasing the number of competent and devoted research scientists.

The \$500,000 allocated for dental training grants during fiscal 1957 has already been awarded to support new or enlarged training centers in 16 schools and other research institutions. Each of the training centers supported from this year's allocation will need even greater support for from 3 to 4 additional years as their programs reach their peak levels. Thus, unless there is an increase in the \$500,000 allocation for training grants during fiscal 1958, none of the training programs will be able to enroll the number of young aspiring scientists that could otherwise be absorbed. This will mean a further delay in producing vitally needed research scientists. Additionally, to hold the training grant allocation at the fiscal 1957 level means that no new training programs will be supported during fiscal 1958.

The American Dental Association strongly urges Congress to provide an additional \$500,000 for training grants program of the National Institute of Dental Research.

It has been a strong conviction of the American Dental Association that our Federal Government should respond to the urgent appeals of the dental profession to support and engage in research which may lead to the preventive solution of diseases afflicting our entire population. This is economy of the highest type. Speaking of dollar economy, I would like to point out that the American Dental Association cooperated with Congress only a few years ago to accomplish a substantial saving in Federal expenditures. In 1953 and 1954, both the House Veterans' Affairs Committee and the House Appropriations Committee expressed their concern over the annual expenditures for the outpatient dental care of veterans. In fiscal 1952 nearly \$40 million of Federal funds was spent for this purpose. In 1954, the association developed a realistic, yet equitable, plan for the dental care of veterans. This was enacted into law in 1955 (Public Law 83, 84th Cong.). I would like to call your attention to the proposed budget for veterans' outpatient dental care for fiscal 1958; it is in the order of \$5 million.

Association's recommendations

In summary, the American Dental Association urges Congress to include in the fiscal 1958 budget for the Public Health Service \$3,700,000 for the construction of a building and facilities for the National Institute of Dental Research.

The association also urges Congress to increase the fiscal 1958 appropriations for the "dental health" activities of the Public Health Service from the \$6,430,000 proposed by the President to \$7,430,000. The recommended increase of \$1 million would apply to the grants program of the National Institute of Dental Research—

to increase the funds for research project grants from \$2,825,000 to \$3,325,000 (a \$500,000 increase);

to increase the funds for research training grants from \$500,000 to \$1 million (a \$500,000 increase).

In behalf of the American Dental Association, I thank the committee for the opportunity of presenting this testimony.

LETTER FROM SENATOR HICKENLOOPER

Senator HILL. We have a letter addressed to the chairman of the Committee on Appropriations from Senator Hickenlooper, of Iowa, enclosing a message to him from Dr. W. H. Smith, president, Des Moines District Dental Society, in reference to funds for the construction of the National Institute of Dental Research. These letters will be included in the record of the hearings at this point.

(The letters referred to follow:)

UNITED STATES SENATE,
COMMITTEE ON FOREIGN RELATIONS,
May 8, 1957.

HON. CARL HAYDEN,
*Chairman, Committee on Appropriations,
United States Senate, Washington, D. C.*

DEAR MR. CHAIRMAN: I am enclosing a letter received from Dr. W. H. Smith, president, Des Moines District Dental Society, in reference to funds for construction of the National Institute of Dental Research. It is my understanding that there is an authorization in the amount of \$4 million for this building.

I will appreciate it if the committee could give consideration to Dr. Smith's letter, and I hope that it may be possible to have committee approval of legislation for this construction.

Yours sincerely,

B. B. HICKENLOOPER.

DES MOINES DISTRICT DENTAL SOCIETY,
Des Moines, Iowa, May 4, 1957.

HON. B. B. HICKENLOOPER,
United States Senate, Washington 25, D. C.

DEAR SENATOR HICKENLOOPER: As president of the Des Moines District Dental Society, I wish to urge you to support, and to use your influence among your Senate colleagues to authorize the immediate construction of the building for the National Institute of Dental Research.

The need for such a structure has been great for too long a time already. The delay has been costly and further indecision may involve still greater outlay of funds if not authorized in this present session.

Any assistance that you can give to the dental profession will be appreciated.

Sincerely yours,

DR. W. H. SMITH.

LETTERS FROM SENATOR CASE OF SOUTH DAKOTA

Senator HILL. We have a letter addressed to Senator Hayden, chairman of our committee, from Senator Case of South Dakota, enclosing a message to him from Dr. Robert A. Beilby, president of the First District Dental Association of South Dakota, and a telegram from Dr. Robert Wood, secretary of the Fifth District Dental Society of South Dakota, urging the appropriation of \$3,700,000 for construction of a research building for the National Institute of Dental Research.

These communications will be inserted in the hearings at this point.
(The material referred to follows:)

UNITED STATES SENATE,
COMMITTEE ON PUBLIC WORKS,
YANKTON, S. DAK., May 4, 1957.

HON. CARL HAYDEN,
*Chairman, Committee on Appropriations,
United States Senate, Washington, D. C.*

MY DEAR MR. CHAIRMAN: I enclose a letter from Dr. Robert A. Beilby, president of the First District Dental Association of South Dakota, and a telegram from Dr. Robert M. Wood, secretary of the Fifth District Dental Society of

South Dakota, in support of an appropriation of \$3.7 million to be made available for construction of a research building for the National Institute of Dental Research.

I hope your committee will consider these communications as they work on the appropriation bill for the Departments of Labor and Health, Education, and Welfare.

With best wishes.

Sincerely yours,

FRANCIS CASE, *South Dakota.*

YANKTON, S. DAK., May 4, 1957.

HON. FRANCIS CASE,

United States Senate, Washington 25, D. C.

DEAR SIR: As president of the First District Dental Association of the South Dakota Dental Association, I urge you to make known to Senators Hayden and Hill of the Senate Appropriations Committee your support of the American Dental Association's recommendation that \$3.7 million be made available this year for the construction of the research building for the National Institute of Dental Research.

That Congress and the President recognize the critical need for this building was shown last year when the special bill increasing the construction funds was passed and signed. Deferring the construction of this building will greatly retard the progress of the research program of the National Institute of Dental Research and of the Nation's dental schools.

I am speaking for the entire first district of the South Dakota Dental Association when I urge that these authorized funds be made available so that construction of the building may go ahead this year.

Everything you can do to facilitate authorization of the necessary funds for the construction of the research building will be greatly appreciated.

Very truly yours,

ROBERT A. BEILBY, D. D. S.

STURGIS, S. DAK., May 4, 1957.

Senator FRANCIS CASE,

Senate Office Building, Washington, D. C.:

The Fifth District Dental Society has unanimously approved support for appropriation of \$3,700,000 be made available for construction of research building for the National Institute of Dental Research this year. Please support this critical need by contacting Senators Hayden and Hill.

ROBERT M. WOOD

Secretary, Fifth District Dental Society.

Senator HILL. The committee will now stand in recess until 10 a. m. tomorrow.

(Whereupon, at 1:05 p. m., Monday, May 6, 1957, the subcommittee was recessed, to be reconvened at 10 a. m., Tuesday, May 7, 1957.)

LABOR-HEALTH, EDUCATION, AND WELFARE APPROPRIATIONS, 1958

TUESDAY, MAY 7, 1957

UNITED STATES SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, D. C.

The subcommittee met, pursuant to recess, at 10 a. m., in room F-82, the Capitol, Hon. Lister Hill presiding.
Present: Senators Hill and Pastore.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

OFFICE OF EDUCATION

THE NATIONAL EDUCATION ASSOCIATION OF THE UNITED STATES

STATEMENT OF WILLIAM G. CARR, EXECUTIVE SECRETARY

GENERAL STATEMENT

Senator HILL. The committee will kindly come to order.

Dr. Carr, we are glad to have you here this morning. We will be happy to have you proceed in your own way.

Dr. CARR. Thank you, sir. It is good to be back with you again, Senator.

I have a statement here, sir.

Senator HILL. Will you file it for the record?

Dr. CARR. It will take about 10 or 15 minutes to read it, and I believe I can save your time by calling your attention to 1 or 2 salient points and then I will file the whole statement for the record.

Senator HILL. All right, Doctor. We are glad to have you do so.

ACCEPTANCE OF HOUSE ALLOWANCE

Dr. CARR. We really have just three points to ask the committee to consider. The first relates to the budget of the United States Office of Education. The House has approved and voted a \$7 million budget against a request of \$7,500,000.

We believe that this program is necessary to develop the cooperative research activities of the Office and the general function of leadership which Congress has assigned. Therefore, we would ask that the Senate committee will sustain the position of the House and approve the \$7 million which it has voted.

PROVISO ON EXPENSES STRICKEN

There is one other relatively minor but still touchy point with reference to the Office of Education appropriation act. For many years, Senator, this legislation has contained a provision which provided that honoraria and travel expenses paid to members of the Office of Education who were invited to go various places in the United States to speak could accrue to the benefit of the funds of the Office of Education. Now, that proviso was stricken from the language of the current appropriation.

Senator HILL. We have that same problem with the United States Public Health Service I might say—

Dr. CARR. Yes.

Senator HILL (continuing). And others whose funds are carried in this bill.

NEED FOR RESTORATION OF TRAVEL FUNDS

Dr. CARR. It would seem, if a local or State educational authority is willing to pay the expenses for bringing an Office of Education expert to work with them on improvement of education in their communities, that the least the Congress and the United States Government could do would be to refrain from penalizing the Office of Education for accepting the invitation to render the precise kind of advisory service that the Office is supposed to render.

Therefore, we would ask that this language, which has been in the Office for many years, be put back in.

Senator HILL. It went out on a point of order.

Dr. CARR. Yes, sir, it did go out on a point of order, and we hope it will be possible for the Senate to restore this provision.

RURAL LIBRARY SERVICES

Now, the second point, leaving the Office of Education, relates to the public library services for rural areas under Public Law 597.

Public Law 597 authorizes an appropriation of \$7,500,000 a year for 5 years, but for the current fiscal year—that is, fiscal 1957—only slightly over \$2 million was appropriated. But this was enough to give each State its minimum allotment.

HOUSE ACTION INCREASES FUNDS

For the fiscal year of 1958 the Budget Bureau requested \$3 million, which is less than half, you will note, of the amount that the Congress has authorized. The House in passing the appropriation measure H. R. 6287 has allowed \$5 million for rural library grants, which is \$2 million over the request of the Budget Bureau. And we certainly hope that this committee and the Senate will sustain that action at the very least and consider indeed increasing the appropriation further to something near the full amount of \$7,500,000 authorized by statute.

This is a 5-year program with a terminal date. It is quite clear that Congress passed the legislation expecting, I think, that an amount of about \$7,500,000 a year would be provided to be matched by the States.

Senator HILL. Yes.

Dr. CARR. And to come far short of going to the amount authorized by statute seems to be economizing at the expense of a section of our country that really should not be penalized in this way. These folks in the rural areas have great need for good library service.

Senator HILL. Which they do not have today.

Dr. CARR. They do not have it.

Senator HILL. In fact, many thousands of them, millions of them, do not have any service at all.

Dr. CARR. The motive back of this legislation was so excellent that it seems to be a pity that it should be broken down and dissipated in dribblets of money when the total amount authorized by statute is—

Senator HILL. So small to begin with?

Dr. CARR. A very small amount in the scale of the United States Government operations.

COMMITTEE ON EDUCATION BEYOND HIGH SCHOOL

The third and last point relates to the President's Committee on Education Beyond the High School. The proposal has been made that the budget for this Committee be \$300,000, and the House has allowed \$200,000, or the House Appropriations Committee allowed \$200,000, on the assumption that this would carry the Committee through the rest of 1957 and allow it to complete its report. But on the House floor there was an amendment which struck out all the funds for the Committee so that unless something is done by the Senate and by conference committee, the work of the President's Committee on Education Beyond the High School will terminate in June at the end of the fiscal year.

Now, we all know that we had a White House Conference on Education, and it served a useful purpose in calling attention on a nationwide scale to some of the problems of our schools. We knew that these problems existed, it is true, but a good deal of national publicity and a good deal of thinking on the part of the general public was engendered by the activities prior to, during, and following the White House Conference.

RESTORATION OF FUNDS REQUESTED

We have a roughly analogous situation in the Committee on Education Beyond the High School, and we have little time before the great wave of oncoming enrollments engulfs our colleges and leaves us with very little time for planning.

If this modest amount of \$200,000 could be restored to the budget by the Senate with the concurrence of the House, it would permit the Committee to make the most of the money that has already been invested in carrying its studies along thus far. They need about 6 months to finish.

Senator HILL. If we do not provide the \$200,000, you leave the work you have done suspended in midair with no benefit to anyone and most probably a waste of the money that has been expended to date? Is that right?

Dr. CARR. Yes, sir; I agree. There have been I think 6 or 7 regional conferences that have been held in order to ascertain the opinions and judgments of people throughout the country with regard to what we should do about meeting the needs of higher education, and if

these findings of these regional conferences cannot be sifted out, brought together, and put into usable information, then all of the expense of holding them will have merely provided a forum for discussion without any channel for action, which is unfortunate and frustrating.

Well, Senator, the Office of Education, the libraries, and the committee are the three points I wished to ask you to consider, and I know we will have from you, as we always have, the most friendly, helpful consideration on educational question.

Senator HILL. Doctor, we very much appreciate your statement. We appreciate your being here. Thank you very, very much.

Dr. CARR. It is an honor. Thank you, sir.

(Dr. Carr's prepared statement follows:)

STATEMENT OF WILLIAM G. CARR, EXECUTIVE SECRETARY, THE NATIONAL EDUCATION ASSOCIATION OF THE UNITED STATES, WASHINGTON, D. C.

Mr. Chairman and members of the committee, I am William G. Carr, executive secretary of the National Education Association, a voluntary association of nearly 700,000 members of the teaching profession. I appear before this subcommittee with regard to appropriations for educational programs in H. R. 6287, the Departments of Labor, and Health, Education, and Welfare appropriation bill for 1958. The specific programs in which the NEA is interested as a matter of policy are the salaries and expenses of the United States Office of Education, rural library service grants, and the President's Committee on Education Beyond the High School.

The NEA and the United States Office of Education are roughly contemporaries. As we celebrate our 100th year of service, the Office of Education is in its 90th year. The establishment of the Office of Education was one of the first goals of the NEA after it was founded. The development of the Office as a service and leadership agency within the Federal Government has been a continuing concern of the NEA.

At its annual representative assembly in 1956 in Portland, Oreg., the association adopted the following resolution: "The National Education Association reaffirms its belief that education will best be served at the national level by an independent United States Office of Education under a national board of education. It believes that legislation to create an independent United States Office of Education should be enacted in order to provide appropriate, non-partisan, Federal leadership in meeting educational problems of nationwide concern.

"The association considers it imperative, under any circumstances, that the Federal Government establish conditions and provide funds adequate to employ educational leadership of the highest professional competence. The association urges that the United States Commissioner of Education be appointed for a definite term of office. It further urges increased appropriations for research and for other service specified by existing legislation."

As I understand it, the situation with regard to the 1958 appropriation for the Office of Education is that the President's budget requested \$7.5 million for this purpose, and the House has voted \$7 million, the amount recommended by the Appropriations Committee of that body. The reduction of \$500,000 was made in view of the fact that the Office has been unable to recruit additional personnel to fill the new positions authorized for the current fiscal year (1957). Even so, the \$7 million allowed by the House will permit the Office to consolidate the program begun last year and to develop the cooperative research program in the manner intended by Congress.

In its consideration of H. R. 6387, the House struck out on a point of order the following language from the Office's appropriation: "*Provided*, That all receipts from non-Federal agencies representing reimbursement for expenses of travel of employees of the Office of Education performing advisory functions to the credit of this appropriation."

One of the chief functions of the Office has been to provide consultative service to educational organizations and institutions outside of the Federal Government. Such organizations or institutions are often prepared to pay the expenses of having an official of the Office of Education come to a meeting or a

conference. This reimbursement is credited back to the Office instead of being covered into the general fund of the Treasury. In this way, the limited travel funds of the Office of Education can be made to go a little further without additional cost to the Federal Government. The appropriation language for the Office of Education has contained for many years a proviso which, in effect, puts a part of the travel funds of the Office of Education on a revolving fund basis. Without this language, any reimbursement paid by an educational institution or organization cannot be credited to the travel fund of the Office of Education so that when the fund is exhausted the services of the Office must be curtailed. We hope that it will be possible for the Senate to restore this provision. Surely, if a group wants to utilize the services of an Office of Education specialist and is willing to pay his travel expenses, some way should be found for this to be done without penalizing the Office of Education financially.

LIBRARY SERVICES

During the 84th Congress and for several years prior to the passage of Public Law 597, the NEA joined other national organizations in advocating a program of Federal grants-in-aid to the States to develop and improve library services in rural areas. The policy of the association is stated in the following resolution, also adopted at Portland, Oreg., by the 1956 NEA Representative Assembly: "The National Education Association believes that a strong public library system is a vitally necessary adjunct to the operation of public schools. The association believes that farm and other rural families should have the same access as urban dwellers to books, newspapers, magazines, audio-visual materials, and other sources of information which well-developed city library systems now provide.

"The association commends the Congress for its recently enacted legislation providing grants-in-aid to the States for the development of rural library services."

Although Public Law 597 authorizes an appropriation of \$7.5 million a year for 5 years, only \$2,050,000 was appropriated for the current fiscal year (1957). This was sufficient to allow each State its minimum allotment under the terms of the act. For fiscal year 1958 the budget requested \$3 million, considerably less than half the amount authorized by Public Law 597.

In passing H. R. 6287, the House has allowed \$5 million for rural library service grants, an increase of \$2 million over the budget request. We hope that this committee and the Senate will not only sustain that action but consider seriously increasing the appropriation to somewhere near the full amount of \$7.5 million authorized by statute. The rural library services grant program is a 5-year program and the \$7.5 million authorized for each year of the program was based on a determination that this was the minimum needed to stimulate the States to expand their library services in rural areas.

EDUCATION BEYOND THE HIGH SCHOOL

Finally, a word or two about the President's Committee on Education Beyond the High School for which the budget request was \$300,000. The House Appropriations Committee was allowed \$200,000 on the assumption that this would finance the operations of the President's Committee until December 31, 1957. An amendment adopted in the House struck out all funds for this Committee so that, unless these funds are restored by subsequent action of the Senate and of the joint conference committee, the work of the President's Committee on Education Beyond the High School must terminate June 30.

As most members of this committee know, in December 1955 we had a White House Conference on Education which was devoted largely to the problems of elementary and secondary education. This White House Conference called widespread public attention to the facts about the status and condition of our elementary and secondary schools. As far as higher education is concerned, we need to face the future implications for our colleges and universities of those enrollment increases which are already overtaxing the resources of our elementary and high schools. We have a few years before the crisis comes to a head, and we would do well to use these few years for national, regional, and State planning in the field of higher education. The President's Committee on Education Beyond the High School will stimulate such planning and will focus public attention on the needs of higher education in the immediate future. Certainly, we will be better off planning and thinking now for what must be done

in higher education rather than waiting until higher education is confronted with the same sort of emergency that confronts schools below college level right now. Therefore, on behalf of the National Education Association, I urge this committee to allow funds for the President's Committee on Education Beyond the High School sufficient for them to complete their work by the end of this calendar year. On behalf of the Association for Higher Education, a department of the NEA, I should like to file for the record two resolutions adopted at its Twelfth National Conference on Higher Education, together with a statement of the action taken by the executive committee at that time, supporting the expansion in services and budget of the Office of Education and the appropriation for the President's Committee on Education Beyond the High School.

Two resolutions which were adopted by participants in the Twelfth National Conference on Higher Education, sponsored by the Association for Higher Education, at the final general session, Wednesday, March 6, 1957, and approved by the executive committee of the Association for Higher Education are:

"Resolution 6: The President's Committee on Education Beyond the High School.—The Twelfth National Conference on Higher Education commends the President's Committee on Education Beyond the High School for the progress evidenced by its First Interim Report to the President. The conference wishes, in particular, to emphasize the need outlined in this report for developing a * * * considered policy as to the role of the Federal Government in education beyond the high school * * *."

"Resolution 7: United States Office of Education.—

(a) The Twelfth National Conference on Higher Education believes that the projected expansion in American higher education will require a greatly strengthened United States Office of Education, equipped, staffed, and financed to provide a wide range of services to colleges and universities. The Twelfth National Conference on Higher Education commends the steps taken recently to accomplish this, and urges that the level of support for the United States Office of Education be substantially raised, and that it be given a larger role in educational policymaking at the national level. In particular, the present conference recommends that all Federal educational affairs be coordinated by or channeled through the Office of Education.

(b) The Twelfth National Conference on Higher Education expresses its approval of the United States Office of Education's recently inaugurated research contract program, which enables colleges, universities, and State departments of education to collaborate with the United States Office of Education in studies of school and college problems. It urges increased financial support for this endeavor and an extension of the plan to permit negotiation of such contracts with recognized educational associations."

In addition, the executive committee of the AHE adopted the motion that President Eisenhower's total budget request for the President's Committee on Education Beyond the High School be supported by the Association for Higher Education.

I appreciate this opportunity to present to this committee the view of the National Education Association on appropriations for the Office of Education and the programs related to it.

RESOLUTION

Senator HILL. I have received a resolution of the New England Regional Conference Committee, the President's Committee on Education Beyond the High School, forwarded by Mr. Samuel G. Atkinson, executive director, with respect to the appropriation request for the President's Committee on Education Beyond the High School. The resolution and Mr. Atkinson's letter will be inserted in the record at this point.

(The material referred to follows:)

NEW ENGLAND REGIONAL CONFERENCE COMMITTEE,
THE PRESIDENT'S COMMITTEE ON EDUCATION BEYOND THE HIGH SCHOOL,
Winchester, Mass., May 17, 1957.

HON. LISTER HILL,
Senate Office Building,
Washington, D. C.

DEAR SENATOR HILL: In view of your chairmanship of the Senate Subcommittee on Appropriations, it is requested that you give serious consideration to the accompanying resolution. Copies of it have been forwarded to Senator Hayden and the 12 Senators from New England.

Sincerely,

SAMUEL G. ATKINSON,
Executive Director.

RESOLUTION PASSED UNANIMOUSLY BY THE NEW ENGLAND REGIONAL CONFERENCE
FOR THE PRESIDENT'S COMMITTEE ON EDUCATION BEYOND THE HIGH SCHOOL—
MAY 14, 1957

Whereas it is felt that the adequate discussion and planning of measures to meet the approaching crisis in education beyond the high school occasioned by the sharp rise in college-age population should be supported by a formal organization to gather, coordinate, report and interpret the reflective opinion of educational and lay leaders, a support now available through the President's Committee on Education Beyond the High School; and

Whereas it appears that the needed financial support for such investigation and report is now being withdrawn by Congress by the withholding of appropriation next year; and

Whereas this lack of support will result in the inability of the committee now in session properly to gather and publish the recommendations of the five regional conferences already held, resulting in a regrettable loss of this reflection of public opinion on a vital issue: Be it

Resolved, That the New England Regional Conference of the President's Committee on Education Beyond the High School be entered on record as deploing the withholding of the appropriation for the President's Committee; and furthermore be it

Resolved, That the executive director of the New England Regional Conference be instructed to communicate with the appropriate agent the recommendation of this conference that the appropriation for the President's Committee be restored at once.

THE NEW ENGLAND REGIONAL CONFERENCE OF THE PRESIDENT'S COMMITTEE ON
EDUCATION BEYOND THE HIGH SCHOOL, MAY 13 AND 14, 1957, BOSTON, MASS.

Roster of participants

CONNECTICUT

Name	Organization and location	Discussion— Table No.
Carter Atkins.....	Connecticut Public Expenditures Council, Hartford.....	
William C. Bell.....	United Illuminating Co., New Haven.....	1
Samuel Berkman.....	Dean, Hartt College of Music, Hartford.....	6
Roland Bivler.....	J-B-T Instruments, Inc., New Haven.....	12
John D. Briscoe.....	Silent Meadow Farm, Lakeville.....	1
Raymond Brock.....	Brock-Hall Dairy, Hamden.....	4
Victor L. Butterfield.....	President, Wesleyan University, Middletown.....	8
Bice Clemow.....	West Hartford News, West Hartford.....	5
Wm. B. S. Clymer.....	Superintendent of training, Pratt & Whitney Aircraft Division, United Aircraft Corp., East Hartford.....	15
Mrs. Leo M. Davidoff.....	New Canaan.....	19
William C. DeVane.....	Dean, Yale College, New Haven.....	4
Allen L. Dresser.....	Principal, Rockville High School, Rockville.....	11
Edwin Eberman.....	Director, Famous Artists School, New Canaan.....	20
Rev. Jos. D. Fitzgerald.....	President, Fairfield University, Fairfield.....	7
Fred Hechinger.....	Bridgeport Herald, Bridgeport.....	2
Alan Hugg.....	State director of adult education, State board of edu- cation, Hartford.....	19

Roster of participants—Continued

CONNECTICUT—Continued

Name	Organization and location	Discussion— Table No.
Mrs. Dorothy S. Hutton	Somers	7
Albert N. Jorgenson	President, University of Connecticut, Storrs	
Bryce Jose	Education department, Southern New England Telephone Co., New Haven	20
Henry W. Littlefield	University of Bridgeport, Bridgeport	8
Joseph M. Loughlin	Commission of Finance and Control, Hartford	15
Milton Mandelson	Vice president, D. M. Read Co., Bridgeport	
Albert I. Mann	Assistant dean, College of Agriculture, University of Connecticut, Storrs	16
Albert P. Mathers	Superintendent of schools, New Canaan	22
Mrs. Joseph A. Menousek	Plainville	21
Atwood Northby	Division of student personnel, Storrs	9
Edward S. Noyes	Dean, Yale University Hall of Graduate Studies, New Haven	22
Rosemary Park	President, Connecticut College, New London	3
Pascal Poe	Dean, Hillyer College, Hartford	
Mr. Emmett O'Brien	State director of vocational education, Hartford	
Richard S. Ricciardi	Director of Adult Education, Fairfield	20
Mrs. Frances Roth	Culinary Institute of America, New Haven	18
William J. Sanders	Commissioner of education, Hartford	16
Townsend Scudder	Washington	19
Marion C. Sheridan	AAUW, New Haven	8
Alan Sherk	Hopkins Grammar School, New Haven	10
Lester E. Shippee	Connecticut Bank & Trust Co., Hartford	17
Hartley Simpson	Dean, Graduate School, Yale University, New Haven	
Sarah Smith	Director of adult education, board of education, Stamford	21
Max R. Traurig	Attorney at law, Waterbury	21
Albert E. Waugh	Provost, University of Connecticut, Storrs	
Nathan Whetten	Dean, University of Connecticut, Storrs	15
Alan S. Wilson	President, Hillyer College, Hartford	
Mrs. C. G. Woodhouse	Baltic	
Mrs. George Wulp	Connecticut Citizens for the Public Schools, Hartford	21

MAINE

John T. Barry, Jr.	Bangor	18
Denis Blais	Lewiston	16
Lucia Cormier	State representative, Rumford	1
Henrietta Crane	Rockland	
Laurence Cutler, M. D.	Bangor	6
Benjamin Dorsky	do	
Wm. W. Dunn	Private Schools Association, Kents Hill	7
Mrs. Ralph Emerson	Island Falls	17
Hon. Carlton Fuller	Governor's council, Buckfield	19
Roger E. Gay	President, Nasson College, Springvale	8
Henry Gerrish	Dover-Foxcroft	16
Dorothy M. Healy	Executive secretary, Westbrook Junior College, Portland	13
Warren G. Hill	Commissioner of education, State capitol, Augusta	20
Mrs. Charles Hurst	A. A. U. W., Presque Isle	7
Frank Hussey	Executive secretary, Maine Potato Industry Council, Presque Isle	7
Chesley Husson	Husson College, Bangor	4
Earle Hutchinson	Principal, Maine Vocational Technical Institution, South Portland	17
Philip Johnson	News director, WCSA-TV, Portland	16
Rev. Kevin Kidd	Dean, St. Francis College, Biddeford	5
Thomas Maynard	State representative, Portland	8
Joseph M. Murray	University of Maine, Orono	2
George P. Nickerson	Dean, Colby College, Waterville	10
Kermit S. Nickerson	Deputy commissioner, State department of education, Augusta	12
Charles Phillips	President, Bates College, Lewiston	10
Mrs. C. S. Roberts	Rockland	
William Salter	Augusta	10
Mrs. Richard Sampson	Lewiston	9
John K. Schroeder	President, State Principals Association; principal, York High School, York	5
Ermo H. Scott	President, Farmington State Teachers College, Farmington	3
Mark Shibles	Dean, University of Maine, Orono	
Roger B. Snow, Jr.	Westbrook American, Westbrook	
Marion Stubbs	State librarian, Augusta	20
Neil Sullivan	President, Maine Superintendents Association, Sanford	
Philip S. Wilder	Bowdoin College, Brunswick	10

Roster of participants—Continued

MASSACHUSETTS

Name	Organization and location	Discussion— Table No.
Theodore S. Bacon, Jr.	Associate dean, Amherst College, Amherst	
James Baker	Boston University School of Education, Boston, Mass.	21
James P. Baxter III.	President, Williams College, Williamstown	1
H. Russell Beatty	President, Wentworth Institute, Boston	17
Dorothy M. Bell	President, Bradford Junior College, Haverhill	14
Harold Bentley	Director, Worcester Junior College, Worcester	12
Clarence Q. Berger	Dean of university administration, Brandeis University, Waltham	7
Mrs. Richard P. Bonney	Massachusetts Federation of Women's Clubs, Boston	16
Mrs. Robert S. Bowditch	Worcester	1
Lawrence J. Bresnahan	Regional director, Department of Health, Education, and Welfare, Boston	1
Milton S. Briggs	Assistant superintendent in charge of secondary education, office of superintendent of schools, New Bedford	13
Alexander Brin	Jewish Advocate Publishing Co., Boston	11
L. T. Callahan	General Electric Co., Lynn River works, West Lynn	18
Hon. Robert Capeless	Cain, Chesley, Lewis & Capeless, Pittsfield	
Daniel J. Casale, Jr.	Manager, Worcester employment security office	19
Harold C. Case	President, Boston University	
Msgr. Walter C. Connell	Superintendent of Catholic schools, diocese of Springfield	
James L. Conrad	President, Nichols Junior College, Dudley	14
Gaylord Coon, M. D.	Cambridge	15
Dana M. Cotton	Harvard Graduate School of Education, Cambridge	15
Leo R. Dantona	Franklin Technical Institute, Boston	16
John B. Davis	Executive director, New England School Development Council, Cambridge	12
James W. Dayton	Director, cooperative extension service, University of Massachusetts, Amherst	19
James DeNormandie	Representative, State House, Boston	
Rev. A. H. Desautels	President, Assumption College, Worcester	
John J. Desmond, Jr.	Commissioner of education, Boston	14
Lewis Dexter	Governor's office, State House, Boston	21
Rev. William A. Donaghy	President, College of the Holy Cross, Worcester	
Maurice Donahue	Senator, State House, Boston	
Rev. David R. Dunigan	College of the Holy Cross, Worcester	2
Sirrid Edge	Simmons College, Boston	19
Clifton W. Emery	Dean of men, Tufts University, Medford	2
Hon. George J. Evans	Wakefield	
David Farnsworth	Greater Boston Chamber of Commerce	
James M. Faulkner, M. D.	Medical director, Massachusetts Institute of Technology, Cambridge	
Norman Feingold	Jewish vocational service, Boston	2
Frederick C. Ferry, Jr.	Pine Manor Junior College, Wellesley	
Allan R. Finlay	Scudder, Stevens & Clark, Boston	14
Laurence S. Foster	Chief, Atomic Energy Division, Ordnance Materials Research Office, Watertown Arsenal	
Margery Foster	Cambridge	
Engene L. Freel	North Adams State Teachers College	7
George E. Frost	Director, Holyoke Junior College, Holyoke	11
Hon. Foster Furcolo	Governor, Commonwealth of Massachusetts, State House, Boston	
Mrs. Carl J. Gilbert	Dover	14
Harold Gores	Superintendent of schools, Newton	
Edward K. Graham	Dean, College of Liberal Arts, Boston University	11
Phillip Graham	Senator, State House, Boston	15
Alice Halligan	Division of adult education, Springfield public schools	20
Roswell G. Ham	President, Mount Holyoke College, South Hadley	7
Seymour Harris	Harvard University, Cambridge	8
Franklin P. Hawkes	Department of education, Boston	21
John F. Hines	American International College, Springfield	3
Andrew Holmstrom	Vice president, the Norton Co., Worcester	20
Howard Jefferson	President, Clark University, Worcester	5
Gladys B. Jones	President, the Garland School, Boston	12
Milton Kahn	Boston	
Kenneth J. Kelley	Mass. Federation of Labor, Boston	17
Francis Keppel	Dean, Graduate School of Education, Harvard University, Cambridge	16
Wilma A. Kirby-Miller	Dean, Radcliffe College, Cambridge	
Owen B. Kiernan	Superintendent of schools, Milton	2
Robert M. Kreopsch	Executive secretary, New England Board of Higher Education, Winchester	
Edward Landy	Division of Counseling Services, Newton Public Schools, West Newton	5
Robert G. Lind	USAF, Hanscom Field, Bedford	
Philip Lown	Newton	
Sister Lusilla	Regis College, Weston	8i
Martin J. Lydon	President, Lowell Technological Institute, Lowell	
John Mallan	Governor's Office, State House, Boston	8
Edward S. Mann	President, Eastern Nazarene College, Wollaston	18
Walter J. Markham	Department of Education, Boston	18

Roster of participants—Continued

MASSACHUSETTS—Continued

Name	Organization and location	Discussion— Table No.
John E. Marshall	Belmont	5
C. D. Marshall-Day	Dean, Tufts University School of Dental Medicine	9
David B. H. Martin	Boston	5
Sister Mary Alice	President, Regis College, Weston	
J. Paul Mather	President, University of Massachusetts, Amherst	13
Clement C. Maxwell	President, Bridgewater State Teachers College, Bridgewater	2
Elizabeth S. May	Dean, Wheaton College, Norton	1
Frances Mayfarth	President, Wheelock College, Boston	3
D. Justin McCarthy	Department of Education, Boston	
T. Joseph McCook	Superintendent of Schools, Springfield	
Philip James McNiff	Associate Librarian, Widener Library, Harvard University, Cambridge	3
Msgr. John J. O'Brien	Director of Schools, Diocese of Worcester	21
Msgr. Timothy O'Leary	Boston	3
William E. Park	Simmons College, Boston	10
Sally Parker	National representative, American Federation of Teachers, AFL-CIO, Boston	3
Alice Pederson	Great Barrington	13
Francis Robinson	The New England Council, Boston	10
Mrs. David A. Rose	Newton	10
Howard S. Russell	Wayland	20
Mrs. Edward F. Ryan	Manchester	
Milton J. Schlagenhauf	Northeastern University, Boston	6
Mrs. Joseph Schneider	Brookline	6
Mildred P. Sherman	Dean, Radcliffe College, Cambridge	9
Ruth Sleeper	Director of School of Nursing, Massachusetts General Hospital, Boston	22
Samuel Slosberg	Boston	9
Joan Smith	Governor's Office, State House, Boston	11
Richard T. Spofford	Captain, USN, Cambridge	
Barbara Staples	Educational chairman, Massachusetts Association of Medical Technologists, Inc., Lynn	18
Olivia P. Stokes	Massachusetts Council of Churches, Boston	
Donald C. Stone	President, Springfield College, Springfield	12
Edward Stone	Senator, State House, Boston	22
Mrs. Vernon C. Stoneman	Belmont	13
Julia A. Stratton	Massachusetts Institute of Technology, Cambridge	
Mrs. C. Fayette Taylor	Brookline	6
Walter Taylor	PTA, South Sudbury	14
Frank A. Tredinnick, Jr.	The New England College Fund, Inc., Boston	9
Nils Y. Wessell	President, Tufts University, Medford	4
Ella Keats Whiting	Dean, Wellesley College, Wellesley	4
Thomas H. P. Whitney	Weston	
Graham T. Winslow	Chairman, Massachusetts Council for Public Schools, Boston	12
Thomas C. Wojtkowski	Representative, State House, Boston	4
J. Wendell Yeo	Vice president of academic affairs, Boston University	6

NEW HAMPSHIRE

Eugene M. Austin	President, Colby Junior College, New London	11
Edward Y. Blewett	Dean, College of Liberal Arts, University of New Hampshire, Durham	1
Ralph A. Burns	Professor of education, Dartmouth College, Hanover	15
Hon. Alfred J. Chretien	Manchester	19
Philip Cole	New Hampshire Citizens Council for Better Schools, Littleton	4
George E. Coleman, Jr.	Exeter	6
Maurice F. Devine	Manchester	
Edward D. Eddy	Vice president, University of New Hampshire, Durham	6
Martha Frizzell	Senator, State House, Concord	15
Nelle Holmes	Senator, State House, Concord (residence, Amherst)	2
Harold E. Hyde	President, Plymouth Teachers College, Plymouth	22
Eldon L. Johnson	President, University of New Hampshire, Durham	10
Hon. Edward J. Lampron	Nashua	5
Earl H. Little	Director, New Hampshire Technical Institutes, Department of education, Concord	17
Francis V. Lloyd, Jr.	Vice rector, St. Paul's School, Concord	9
Mrs. Marion M. Lord	Representative, State House, Concord (residence, Laconia)	8
Austin J. McCaffery	Commissioner of Education, State department of education, Concord	13
Rev. Gerald McCarthy	President, St. Anselm's College, Manchester	10
Rev. Paul McHugh	Office of Diocesan Superintendent of Schools, Manchester	19
Mrs. John R. McLane, Jr.	Manchester	17
Claire O'Neil	President, New Hampshire League for Nursing, Concord	18

Roster of participants—Continued

NEW HAMPSHIRE—Continued

Name	Organization and location	Discussion— Table No.
George Rockwell.....	Brookfield (post office, Wolfeboro).....	3
Everett B. Sackett.....	President, New Hampshire School Boards Association, Dover.....	9
Joseph D. Vaughn.....	Representative, State House, Concord (residence, Newport).....	22
Cornelia B. Walker.....	New Hampshire League of Women Voters (care of New Hampshire Department of Health), Concord.....	3
Laurence F. Whittemore.....	Pembroke.....	
Rev. David A. Works.....	Christ Church, North Conway.....	22
Lloyd P. Young.....	President, Keene Teachers College, Keene.....	4

RHODE ISLAND

Zenas R. Bliss.....	Professor, Brown University, Providence.....	9
Barry Brown.....	Editorial staff, Providence Journal.....	1
Edwin C. Brown.....	Secretary-treasurer, Rhode Island Federation of Labor, A. F. of L., Providence.....	18
Frank Calcagni.....	Chairman, Educational Committee for New England League, Cranston.....	
Rev. Cornelius B. Collins.....	Chairman, State Board of Education, Providence.....	1
Charles Davis.....	Advertising department, Providence Journal.....	
Howard W. Ferrin.....	President, Providence-Farrington Bible Institute, Providence.....	
John R. Frazier.....	President, Rhode Island School of Design, Providence.....	17
William Gaige.....	Rhode Island College of Education, Providence.....	8
Mrs. Harold J. Gildea.....	President, Rhode Island Congress of Parents and Teachers, Pawtucket.....	11
James L. Handley.....	Superintendent of schools, Providence.....	12
E. Gardner Jacobs.....	Vice president, Bryant College, Providence.....	2
Sherwin J. Kapstein.....	Wool waste, Providence.....	2
Nancy Duke Lewis.....	Dean, Pembroke College in Brown University, Provi- dence.....	5
Edna R. Macdonald.....	Guidance, Hope High School, Providence.....	13
Sister Mary Antoine.....	Dean, Salve Regina College, Newport.....	
Mother Mary Hilda.....	President, Salve Regina College, Newport.....	9
S. Rowland Morgan, Jr.....	Headmaster, the Mary C. Wheeler School, Providence.....	
Mrs. Harrison M. Parsons.....	Graniteville.....	
Martha O. Sayles.....	Assistant director, School of Nursing, University of Rhode Island, Kingston.....	3
R. W. Schaughency.....	President, Roger Williams Junior College, Providence.....	14
Rev. Robert J. Salavin.....	President, Providence College, Providence.....	6
C. Herbert Taylor.....	Superintendent of Schools, Cranston.....	21
Rev. Earl Hollier Tomlin.....	Rhode Island State Council of Churches, Providence.....	21
Michael Walsh.....	Commissioner of education, State Department of Education, Providence.....	
Carl R. Woodward.....	President, University of Rhode Island, Kingston.....	4

VERMONT

Homer Ashland.....	Superintendent of schools, Rutland.....	12
Carl Borgmann.....	President, University of Vermont, Burlington.....	11
C. B. Brouillette.....	Champlain College of Commerce, Burlington.....	11
Grace Buttolph.....	Director, School of Nursing, Mary Fletcher Hospital, Burlington.....	16
Gerald E. DuPont.....	St. Michaels College, Winooski.....	1
Arthur B. Elliott.....	Lyndon State Teachers College, Lyndon.....	13
Robert D. Guinn.....	Norwich University, Northfield.....	7
A. John Holden.....	Commissioner of education, Montpelier.....	14
John Hooper.....	Editor, Brattleboro Reformer.....	
Carlton G. Howe.....	Senator, senate chamber, Montpelier.....	14
Earl A. Koile.....	Director of summer session and adult education, Uni- versity of Vermont, Burlington.....	19
Helen Lawrence.....	Jericho.....	20
Francis Morrissey.....	Bennington.....	18
Maurice O'Leary.....	Springfield High School, Springfield.....	5
Mrs. Wm. Orcutt.....	Chester.....	4
Charles P. Smith, Jr.....	Burlington.....	13
Samuel Stratton.....	President, Middlebury College, Middlebury.....	6
Aline Ward.....	Moretown.....	12
Derick V. Webb.....	Representative, house of representatives, Montpelier.....	
John Yago, Jr.....	Champlain College of Commerce, Burlington.....	
Richmond A. Young.....	Principal, Randolph Agricultural School, Randolph Center.....	18
Paul Zens.....	President, Marlboro College, Marlboro.....	9

Roster of participants—Continued

OUTSIDE OF NEW ENGLAND

Name	Organization and location	Discussion— Table No.
Wm. D. Carey.....	Chief, Labor and Welfare Division, Executive Office of the President, Bureau of the Budget, Washington, D. C.	8
Marion W. Doyle.....	Office of Education, Department of Health, Education, and Welfare, Washington, D. C.	1
Gerald W. Elhers.....	President's Committee on Education Beyond the High School, Washington, D. C.	2
Ralph C. M. Flynt.....	Director, Higher Education, Department of Health, Education, and Welfare, Washington, D. C.	
Charles A. Foster.....	President's Committee on Education Beyond the High School, Washington, D. C.	
John W. Gardner.....	President, Carnegie Corp., New York, N. Y.	
Coleman R. Griffith.....	Director, office of statistical research, American Council on Education, Washington, D. C.	22
Devereux C. Josephs.....	Chairman, President's Committee on Education Beyond the High School, New York, N. Y.	
Dr. Seyla.....	Sears-Roebuck Foundation, Chicago, Ill.	
Ward Stewart.....	Representative of United States Commissioner of Education, President's Committee on Education Beyond the High School, Health, Education, and Welfare Building, South, Washington, D. C.	3

OBSERVERS FROM OUTSIDE OF THE UNITED STATES

Mr. Vicente Gomez de la Fuente.....	Paraguay.....	
Mr. Nan Chiu.....	Formosa.....	
Mr. Chieh Lee.....	do.....	
Mr. Henry Lo.....	do.....	

STAFF FOR THE NEW ENGLAND CONFERENCE

Samuel G. Atkinson, executive director.....	Boston University School of Public Relations and Communications, Boston, Mass.	
Julia L. Atkinson.....	Boston, Mass.	
Marion Chase.....	New England Board of Higher Education, Winchester, Mass.	
Mary Louise King.....	Winchester, Mass.	
William J. Merrill III.....	Boston University School of Public Relations and Communications, Boston, Mass.	
Venezia A. Mezzacappa.....	New England Board of Higher Education, Winchester, Mass.	
Susan B. Sherrill.....	Boston University School of Public Relations and Communications, Boston, Mass.	
Elaine H. Steeger.....	Massachusetts Council for Public Schools.....	
Henry Steeger.....	do.....	

LETTER FROM RAYMOND F. HOWES

Senator HILL. I have received a further communication from Mr. Raymond F. Howes, acting chief executive, American Council on Education, Washington, D. C., with respect to the President's Committee on Education Beyond the High School which will be included in the record at this point.

(The letter referred to follows:)

AMERICAN COUNCIL OF EDUCATION,
Washington 6, D. C., April 18, 1957.

Hon. LISTER HILL,

*Chairman, Subcommittee on Appropriations,
United States Senate, Washington, D. C.*

DEAR SENATOR HILL: The American Council on Education believes strongly in the value of the work of the President's Committee on Education Beyond the High School and is concerned that, by recent action of the House, funds for the expenses of this Committee have been eliminated. Members of our staff have had opportunity to observe the operation of the Committee closely, are

convinced that it is doing a good job, and feel that it should be permitted to finish its important task.

In his budget message the President originally requested \$300,000 for the Committee, a sum which the Council's Committee on Relationships of Higher Education to the Federal Government considers reasonable in terms of a sound program of study, information, and assistance to the States, and minimal in terms of the urgent action required if our Nation during the next few years is to provide its youth with an opportunity for higher education.

In view of the concern which our membership feels about adequate financing of the President's Committee on Education Beyond the High School, the American Council on Education requests that this statement be made a part of the formal record of the hearing.

Sincerely yours,

RAYMOND F. HOWES,
Acting Chief Executive.

THE AMERICAN COUNCIL ON EDUCATION, AMERICAN ASSOCIATION OF LAND-GRANT COLLEGES AND STATE UNIVERSITIES, AND THE NATIONAL ASSOCIATION OF STATE UNIVERSITIES

STATEMENT OF DR. PHILIP J. MAY, COMPTROLLER AND TREASURER, MICHIGAN STATE UNIVERSITY, REPRESENTATIVE

INDIRECT COSTS OF MEDICAL RESEARCH

Senator HILL. Dr. Philip J. May. We are glad to see you, Doctor. Have a seat, sir. Have you filed your statement, Doctor?

Dr. MAY. We have one to file with your committee, sir.

I am treasurer and comptroller of Michigan State University, East Lansing, the land-grant university for the State of Michigan. I am appearing before your committee to present testimony on behalf of the special committee on sponsored research of the American Council on Education, and the joint committee of business officers of the American Association of Land-Grant Colleges and State Universities and the National Association of State Universities. I am chairman of the latter committee.

MAKEUP OF SPONSORING GROUPS

Membership of the American Council on Education includes 143 organizations and 972 institutions, among them nearly all the accredited junior colleges, colleges, and universities in the United States. The combined membership of the Land-Grant Association and the National Association of State Universities includes 90 institutions which as a group award annually more than half of all advanced degrees in science in this country, and a considerably higher proportion in the healing arts.

Mr. Chairman, with your permission, I would like first to present a brief statement orally, and then insert for the record a statement prepared and approved by the special committee on sponsored research of the American Council on Education, and bearing the names of its members.

Senator HILL. All right. That will appear in full in the record.

Dr. MAY. Thank you, sir.

OPPOSITION TO LIMITATION ON RESEARCH FUNDS

I am authorized to express, on behalf of both groups, on whose behalf I speak, opposition to section 209 of H. R. 6287, which would have an effect of placing a maximum limit of 15 percent on the amount that can be paid for so-called overhead on research projects for which the Department of Health, Education, and Welfare may contract. This is a matter of immediate concern to the universities I represent, because they carry on, and expect to carry on, a substantial proportion of the research in the health field conducted for the department by the colleges and universities of the United States.

Our opposition to this restricting rider on the appropriation bill is based on these considerations: First, any arbitrary limitation of this kind is unrealistic unless there is an accompanying definition of terms; second, the proposed allowance of 15 percent is inadequate in many instances to reimburse the contracting universities for their indirect costs; and third, specific provisions of research contracts are properly matters for administrative determination within broad lines of policy, not legislative action.

ARBITRARY LIMITATION UNREALISTIC

On the first point—that arbitrary limitation on payments for overhead without a careful definition of terms is unrealistic—I would respectfully point out to the committee that cost accounting is a far less exact procedure at colleges and universities than in business and industry. Although there has been a tendency in recent years toward a greater uniformity in accounting practices in colleges and universities, there is still a great variation among institutions.

The difficulty arises from the complexity and variety of the operations of a modern university. In an industry, a given machine will perform the same production process continuously throughout the day. It is easy to assign a specific portion of the cost of the product to the operations of that particular machine. However, in a university laboratory, an electron microscope may be used one hour in the teaching of undergraduates, another hour in the instruction of graduate students, another hour on an institutional research project, and a fourth hour on a contract research project. Then it may stand idle for hours at a time. Meanwhile, its use is being supervised by people at different levels of competence and compensation, as contrasted with the industrial machine which is being operated continuously by employees on constant rates of compensation and degrees of skill.

The same factors apply to the buildings within which the industrial machines and the laboratory instruments are housed.

The factory building is often used continuously for one purpose, and the process is under the supervision of personnel who perform the same assignments day after day, week after week.

The microscope is housed in a laboratory which is used for teaching at many levels, and its use is supervised by personnel who not only are compensated at different rates but who perform a variety of duties.

This illustrates the great difficulty of arriving at a fair rate of compensation for indirect costs within a single institution, to say nothing

ing of the infinitely greater difficulty of arriving at a fixed charge for overhead which applies fairly to all institutions, large or small, simple or complex.

NO UNIFORMITY IN ADMINISTRATIVE RESEARCH BUDGETS

Just as there is not complete uniformity in accounting procedures in colleges and universities, neither is there uniformity in the administration of research budgets in the Federal Government. One Federal agency, for example, considers charges for retirement and social security as direct contract charges; another expects these costs to be included in the charge for indirect costs.

The above examples illustrate how unsatisfactory and unrealistic it is to refer, as the measure under consideration does, to "indirect costs" without defining specifically what direct and indirect costs are considered to be.

I repeat our contention that an arbitrary limitation of compensation for indirect costs without a definition of terms is unrealistic in the light of conditions as they exist within American universities today.

PERCENTAGE ALLOWED INADEQUATE

The second point is that this specific limitation of 15 percent on reimbursement for indirect costs is inadequate. I would like to illustrate by data taken from the records of my own university.

INDIRECT COSTS

A recent analysis discloses that what we would ordinarily term "indirect costs" represent in total 27.6 percent of the total expenditures of the university on instruction, research, and extension. It could be argued with some validity that relationship between indirect and total costs would be in about the same proportion in any one of the three areas of activity.

GENERAL ADMINISTRATION

Under the heading "General administration," we have listed the salaries of the major administrative officials—president, vice presidents, secretary, comptroller, et cetera—who do not engage directly in any of the three specific activities, but whose services certainly are essential to the efficient functioning of the university. These, in total, represent 2.21 percent of the total expenditures.

GENERAL EXPENSES

Under the heading "General expenses," we have listed such items as operations of the mail room, purchasing department, personnel services, telephone services, machine tabulating, and workmen's compensation. They account for 2.34 percent of the total expenditures.

Under the heading "Other expenses," we have listed employer contributions to social security, pensions and insurance, plant maintenance, and library operations. These amount to 23.05 percent of the total expenditures.

NO ALLOWANCE FOR PLANT INVESTMENT

We have not included in this itemization any charges for the use of buildings or equipment, although a private business concern would certainly include in any study of its costs an allowance of at least 5 percent of its plant and equipment investment.

As I stated earlier, these things which we call indirect costs represent 27.6 percent of total expenditures without any allowance for plant investment. Any 15 percent maximum limitation on allowances for individual costs on reasearch prevents Michigan State University from being compensated fully or fairly for its contributions to the work.

RESEARCH CONTRACTS SHOULD BE ADMINISTRATIVELY DETERMINED

This brief analysis serves to illustrate the validity of our third contention—that specific provisions of research contracts should be matters of administrative determination, not subjects of legislative action.

Previously I referred to the fact that some Federal agencies consider employers' contribution for social security as a direct cost, and the practice of other agencies is to consider it an indirect cost covered by the overhead allowance. When there is no uniformity of practice among the agencies with which the universities deal, such a provision as the one proposed in the measure under discussion would work a great hardship in many instances, a hardship which could easily be avoided if the agencies were left free to make final determination after negotiation.

The colleges and universities engaged in research know from experience that the Federal agencies sponsoring research projects have been zealous in guarding against the waste of Federal funds going to nonprofit institutions, through evaluation of the cost factors involved. In fact, the colleges and universities have contributed substantially from their own limited funds to carry on such research.

LIMITATION MAY IMPEDE WORK

The action proposed in this bill might seriously impede the work of the high-level committee now at work under the sponsorship of the Budget Director seeking to develop a reasonable uniformity of practices among Federal agencies entering into research contracts with colleges and universities. The institutions concerned are hopeful that improved efficiency, saving of time, and more realistic practices will evolve from the report of this committee. I am sure they all agree that it would be most unfortunate if the proposed rider to H. R. 6287 had the effect of discouraging this commendable effort in the direction of improved efficiency and greater economy.

COLLEGES COMPLEX ORGANIZATIONS

In conclusion, I respectfully remind the committee that American colleges and universities are highly complex organizations, differing both within themselves and among themselves. It is essential to keep in mind that unlike a business established to manufacture a certain product, universities are not created and maintained to perform research contract work. Their first obligation is to teach; research is

an essential adjunct to their teaching, but it is not their primary concern.

It is because they are so complex, and because they perform such a variety of socially useful tasks that they do not conform readily to procedures developed for application to business and industry. They are individualists, in the strongest sense of the word, and to enforce uniformity upon them, even indirectly, would be unwise, if not impossible. From the point of view of the business officers who serve them, it would be far preferable to leave the administration of research contracts to the departments and agencies concerned.

GOVERNMENT CALLS ON COLLEGE PERSONNEL

The Federal Government is calling increasingly upon our universities to loan their trained minds and specialized laboratories in the national interest. It is a matter of gratification for all of us that the universities have responded willingly and eagerly to this call for assistance. They do not expect to profit from their research contracts with the Federal Government because, from the very beginning, we have operated as nonprofit institutions. But neither should they be asked or expected to pay part of the research bill out of their appropriations, student fees, or income from endowments. If you allow the departments and agencies of the Government to continue to use their good judgment and discretion in the negotiation of research contracts, I can assure you that the universities will do their part to see that the agreements are fair and equitable and that the interests of the public are well protected.

Senator, we have copies of this also for the record if you would like.

Senator HILL. Yes, thank you. That will be in the record in full, Doctor.

I might say that we had Dr. Coggeshall of Chicago and Dr. Joe Hensey of Cornell Medical School here yesterday, and they discussed this question with us from the viewpoint of the medical school, medical research. And we are very happy to have had your statement here this morning, which is in line with the statements they gave us yesterday.

Dr. MAY. Well, this is something that I know is a great concern to all the universities. We all face, like you do, great problems with our own legislatures and lack of endowment income, and it is a feeling that research should carry the same proportion of overhead costs that our teaching and extension activities do.

Senator HILL. Any questions?

QUESTION OF PRIOR LIMITATION

Senator PASTORE. Well, I do not want to take up the committee's time in asking questions that might be commonplace knowledge to the committee because I am new on it, but the thing that occurred to me is: What has been the practice in the past? Has there ever been a limitation before?

Dr. MAY. There has never been, in my knowledge, a congressional limitation in the appropriation act. It has always been a matter of agency policy and determination after negotiations. As I

pointed out, there have been differences within the various Federal agencies as to what is to be included.

Senator PASTORE. And for the edification of those who are just as unfamiliar with it as I may be, what are some of these indirect expenses that we are talking about? Can you give us examples on the record?

Senator HILL. He has given us a great many examples.

Dr. MAY. I did——

Senator PASTORE. I am sorry. Well, there again——

Senator HILL. You might briefly give some examples.

INDIRECT EXPENSES

Dr. MAY. I will be very glad to do it. Of course, it covers all administrative salaries—president, vice presidents, secretary, comptroller, and so on. The big cost is plant operation. In our own university, about 15 percent of the total budget is plant alone. Another thing we spend millions of dollars on is the library. At our institution that amounts to about a total of 4 percent of what we spend. Certainly a library is a very necessary adjunct to research.

It includes pensions, retirements. For example, I believe Health, Education, and Welfare permits charges for pensions and social security to be a direct charge against the contract. But if you go over into the Department of Defense, Atomic Energy, they expect those charges to be a part of the indirect costs. That is why a limit in the appropriation act without a definition of what is to be included in this allowance for overhead we feel is unrealistic. That is why we would like to leave it up to the agency.

DETERMINATION OF INDIRECT EXPENSES

Senator PASTORE. Well, that is the reason why I am puzzled with it. Who would determine what the indirect expenses are and at what point?

Dr. MAY. The Department of Health, Education, and Welfare.

Senator PASTORE. When they enter into a contract?

Dr. MAY. When they enter into a contract they would set up a set of rules—that “this would be a direct expense,” that “this you would have to cover by indirect costs.”

Senator PASTORE. Have you in your university exceeded 15 percent?

Dr. MAY. Yes, we have.

Senator PASTORE. So this would be actually a limitation upon you?

Dr. MAY. This is a limitation on us, yes, sir.

Senator PASTORE. What is the hardship, in simple language, that it would work on you? You would have to reject the research project?

Dr. MAY. Not necessarily, sir. But we feel that basically the research should bear its fair share of the overhead. In other words, teaching, research, and extension should also properly share in their fair proportion of the overhead costs of conducting the university's program. That is all we ask. And, as a matter of fact, we know that 15 percent would not do it.

I am not here specifically to argue that it ought to be any other percent, but, rather, that it should be left to the agency in making the contracts to determine which items of expense should be direct expense and which items should be covered under indirect expense.

Senator PASTORE. I understand.

Senator HILL. Any other questions, Senator?

Senator PASTORE. No.

Senator HILL. Thank you very much, Doctor. We appreciate your coming here, for bringing us this helpful testimony.

Dr. MAY. Thank you for the time this morning.

(The prepared statement of the special committee on sponsored research of the American Council on Education, above referred to, follows:)

STATEMENT BY THE SPECIAL COMMITTEE ON SPONSORED RESEARCH OF THE
AMERICAN COUNCIL ON EDUCATION

Recently the House Appropriations Committee included a rider in the appropriation bill (H. R. 6287) for the Department of Health, Education, and Welfare as follows: "Section 209. None of the funds provided herein shall be used to pay any recipient of a grant for the conduct of a research project an amount for indirect expenses in connection with such program in excess of 15 percent of the direct costs." The effect of this rider, if passed by the Congress, would, by freezing at an arbitrary figure the reimbursement to grant recipients for indirect costs, negate the recommendation of the National Science Foundation which states most clearly that the Federal Government adopt a uniform policy of reimbursing educational institutions adequately "for the those indirect costs associated with the direct costs of research supported." The NSF report was developed after intensive study at the expressed direction of the President's Executive Order 10521, of March 17, 1954, charging the NSF with the responsibility of recommending "policies and procedures which will promote the attainment of general national research objectives and realization of the research needs of Federal agencies while safeguarding the strength and independence of the Nation's institutions of learning." The report, which places full emphasis on the full reimbursement principle, was submitted to the Director, Bureau of the Budget, in 1955 and accepted by the Executive Office of the President in early 1956. Many agencies of the Government such as the Departments of State, Defense, Agriculture, Atomic Energy Commission have for some time recognized the need for adequate reimbursement for direct costs and the real importance of covering indirect costs and have evolved accounting procedures for making a fair determination of their amounts.

We are now in a period where the military safety, the economic stability, the health and the welfare of the country are vitally affected by the success of our research activities. We are in a period when we face increasing competition from the other nations, notably Russia, in the field of maintaining our scientific leadership and in keeping the Nation ahead in its military and industrial technology. We are in a period when science is rapidly moving ahead and where scientific progress is eagerly being exploited fully in other countries. "The one race which the American people dare not lose is the rapidly accelerating one for new knowledge." If we fail to take full advantage of this progress and to augment it, we will find ourselves at a disadvantage. For these reasons we must for our national safety, economy, and welfare utilize our research capacities to the fullest. We must do this in a period of manpower shortage and at a time when the institutions doing our basic research face a rapidly increasing educational load.

In the light of these conditions, it would seem to be a shortsighted national policy for the Federal Government to reduce the effectiveness of these institutions both in their research and their other activities by failing to cover indirect costs in connection with its own program of sponsored research. The committee on institutional research policy of the American Council on Education stated in a report published in 1954: "Since educational institutions constitute one of the primary sources of the Nation's strength, it seems clear that the national interest is not well served by any policy of the Federal Government or any of its agencies that demonstrably weakens rather than strengthens the abilities of colleges and universities to contribute to the country's welfare. Hence the committee recommends that all Government agencies which sponsor research in educational institutions should recognize the full cost of such research, including indirect or overhead expenses * * *."

On April 11, 1957, the Honorable Marion B. Folsom in his testimony before Senate Committee on Appropriations stated: "Failure to provide for the full indirect costs of research grants places a fiscal burden on these institutions which will adversely affect their teaching programs and slow up the further development of their research work. As I have previously indicated, this Department is making less adequate reimbursement than most other departments and agencies. I recommend elimination of the restrictive proviso inserted in the House bill."

For these reasons this committee urges acceptance of the general policy that all agencies of the Government including the Department of Health, Education, and Welfare be encouraged and permitted to accept the full reimbursement principle in managing their research grants and contracts with educational institutions.

JAMES R. KILLIAN, Jr., *Chairman,*
President, Massachusetts Institute of Technology.
 L. A. DuBRIDGE,
President, California Institute of Technology.
 T. KEITH GLENNAN,
President, Case Institute of Technology.
 T. P. WRIGHT,
Vice President for Research, Cornell University.
 L. R. LUNDEN,
Comptroller, University of Minnesota.

RURAL LIBRARY SERVICES

STATEMENT OF HON. ARTHUR V. WATKINS, UNITED STATES SENATOR FROM THE STATE OF UTAH

SUPPORT OF PROGRAM

Senator HILL. Now, we have with us here the distinguished senior Senator from Utah, Senator Watkins. We would be delighted, Senator, to have you make any statement you see fit, sir.

Senator WATKINS. Thank you very much, Mr. Chairman. I appreciate the courtesy in permitting me to appear at this time.

Last year, after almost a decade of concerted effort, the Library Services Act became law. It was designed as a 5-year program to stimulate development primarily of library services in areas of 10,000 population or less—that is, in rural America.

During the Senate Subcommittee on Education hearings last May, it was stated that approximately 27 million Americans then had no access to any local public library services and that 90 percent of these lived in rural areas.

The total annual Federal allotment spoken of for the 5-year program at that time was \$7,500,000, or, for the 5-year program, \$37,500,000. However, since it was obvious that a full-year program could not be conducted in the first year setup for the project, Congress approved a \$2,050,000 figure for the fiscal 1957 program.

It is my pleasure at this time to say that, largely due to the stimulus intended by this Library Services Act passed by the 84th Congress, my State of Utah has witnessed some fine gains in the last few months, some very much needed gains in our library program.

Last year a study by Drs. Joseph A. Geddes and Carmen D. Fredrickson, of Utah State Agricultural College, Libraries as Social Institutions, revealed that in our State more than half of the people did not have library service, there was no unified State library or State library agency, nor—in short—any means to integrate a statewide library program.

NEED TO REVAMP STATE LAWS

As a Salt Lake City editorial writer noted in the Deseret News last October 8, and I quote :

The most crying need to remedy the pitiful Utah library condition is to completely revamp the State library laws. Utah is eligible to participate in the recently passed "Library Services Act" only when it brings its laws up to date to meet Federal standards.

For years every Utah Legislature, with the exception of the past 1955 legislature, had bills introduced for revamping and modernizing the library statutes. Because these bills always failed to pass, the workers in behalf of improving the library situation became so discouraged that they didn't even introduce a bill in the 1955 legislature.

Another Utah editorial writer, in the Salt Lake Tribune of last January 24 remarked in part that :

Studies show that Utah has fallen far behind in library development. There is no State library and no State planning or sponsoring agency to spark a program of establishing libraries in rural areas where they do not exist or to improve present services.

The State legislature has not acted on behalf of libraries since 1919, when the County Library Law was passed. There are three counties in the State where no libraries exist whatever, and 16 counties which do not have county-supported libraries.

In order to participate in the (Federal) library demonstration program, the State legislature would have to match the \$63,000 Federal grants with \$50,000 annual appropriations for the life of the program * * *.

The State legislature should give this matter full attention during the present session.

I may say, Mr. Chairman, I am not very proud of that record. Utah has wonderful schools, and we have made great progress, but I think we could have done better had we had better library service.

LEGISLATURE ENACTS REMEDIAL LAW

Now, I am happy to report that at this time the Utah State Legislature, which meets only biennially, did give this matter full attention. The result is that today we do have in Utah a State Library Act recently approved and signed by our new Governor, George Dewey Clyde. And in this program the Utah State Legislature provided for the appropriation of \$100,000—or \$50,000 per year—to take advantage of the first 2 years of the Federal grants-in-aid library services program.

This month I am informed a Federal Government representative of the Office of Education will meet with our leading library officials to assure that our State program is effectively launched in cooperation with Washington.

Senator HILL. In other words, you will have the funds to match the Federal funds?

Senator WATKINS. That is right.

GRANT ASSUMES CONTINUED ANNUAL FUNDS

I believe that I am correct in saying that the figure of \$100,000 given in the Utah action was based upon an assumption that during the 5-year program outlined by the Federal Government the annual appropriation was to be at the figure originally mentioned—that is, \$7,500,000 per year. At least this much is true: Utah set itself up

to make maximum participation in the full program as originally announced here in Washington.

Now, I realize that the first-year program under the Federal Library Services Act can be interpreted as being, in actuality, less than a 6-month program. That is, rules and regulations were not in effect until last December. It is only since January really that States have been permitted to file for qualification under the act and for funds to be allocated by the Federal Government. Thus, perhaps, the so-called first-year figure of \$2,050,000 finally approved for the program is not truly an accurate first-year description.

President Eisenhower recommended \$3 million for the second-year program. It is my belief that subsequent to this announcement many additional States expressed interest. I am now informed that at least 38 States will be able to match a full \$7,500,000 Federal program. In fact, within the time limit set to file for aid under the Federal program, it now appears that in all likelihood as many as 45 of the 48 States, plus the Territories, will be prepared to share fully the Federal-State program.

HOUSE ACTION

Acting partly, no doubt, on some such information, the House Committee on Appropriations, I understand, recently placed \$5 million as a more tenable figure for the second-year Federal part of the program.

I am certain from the enthusiasm expressed, by such evidences of willingness to participate, that the State of Utah is not unique in its regard for this particular library services program.

If the Federal program—that our people at home are depending upon—is not carried forward as it was amply evidenced last year that it would be, there will be keen disappointment throughout the country.

I have presented the Utah picture in brief, and I feel that I might apologize for making it so specifically Utah, but I want you to know that the Library Act has had a splendid effect and been a tonic to our workers in that field, and I feel that we are now going to really get progress that will help the rural people as they should have been helped years ago. I feel that in some ways it must be typical of what is happening in other States, what has happened in my State, and I respectfully urge that the program as outlined last year, and upon which State legislatures such as Utah's have taken official action, be forwarded.

CONTINUATION OF PROJECT ASKED

For that reason I am asking that the project be continued as originally designed so that within 5 years it may be marked off: "Mission accomplished."

Utah in just a few months has gained much from the stimulus of this program. For that, on behalf of my State, I am grateful to the Congress for what it has done.

Senator HILL. Senator, I want to say as one interested in this program I am happy you took the time to come here this morning and present this statement giving us the picture in your State of Utah. I think we will find that picture is a pretty general picture.

Senator WATKINS. That is the way I feel about it.

Senator HILL. You have certainly given us an excellent presentation here of the situation in your State, a situation now I am quite confident prevails in many, many of the other States.

It was fine of you to come here to present this picture.

Senator Pastore?

EDUCATOR IN RHODE ISLAND ENDORSES PROGRAM

Senator PASTORE. I want to associate myself with what the Senator said. As a matter of fact, the last time I was home, 2 weeks ago, I was visited by a professor of the University of Rhode Island who is very, very much interested in this program, and he talked to me precisely as the Senator from Utah has addressed himself to this committee.

So what he talks about as a boon in his State is true in other States also, including Rhode Island.

Senator WATKINS. I want to mention the fact that the two newspapers I quoted from are the two large dailies in the State. We have other dailies but not any so large. And they are very, very budget-conscious, those two newspapers. I was quite surprised that they made as strong a statement as they did about this library program in view of the fact everybody is screaming out that way for budget reduction.

Senator HILL. But they feel this would be such a sound investment to go forward with this program? Is that not correct?

Senator WATKINS. At least they forgot about the budget cutting long enough to write those editorials.

Senator HILL. Well, we certainly appreciate your testimony, Senator. We want to thank you very, very much.

AMERICAN LIBRARY ASSOCIATION

STATEMENT OF JULIA D. BENNETT, DIRECTOR, WASHINGTON OFFICE

POSITION OF ASSOCIATION

Senator HILL. Miss Julia Bennett, Director of the Washington office of the American Library Association.

Miss Bennett, we are very happy to have you here this morning.

Miss BENNETT. Thank you, Senator Hill. I am very happy to be here, and particularly so to follow Senator Watkins.

The American Library Association has worked for the Library Services Act program for 10 years along with Senator Hill, who has been one of our sponsors for that whole period of time. We were delighted last year when the Congress saw fit to pass the legislation and the President to sign it on June 19.

Senator HILL. It would be a pity, after we have passed it and after Congress recognized the importance of doing something for libraries, to have it defeated now by not getting appropriations.

Miss BENNETT. It certainly would.

The American Library Association was joined by some 21 national organizations in support of the legislation, and they too were very gratified to see that the legislation received favorable consideration.

Last year the Senate voted the full authorization of \$7,500,000 for the program in the final supplemental appropriation bill. Unfortunately, the budget request did not reach the Congress in time for it to be considered by the House, and so in conference the amount was cut back from \$7,500,000 to \$2,050,000, which was the total sum for the basic amount of the grants to the States, which was \$40,000 per State.

Senator HILL. Of course, at that time it was recognized it would take the program a while to get started.

Miss BENNETT. That is right.

Senator HILL. The States had to make their plans and had to get their proportionate share of the funds and all that kind of thing. Is that not true?

Miss BENNETT. And it did take a considerable amount of time.

Senator HILL. To get started?

Miss BENNETT. Yes; it did.

We were very pleased with the fact that the Senate recognized the importance of the program and did appropriate the full authorization at the beginning of the program.

REDUCTION RECOMMENDED BY BUDGET OFFICE

We were very much shocked at the beginning of this year to learn that the President's budget recommended only \$3 million for this program. We felt that the full \$7,500,000 each year for the 5-year period was necessary to do the kind of a job that was anticipated by the program.

It was a further blow to learn that the Commissioner of Education stuck with this amount of \$3 million in the President's budget even though, after the President's budget had been submitted, there was sufficient evidence to show that the States were ready and could come in to the program. We realized that last fall when the budget request was made up by the Department, there was no way to know how many of the States would be able to qualify under the program.

The House recognized the importance of this program and that the facts showed the need for additional funds and did appropriate an additional \$2 million for the program while it was before them, bringing the total to \$5 million. We were delighted that the \$5 million passed the House, but we also want to make the point that this is still \$2,500,000 below the amount authorized by the program.

It seemed completely unbelievable to us that the Commissioner could appear before this subcommittee and request the Senate to take back the additional \$2 million which had been appropriated by the House and reduce it to the amount recommended in the President's budget.

We feel that the need for this help is apparent, and the facts that have been submitted by the States justify the appropriation of the full authorization of \$7,500,000.

DEPARTMENT'S REASON FOR REDUCTION

In testimony prepared for the Senate subcommittee, the Secretary of the Department stated that the additional \$2 million recommended by the House would advance the library program, and I quote, "disproportionately to many other important and needed programs."

It is very difficult for rural people who have worked so long and so hard for this program to understand why the Secretary needs to keep his rural library development program \$4½ million below the amount authorized by Congress in order to keep his \$2½ billion program for the Department in balance.

Senator PASTORE. I think I asked him that question. I was not too much satisfied with the answer.

Senator HILL. Well, I do not think that Senator Pastore got a very satisfactory answer.

FIGURES OF COMMISSION INCONSISTENT

Miss BENNETT. Similarly, the Commissioner of Education stated before your subcommittee that the \$3 million recommended in the President's budget for 1958 was an increase of 45 percent over the amount appropriated for 1957. This does not seem to us quite the right way to look at the figures, for actually the \$3 million is a 145-percent cut from the authorized amount of \$7,500,000.

Senator HILL. I like your mathematics better, I may say.

Miss BENNETT. Thank you.

In view of the fact that this is a terminal grant program and the State plans are geared to the authorization of \$7,500,000, the Library Services Act program will be seriously hampered by insufficient funds, and I would like to make several points as to why we think the \$7,500,000 is needed for this coming year.

In the first place, the full authorization is a very small amount for a grant-in-aid program, and when it is divided among the States and the Territories it does not allow anyone to receive very much money. In fact, the \$7,500,000 was considered the absolute minimum amount 10 years ago when the American Library Association set out to work for the passage of this legislation. We felt that, even though it was a minimum amount, it was the amount that could do the type of stimulation needed in the States in order to provide good library service.

PURPOSE OF LIBRARY SERVICES ACT

The Library Services Act was designed to stimulate greater effort by the States and localities in providing good local public library service, and it will take the full \$7,500,000 to do the job. And we know that it will only partly remedy the present lack of service.

There has already been reference to the fact that there are 27 million Americans who have no access to local public library service and that there are some 53 million more who have access to only very inadequate service. We know that 90 percent of these people do live in our rural areas. We realize these are the people that need to be helped, and that is the reason the Library Services Act is designed to help the rural people, but, as I say, it will take the full \$7,500,000 to bring about the necessary stimulation.

LEGISLATION FOR 5-YEAR PERIOD

The Library Services Act is legislation for a 5-year period. The goal of the program is to bring books to people in the rural areas, people who either do not have library service or who have inadequate

service. Unless the full amount is appropriated for each of the remaining 4 years, the program cannot begin to do the job which is necessary in order to reach the goal.

We know that the States are ready. We are delighted to say that 38 States are able to match the full amount of the appropriation if the \$7,500,000 is appropriated for the coming year.

Senator HILL. Thirty-eight are now ready?

THIRTY-EIGHT STATES FILE PLANS

Miss BENNETT. Thirty-eight now have their plans on file. Thirty-five States already have their programs underway and have received their first payment under the program. We realize that this is almost a record for so new a program, because it took a good while to get the necessary regulations and Government forms out to the States. In fact, the States did not receive these materials until after the Christmas holidays, and yet there are 38 States which have submitted plans and 35 are already underway in the program. We feel that this is real evidence of the eagerness of the States to do their part.

There have already been some direct and indirect results apparent from the work within the States. Senator Watkins has given a very wonderful example with the passage of legislation before the legislature in Utah for the first library agency to do extension work. Other legislatures have been busy with library legislation.

In Arizona the legislature voted for the first time funds for an extension program. They already had enabling legislation, but they had never had a department for this purpose.

In Idaho the legislature just recently appropriated an increased appropriation of nearly 100 percent, and for the first time they will have a professional librarian to direct the State library program. He goes into office in September of this year.

Minnesota put forward their first State-aid program for libraries this year, passed by the legislature.

Of course, these are only a few examples. Rhode Island I understand has now passed—

Senator PASTORE. I knew you were going to get around to that.

Miss BENNETT. Library legislation in both houses, and it is now on the Governor's desk for signature in order that they might participate.

Senator PASTORE. That is right. It has passed.

Miss BENNETT. We are delighted over that news.

Unless the full \$7,500,000—

Senator HILL. Might I interrupt there?

Miss BENNETT. Certainly.

Senator HILL. I might add that the Legislature of Alabama meets this morning. I am quite certain that whatever needs to be done will be done.

Miss BENNETT. Alabama has a very good program.

Senator HILL. We have a fine program up to date.

Miss BENNETT. You certainly have.

Senator HILL. If anything else needs to be done, I am sure it will be done.

Miss BENNETT. I am sure it will.

Senator PASTORE. Off the record.

(Discussion off the record.)

Senator HILL. Back on the record.

CUT IN APPROPRIATION REDUCES STATE ALLOTMENTS

MISS BENNETT. Unless the full \$7,500,000 is appropriated for the second year of the program, the amount of money allotted to each State will be reduced. This is a very serious problem because, as you know, the way the formula is set up within the program, if there is any reduction in the total amount, it means a reduction all the way across the board, even to those States which are ready to match the full amount.

So, with 38 States actually ready to move ahead as of the 1st of July—in fact, all the States are ready to move ahead as of the 1st of July with the exception of two—it would be a very hampering thing to have a less amount to count on within the State program.

ESTIMATES OF STATE'S MATCHING ABILITY

I asked the State library agency directors to send to me their best estimates as to the matching ability of their States for the coming year, and we do have a table which I would like to ask be made part of the record.

Senator HILL. Without objection, we will put that in the record at this point.

(The chart referred to follows:)

States	Match full amount	Match portion of full amount	No information	States	Match full amount	Match portion of full amount	No information
Alabama.....	\$207,576			New Jersey.....	\$103,213		
Arizona.....		\$40,000		New Mexico.....	73,042		
Arkansas.....	164,544			New York.....	249,152		
California.....	239,322			North Carolina.....	302,331		
Colorado.....	88,084			North Dakota.....	84,291		
Connecticut.....	83,689			Ohio.....	270,635		
Delaware.....		40,000		Oklahoma.....	146,523		
Florida.....		100,000		Oregon.....	108,365		
Georgia.....	223,578			Pennsylvania.....	341,396		
Idaho.....		54,814		Rhode Island.....		\$40,000	
Illinois.....	230,178			South Carolina.....	170,405		
Indiana.....				South Dakota.....	82,462		
Iowa.....	173,427			Tennessee.....	219,097		
Kansas.....		100,000		Texas.....	319,792		
Kentucky.....	221,203			Utah.....	63,275		
Louisiana.....	158,010			Vermont.....	63,385		
Maine.....	83,021			Virginia.....	211,253		
Maryland.....	110,806			Washington.....	125,287		
Massachusetts.....	111,213			West Virginia.....		145,000	
Michigan.....	221,976			Wisconsin.....	180,882		
Minnesota.....	172,203			Wyoming.....			
Mississippi.....	193,061			Alaska.....		40,000	
Missouri.....	188,210			Guam.....			X
Montana.....	72,427			Puerto Rico.....			X
Nebraska.....		81,383		Hawaii.....	55,087		
Nevada.....	46,667			Virgin Islands.....			X
New Hampshire.....	62,051						

*Lack the necessary enabling legislation.

MISS BENNETT. This shows exactly how much the States will be able to match if the full \$7,500,000 is appropriated.

You will notice that in the first column there are 38 States able to match the full amount if the \$7,500,000 is appropriated. There

are a few others that will be able to match only a portion of the funds because they do not have sufficient matching ability. There are 2 States that cannot participate in the plan, at least for the next 2 years, because they do not have the necessary enabling legislation by their legislatures, and their legislatures have met and adjourned so that they will be out of the program for the coming 2 years.

Senator PASTORE. But there is no question in your mind that if the \$2 million increase stands that it can be used?

Miss BENNETT. Oh, indeed so.

We realize that there are two of the States that will not, as I mentioned, be able to come into the program, but all of the rest can certainly come in for the full amount that is appropriated.

In closing, I would like to say that—

Senator HILL. When you speak about the full amount, you mean \$7,500,000?

Miss BENNETT. I would like to see the \$7,500,000 appropriated and the States would be able to match that amount of money. Thirty-eight of the States could match the full amount. Two cannot participate in the program. All the rest, including the Territories, will be able to match a good portion of the funds from the \$7,500,000.

In closing, may I say that the American Library Association is firm in its opinion that it takes the full amount to do this job. It is a 5-year program. Unless we have the \$7,500,000 each year for the 5-year program, we cannot do the job that we have set for ourselves.

The sum is a modest investment which will pay dividends in providing better educational facilities and services to the children, youth, and adults in our villages, small towns, and farming communities.

I would urge the subcommittee to give approval of the \$7,500,000.

And may I say how much I appreciate being able to appear before your subcommittee.

Senator HILL. Any questions, Senator?

Senator PASTORE. I would like to ask a question off the record.
(Discussion off the record.)

Senator HILL. We certainly want to thank you, Miss Julia—

Miss BENNETT. I appreciate being here.

Senator HILL. For this very fine presentation. We deeply appreciate it.

LIBRARY SERVICES ACT

STATEMENT OF HON. HENRY M. JACKSON, A UNITED STATES SENATOR FROM THE STATE OF WASHINGTON

FULL IMPLEMENTATION OF ACT URGED

Senator HILL. I have here a statement from our colleague, Senator Jackson, of Washington, which I will place in the record, but I want to quote this one sentence:

In my State of Washington, 15 of our 39 counties are without any library service, and of the other 24, many are served in the most meager way.

He says his State is ready to go right ahead and match the Federal funds and carry out a full program.

(Senator Jackson's prepared statement follows:)

Mr. Chairman, I am sorry that the press of other business prevents me from appearing before this committee in person this morning to lend my voice to the plea for a full implementation of the Library Services Act. Throughout the

Nation, our libraries are doing an almost impossible job in an attempt to bring their services into rural communities and to adequately extend them to every neighborhood within our great cities.

In my State of Washington, 15 of our 39 counties are without any library service, and of the other 24, many are served in the most meager way. If the \$5 million figure is retained, Washington will receive \$86,093 which, when matched by the State government, will represent a significant contribution to the expanding needs of our libraries. Any less would hardly do the job.

May I ask the committee members to give their sympathetic consideration to this appropriation, in due regard to the major role played by our libraries in developing the intellectual integrity of the Nation.

LETTER FROM SENATOR PAYNE

Senator HILL. I also have here a letter from Senator Payne, of Maine, forwarding three letters from Mr. James Humphry III, president of the Maine Library Association, regarding the appropriation for the Library Services Act. Senator Payne's letter, along with those from Mr. Humphrey, will be included in the record at this time. (The letters referred to follow:)

UNITED STATES SENATE,
COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE,
March 21, 1957.

Hon. LISTER HILL,

Chairman, Subcommittee on Department of Health, Education and Welfare Appropriations, Committee on Appropriations, United States Senate, Washington, D. C.

DEAR MR. CHAIRMAN: I am forwarding, herewith, copies of three letters which I have received from Mr. James Humphry III, president of the Maine Library Association, in regard to the appropriation for the Library Services Act. These letters set forth the interest of the Maine Library Association in adequate funds to implement this program in Maine.

It is respectfully requested that the three letters be made a part of the committee's record on the Department of Health, Education, and Welfare appropriation bill.

Sincerely yours,

FREDERICK G. PAYNE,
United States Senator.

MAINE LIBRARY ASSOCIATION,
COLBY COLLEGE LIBRARY,
Waterville, Maine, February 18, 1957.

Hon. FREDERICK G. PAYNE,

*United States Senate, Senate Office Building,
Washington, D. C.*

DEAR SENATOR PAYNE: I am very appreciative of your interest in the appropriation for the Library Services Act.

The reduced budget recommendation for next year would have a material effect on the Maine program for next year. Essentially, it amounts to this: it will be impossible to cover the State with bookmobile service during the remaining years of the demonstration. It will also set back the plans for coordinating the work of the smaller libraries of the State. In other words, the very benefits the legislation has sought to provide will to a certain extent be lost to the people of the State—at least for those who will not be reached by some sort of library service. Geography is the problem which Maine faces in implementing the act—hence the need for bookmobiles and the accompanying need for funds.

Your help in bringing these facts to the Appropriations Committee will be appreciated. Again, my personal thanks for the splendid way in which you have represented Maine in this legislation, and in so many others.

Sincerely,

JAMES HUMPHRY III.

MAINE LIBRARY ASSOCIATION,
COLBY COLLEGE LIBRARY,
Waterville, Maine, February 4, 1957.

HON. FREDERICK G. PAYNE,
United States Senate, Senate Office Building,
Washington, D. C.

DEAR SENATOR PAYNE: It was with regret as well as concern that I read the President's budget recommended only \$3 million for the implementation of the Library Services Act. Of course, the hope of all those interested in providing adequate library service, as envisioned under the Library Services Act, was to have the full amount of \$7,500,000 appropriated for the coming fiscal year. The amount recommended—less than half of this sum—would certainly result in the States' being greatly curtailed in carrying out the provisions of the act.

I therefore write on behalf of the libraries and librarians of the State of Maine, with the hope that the original intent of the Congress—the amount authorized by the act passed by the two Houses—be reaffirmed by committee action, and by action of the membership of both the House and the Senate, when the matter is brought to a vote.

Since the act is terminal legislation for a 5-year period, the full amount is needed each year if the States are to carry out the program. It was only after much study that the American Library Association recommended the \$7,500,000 annual appropriation as a minimum sum necessary to meet public library requirements for this 5-year project. This is especially true in the State of Maine where over 250,000 of our citizens, or nearly a third of the population are without any kind of library service.

Realizing the benefits that can accrue as a result of this legislation, provided the funds are forthcoming, and realizing further the other demands on public funds, I ask your earnest consideration in providing the full appropriation for the Library Services Act.

Sincerely yours,

JAMES HUMPHRY III, *President.*

MAINE LIBRARY ASSOCIATION,
COLBY COLLEGE LIBRARY,
Waterville, Maine, January 4, 1957.

HON. FREDERICK G. PAYNE,
United States Senate,
Senate Office Building, Washington, D. C.

DEAR SENATOR PAYNE: With the Congress again in session, I should like to discuss with you the Library Services Act which passed the last session of Congress and became law in June 1956 when the President signed the bill. As you know, the successful implementation of this law largely depends upon the funds appropriated by the Congress. All of us engaged in library service are desirous of supplying the best service within our means. In the State of Maine particularly, geography dictates that service to outlying districts can best be provided by bookmobiles operating from libraries already in existence. The extension division of the Maine State Library has overall supervision of this program, as required by law.

As the coordinator of the State of Maine, and as president of the Maine Library Association, I therefore solicit your support for the full authorization of \$7,500,000 for fiscal year 1958, to fully implement the program nationwide. For our State, the potential benefits educationwise are certainly far reaching and worthy of our best efforts.

Sincerely,

JAMES HUMPHREY III, *President.*

LETTER FROM SENATOR MANSFIELD

Senator HILL. Senator Mansfield has also written to me regarding the Library Services program. We will include his letter in the record at this point.

(The letter referred to follows:)

UNITED STATES SENATE,
COMMITTEE ON FOREIGN RELATIONS,
April 17, 1957.

HON. LISTER HILL,

*Chairman, Subcommittee on Labor and Health, Education, and Welfare
Appropriations, Committee on Appropriations, United States Senate,
Washington, D. C.*

DEAR MR. CHAIRMAN: The Labor and Health, Education, and Welfare appropriations bill for fiscal year 1958 as passed by the House contained intact funds for two programs of great interest to small communities in Montana and the Nation—the rural library services program and the water pollution program. I want to take this opportunity to express my wholehearted support of both programs.

My position on these fiscal matters concerned in H. R. 6287 is concurred in by my distinguished colleagues, the senior Senator from Montana, James E. Murray; Congressmen Lee Metcalf and LeRoy Anderson.

The House approved \$5 million in grants for the library services program, an increase of \$2 million over that recommended by the Bureau of the Budget. The House is to be commended for its foresight in increasing these funds and I respectfully suggest that the funds be increased still further to \$7,500,000 as authorized by public law.

Montanans are enthusiastic about this program. The State's needs for improved library service are acute and they have promptly taken the steps necessary to make use of the Federal funds as soon as they are made available. I respectfully direct the attention of the subcommittee to pages 227 through 229 of the House hearings on this appropriation bill. Catherine S. Chadwick, director of the library service in Montana, has presented an excellent résumé of the purposes and value of this program in an article entitled "With Federal Assistance: How To Get the Best Library Service for All Montanans."

I understand that the President has recently recommended that the appropriation for the rural library services program be reduced to \$3 million. I feel that this would be very unwise in view of the tremendous importance and established need for this program. The funds requested are relatively small and the results will be great I am sure. The Congress is seldom asked to appropriate funds for move worthwhile effort and I urge that the full amount authorized be appropriated for this program.

I urge that the Senate Committee on Appropriations grant the budget request of \$50 million for the waste treatment works construction program under the Water Pollution Control Act. This request is small in view of the large number of applications which will undoubtedly be submitted and considerably more than the funds requested will provide.

Of the \$50 million requested, Montana is scheduled to receive \$503,000. A Federal grant of \$10,380 was recently approved for the construction of a \$38,000 sewage lagoon and outfall sewer at Richey, Mont. Applications for construction at Geraldine and Hardin are now being processed.

There are several severe pollution problems along our rivers in Montana and the funds requested will provide for an immediate and aggressive program.

This appropriation bill places a ceiling of \$104 million on public assistance administrative costs under the Social Security Administration. I urge that the committee give very serious consideration to this matter. I have been advised by the administrator of the Montana Department of Public Welfare that any reduction in money made available to Montana would seriously impair operations of the State welfare department. Appropriations for administration of public welfare on an open end basis would be much more desirable. Attached is a letter addressed to Senator James E. Murray from Mr. W. J. Fouse, administrator, in which he expresses the State's position in this matter.

I was disturbed to learn that the House had disallowed the request for \$2,500,000 to start the new program of grants to States for training public welfare personnel. The deletion of these training and research funds will cause the elimination of plans already underway in Montana. I respectfully suggest that the Senate Committee on Appropriations restore a reasonable appropriation for training and research in the public-welfare field.

In conclusion I want to say that I am in full accord with the recognition given by the House to the need for programs in the much neglected field of training and research in speech and hearing therapy. I sincerely hope that the Senate will also recognize this great need.

The appropriation of funds or the disallowance of these funds for the many welfare and education programs is of vital interest to Montana and the congressional delegation wishes to be placed on record in regard to these matters.

In closing, I ask that this letter be made a part of the printed record on the hearings on H. R. 6287.

With best personal wishes, I am

Sincerely yours,

MIKE MANSFIELD.

LETTER FROM SENATOR ANDERSON

Senator HILL. Senator Hayden has received a letter from Senator Anderson, forwarding a communication from Mr. Jack E. Holmes, director, New Mexico Legislative Council, regarding the library services program in New Mexico which will be included in the record at this point.

(The letters referred to follow:)

UNITED STATES SENATE,
May 9, 1957.

HON. CARL HAYDEN,
*Chairman, Appropriations Committee,
United States Senate, Washington 25, D. C.*

DEAR SENATOR: I have a number of requests to call to the attention of the Appropriations Committee the need for library services funds to match the money appropriated by our State legislature.

For the attention and consideration of your committee, I am enclosing a letter I have received from Mr. Jack E. Holmes, director, New Mexico Legislative Council, Santa Fe, N. Mex., which explains the position of those who are supporting this request.

Sincerely yours,

CLINTON P. ANDERSON.

NEW MEXICO LEGISLATIVE COUNCIL,
Sante Fe, N. Mex., May 7, 1957.

HON. CLINTON P. ANDERSON,
United States Senate, Washington, D. C.

Several members of the legislature, including Senator I. N. Curtis from Quemando, have called our attention to the need for appropriations for the Library Services Act (Public Law 597). As you will recall this legislature has appropriated \$47,000 for full matching of Federal funds. If the amount of only \$3 million recommended in the President's budget is appropriated by Congress then New Mexico's grant-in-aid receipts will be drastically reduced from the \$73,000 we had hoped and planned for from Federal funds. As you are aware, New Mexico sadly needs whatever funds it can get for rural library services and the State has already demonstrated its willingness to step up the local rural program by its own appropriation.

JACK E. HOLMES, *Director.*

STATEMENT AND LETTERS FROM SENATOR FULBRIGHT

Senator HILL. Senator Fulbright had hoped to be here to present a statement to the committee regarding the library program, but due to conflicting committee meetings was unable to attend. He has sent

over his statement, however, which will appear in the record at this point.

(The statement referred to follows:)

STATEMENT OF SENATOR J. W. FULBRIGHT OF ARKANSAS

Mr. Chairman, I appreciate the opportunity to make a statement in support of adequate funds for the Library Services Act. As a cosponsor of the legislation in the 84th Congress, I wish to state again my wholehearted support for the objectives of the act.

I am happy to say that my State of Arkansas is one which has had its plan for the use of funds under the Library Services Act approved and is already operating under the program. Unfortunately, only \$40,000 was available to Arkansas this year due to the fact that Congress appropriated only \$2,050,000 for fiscal 1957, even though the Senate had voted last July for the full authorized amount of \$7,500,000. We are now appropriating funds for the second year of the Library Services Act. Since this is a 5-year program, the States must have the full amount if they are to accomplish the task they have set for themselves—that is, library service to people in rural areas without service or with very poor service. Congress passed the Library Services Act last year with the authorization of \$7,500,000 each year for a 5-year period. This is not a large authorization but a very important one which should be met.

A very large portion of our rural population does not have access to adequate public library service. I feel strongly that in a period when we are appropriating vast sums of money—billions of dollars for national defense and foreign military and economic aid in an effort to preserve and promote our way of life, we have neglected to provide many of our own people with the basic implements of education which would enable them to develop into informed and enlightened citizens. This is regrettable and should be overcome as rapidly as possible. Any cutting back on this program will only prolong the lack of these important educational services.

In Arkansas, 50 of our 75 counties are now organized under our county library law. We are proud that this has been achieved in less than 20 years. In spite of this, there are still 25 counties with little or no service. These are the ones which will be benefited by the Library Services Act funds. To do this job, however, Arkansas needs all of its \$164,544 allotment for each of the remaining 4 years of this legislation.

The House recently voted \$5 million for this program. I urge this subcommittee to raise the amount to the full \$7,500,000 authorized by the act.

Senator HILL. Senator Fulbright has also forwarded to me a letter from Mrs. Karl Neal, executive secretary and librarian of the Arkansas Library Commission with respect to the library program. Senator Fulbright's letter, as well as Mrs. Neal's letter, will be included at this point in the record.

(The letters referred to follow:)

UNITED STATES SENATE,
COMMITTEE ON BANKING AND CURRENCY,
May 4, 1957.

HON. LISTER HILL,

*Chairman, Subcommittee for the Departments of Labor-Health, Education,
and Welfare, Senate Appropriations Committee, United States Senate,
Washington, D. C.*

DEAR SENATOR HILL: I am enclosing a letter which I have received from Mrs. Karl Neal, executive secretary and librarian of the Arkansas Library Commission, concerning the progress on the library expansion program in Arkansas.

Mrs. Neal's letter furnishes a good explanation of what the State of Arkansas is doing with the small amount of Federal funds allocated under the Library Services Act as well as the monies available from State and local funds. I should appreciate it if Mrs. Neal's letter could be placed in your committee's files for consideration in connection with the appropriation item for the Library Services Act.

With kind regards, I am
Sincerely yours,

J. W. FULBRIGHT.

ARKANSAS LIBRARY COMMISSION,
Little Rock, Ark., May 1, 1957.

HON. J. W. FULBRIGHT,
Senate Office Building, Washington, D. C.

DEAR SENATOR FULBRIGHT: On April 1, the Arkansas Library Commission received the first check for Federal aid to public libraries in the State. This check was for \$40,000. We had hoped that the Congress would approve the full appropriation of \$7,500,000, since Arkansas' share would have been approximately \$160,000. However, we are grateful for the \$40,000 amount. We know that many calls are made on you to support measures for the appropriation of Federal funds. I am writing this letter to tell you the great benefit that even \$40,000 will be to the public library program in Arkansas.

For the past 6 years the appropriation from the Arkansas State Legislature for the Arkansas Library Commission has been \$153,850. The highest amount we have ever received from State funds was the 1949-51 biennium when our appropriation was \$199,000. This year through the determined efforts of the trustees of the Arkansas Library Commission, under the leadership of Mrs. Merlin M. Moore, chairman, the Appropriation for the Arkansas Library Commission for the next biennium was raised from \$153,850 to \$196,000. We are rejoicing because of the vote of confidence given the state library program by the Arkansas Legislature. The staff and the trustees of the Arkansas Library Commission are ready with a good program of library service made possible through the increased State aid and the initial grant of Federal money. No public library in Arkansas has adequate financial support. Although 45 counties now have the local 1 mill tax which is the legal limit in Arkansas for support of a library, the income in most cases is pitifully small. The receipt of the \$40,000 at this particular time enables us to present a program to local libraries which will inspire our people to a better use as well as a better support of the local public library.

Federal money will be used to encourage the development of multicounty units in our State. A well qualified librarian can administer a program of library service for several counties with the assistance of local people qualified to work with direction from a head librarian.

The Arkansas Library Commission is spending one-half of the first grant for the purchase of new books to be used in the establishment of library service for rural people now lacking a local public library. Two bookmobiles have been purchased for use in demonstrating the value of library service. These bookmobiles have been ordered and should be delivered for use early in July. The first time you are at home we would like for you to inspect these bookmobiles and to visit the Arkansas Library Commission so that we may show you the new books and the new service which will be available because of your support of the Library Services Act.

I have been librarian at the Arkansas Library Commission since 1952. Each year we have found it increasingly difficult to operate this library in a creditable way on the appropriation of \$153,850. Good books cost money. Qualified personnel sufficient in number to accomplish our goal also cost money. We are trying to build a foundation for the improvement of educational opportunity, especially for adults in our State, many of whom because of economic need left school before graduation. We feel that our greatest asset is the quality of our people. The librarians and trustees in the public libraries of Arkansas are a dedicated group of people. They have their finger on the pulse of our communities. Give them an adequate book collection, a means of transporting the books to isolated areas and we will see an improved way of living in Arkansas.

I am proud of the fact that you represent Arkansas in the Senate of the United States. Your leadership has brought recognition to Arkansas. I think it is significant that you have sponsored educational programs on an international level and that regardless of Arkansas' rank economically our State is well represented in educational, cultural, and international advancement. I read the Arkansas Gazette and the Arkansas Democrat and so do the librarians in our public libraries. We read with pride of your able representation of us in the Senate. With best wishes, I am

Sincerely yours,

Mrs. KARL NEAL,
Executive Secretary and Librarian.

NATIONAL REHABILITATION ASSOCIATION

STATEMENT OF A. D. PUTH, ASSISTANT DIRECTOR

GENERAL STATEMENT

Senator HILL. Mr. Puth, assistant director of the National Rehabilitation Association. How are you this morning, sir?

Mr. PUTH. Fine, thank you, sir.

Senator HILL. We are glad to have you here, sir. Have you filed your statement for the record?

Mr. PUTH. I have. It is very brief, and I would like to read it and perhaps comment just a second on it.

First I would like to express the regrets of Mr. E. B. Whitten, who is the executive director. He regrets he could not be here. He knows both you gentlemen.

Senator HILL. He has been with us a good many times. He is fine and helpful. We are sorry he cannot be here, but we are happy to have you, sir.

Mr. PUTH. Thank you.

As a representative of the National Rehabilitation Association, the voluntary organization which has been concerned with the development of vocational rehabilitation since 1925, I want to express my appreciation for being allowed to appear before the committee this morning. My statement will be very brief.

In the first place, I want to express thanks on behalf of the association to the members of this committee for the personal interest they have shown in the development of vocational rehabilitation programs. It gives me a great deal of pleasure to be able to say that rehabilitation activities in the States are daily becoming more effective. This is reflected in the number of people being rehabilitated, and most important of all, in the quality of rehabilitation services being rendered, and in the increasing numbers of severely disabled people who are being successfully rehabilitated. Morale is high among rehabilitation people in both the voluntary and public agencies.

With respect to the appropriations for rehabilitation in 1958, I would like to make the following comments:

SUPPORT OF HOUSE ACTION

The National Rehabilitation Association supports the House bill as it pertains to vocational rehabilitation. We believe that the increases in funds recommended for the States will assure a further orderly expansion of the program. The States have been rapidly increasing their support of this program since 1954, and there is a distinct probability that State funds available in 1958 may exceed the amount estimated by the Office of Vocational Rehabilitation and the Bureau of the Budget. If this is true, a supplemental appropriation may be required in 1958. With a large majority of the State legislatures in session at the time the hearings were conducted in the House and with quite a number of them still in session, it is not possible, of course, to make absolutely accurate estimates of State funds to be available. Also, States have shown increasing ability to obtain supplemental appropriations themselves and to get additional funds from contingency funds or transfers from the appropriations of other departments

which has resulted in more State funds than could be anticipated. We believe that the amount recommended for the States is a reasonable estimate at this time.

PRESENT ALLOCATION METHOD EFFECTIVE

We would like to call your attention to the fact that the present method of allotting funds to the States on the basis of an amount higher than the appropriation has been of great benefit. It has enabled those States who have been able to get additional State moneys to move ahead uninterruptedly. At the same time, it has made it unnecessary for Congress to appropriate sums of money which would certainly revert to the Treasury. We are very glad to see this arrangement in the 1958 bill, and we believe that this will be needed for a number of years.

In our opinion, the Office of Rehabilitation is making significant progress in the development of programs for training rehabilitation personnel and in research and demonstration. We are glad to see that the bill contains increased funds for 1958 for these activities. We fully believe that these programs are essential to the development of vocational rehabilitation programs throughout the country.

REQUEST INCREASE OF HILL-BURTON ACT FACILITIES

There are two items in other parts of the bill to which I want to call attention. In the first place, we would like to see you increase the amount included in the bill for rehabilitation facilities under the Hill-Burton Act from \$4 million to the \$5 million which was recommended by the President. One of the great difficulties in this program has been the fact that the allotments to States for any one year are so small that it has made it difficult to develop significant projects. There is still a great need for additional rehabilitation facilities in the country, and we would like to see that the States have allotments large enough to enable them to make substantial headway in meeting this need. Even the additional million dollars will make an important contribution. Several million additional dollars could be effectively used at this time.

EMPLOYMENT SERVICES IN STATES

The other matter I would like to discuss is in connection with the employment services in the States. As you know, Public Law 565 gave the United States Employment Service and the State employment services specific obligations with respect to the placement of the handicapped person. It was expected that State employment services would increase their staffs to provide additional special placement persons to secure jobs for severely disabled people. During the first year under the new law, a small amount of money was made available to the employment services, earmarked for the expansion of the placement services for the handicapped. This enabled them to make considerable progress. Since that time, there have been no earmarked funds for the placement of the handicapped, and many States have not been able to make substantial progress toward meeting their goals of such placement.

In making this statement, we are not critical of the State employment services. We believe that they are doing the best job they can under the circumstances. Administrators of a number of these programs have told us that without earmarked funds it has been very difficult for them to make any headway in the program of placing the handicapped.

It appears that first demands upon appropriated moneys are in connection with the unemployment compensation activities. Increase in activities in other branches of the departments inevitably results in the transfer of people from the specialized services, including programs for the handicapped and aged.

EARMARKING OF FUNDS NEEDED

In the judgment of many of these individuals, earmarked funds for such special services will be required before they can do an adequate job. This has been discussed with officials of the United States Department of Labor, some of whom agree with this viewpoint, but so far the Department has not requested earmarked appropriations for these programs. In our judgment, the committee should look into this situation and see what can be done to assure that the State employment services will be able to increase their effectiveness in placing handicapped persons.

This statement is made with the knowledge that statistical reports show that the State employment services are placing each year an increasing number of handicapped persons. Such numbers would probably continue to increase as total employments increase. What we are concerned with is the employment services' ability to render effective assistance in placing the severely handicapped people of the country, notably those who have received rehabilitation services from the State rehabilitation agencies and who are now awaiting employment. The ability to deal effectively with these people is the real test of the effectiveness of the service, insofar as placing the handicapped person is concerned. Rehabilitation administrators and employment service administrators are alike concerned that the State employment services are not able to make a greater contribution to the placement of this class of handicapped person. We invite your attention to this problem.

Senator HILL. Let me ask you this question, sir: Have you given any thought to how much you think should be earmarked for the specific purpose of employment for the handicapped?

ESTIMATE OF AMOUNTS TO BE EARMARKED

Mr. PUTH. Well, Senator, all I can give you is an estimate. Much depends on the amount of personnel in the field who are trained and capable of doing selective placement. My own judgment would be that we could use between two and two and a half million dollars the first year in getting the program off the ground, since most of the State employment services have selective placement counselors who are already employed in this kind of activity parttime, so many hours a week, 4 hours a week or 6 hours a week.

I had the privilege of working 1 year in the employment service after getting out of college—for a year or two—as a selective placement counselor. And as I am quite sure you are more aware than I am, the employment service has its physical operation based on place-

ments. Placement is the emphasis. And finding, for example, a thousand strawberry pickers 1 day's work gives the placement service more credit than if they were to place 500 handicapped people in permanent jobs for years and years and years.

So, what you must have is an employment service who can shift back and forth with mass labor movements, who can concentrate in large statistics and big production, and this is not in keeping with the careful, studied work and the careful followups and contacts that are needed to place severely disabled people.

QUESTION OF LOCAL RESPONSIBILITY

Senator PASTORE. How do you do that with more money on the Federal level?

Mr. PUTH. Well, we think, first of all——

Senator PASTORE. Do you not think this is a local responsibility?

Mr. PUTH. Yes, sir—Well, to an extent it is both, sir. I think, first of all, we need to have funds that are earmarked for selective placement.

Senator PASTORE. What would you do with them?

Mr. PUTH. Then we would give them to this branch of the State employment services who are responsible for selective placement. Then this, in effect, puts a different kind of evaluation system on them, and they can do truly selective placement work.

Senator HILL. You spoke of a figure of two million to two and a half million dollars for this particular work for the handicapped. Do you know how much is going into this work with the handicapped today?

Mr. PUTH. No, sir, I cannot tell you that precisely.

I wonder if I could speak off the record just a moment?

Senator HILL. Surely.

(Discussion off the record.)

SELECTIVE PLACEMENT

Senator PASTORE. Precisely what do you mean by "selective placement."

Mr. PUTH. By "selective placement," sir, we mean we have an individual in the community whose background, whose experience, whose training is such that he is not fully qualified for a specific job or that he has mitigating circumstances inherently within his placement problem which prevent him from being referred to an ordinary employer. He might be a young person coming out of high school who has no work history, and all jobs that are needed in the community require experienced persons.

He might be an aged person who, if some slight modifications could be adopted in the job, could do a successful job with any other person of the average age.

Or he might be a severely disabled person who requires selective placement in terms of the availability of a job where there is good transportation or where there are no stairs.

Senator PASTORE. How is this distinguished from the State programs, that we talk about when we say "Employ the handicapped"?

Mr. PUTH. Well, sir, we do——

Senator PASTORE. I am trying to line it up in my own mind—precisely what we are talking about here as distinguished from some of these State programs.

Off the record.

(Discussion off the record.)

EDUCATION VERSUS PLACEMENT

Senator PASTORE. I always thought this was more an educational problem rather than a placement problem in the sense of that it was educating the employer that if he had room for these people he should employ this type of worker because this type of worker was a very efficient worker and that it was the idea of breaking down a "bugaboo" barrier.

Mr. PUTH. The fear of disability.

Senator PASTORE. Why is that not true in what you are talking about?

Mr. PUTH. Sir, it is. As you know, in the Labor Department we have the President's Committee on Employment of the Physically Handicapped, the Chairman of which is Gen. Melvin Moss. They do a beautifully effective job in going out to industry and educating industry and management and the employers concerning the employment of the handicapped. And they do a wonderful public-relations job. But this is their sole function—public relations—to change this prejudice in minds.

Now, what we need—once we do have this employer who agrees with Mel Moss and your Governors' Committee as you have in your State and as we have in all the other States—what we need is the precise professional personnel who can screen and evaluate the handicapped people, know what they can do, what they cannot do, personnel who can screen and evaluate job openings and start to carefully match disabled people with job openings.

Senator PASTORE. So that the employer will not become discouraged if he makes the wrong choice with the program?

Mr. PUTH. We might hurt the employer or the handicapped person himself.

Senator PASTORE. That is right.

Mr. PUTH. This is in essence what selective placement is.

Senator PASTORE. I am asking the questions not because I disagree with you—I believe in the program—but I was trying to line it up the record, because we have this continuous talk here of duplication. Yours is not precise duplicating at all?

Mr. PUTH. No.

Senator PASTORE. You mean you want an expert who knows the talent of these handicapped people and will place them in the proper places just so there will not be discouragement either way?

Mr. PUTH. Right, sir.

Senator PASTORE. Well, that sounds good to me.

MODIFYING STATES' METHODS OF PLACEMENTS

Senator HILL. Let me ask you this: Have you given any thought to going before the legislative committee with reference to maybe some

amendment of the basic act to provide these funds to earmark definitely a certain percent or so much of the funds for placement of handicapped people?

MR. PUTH. I do not believe we have contemplated going before any specific committee. I do not know of any at this time that are holding hearings, sir. We do have this as an established policy in the organization, and we believe that this needs to be done, 17,000 of us strong. And we feel that something is going to have to be done to modify the employment programs in the States to do selective placement.

The employment programs do a tremendous job. They do a wonderful job for a cross-section of the population. But they are geared to numbers. They are geared to 170 million people—and they have to be. And in this we have no criticism of them. They cannot do this job for us until we provide them with the tools.

SENATOR HILL. Naturally, the human temptation is to place those that are easiest to place.

MR. PUTH. Yes, sir, that is right.

SENATOR HILL. Is that not right?

MR. PUTH. Right, sir.

I wonder if I might make one brief comment, sir, before I close?

SENATOR HILL. Certainly.

HOUSE ACTION

MR. PUTH. I am quite sure that both of you Senators are very familiar with what happened in the House this year to our Labor-HEW bill. One of the interesting notes on it from the rehabilitation point of view is that to my knowledge rehabilitation was the only program in the entire bill which did not have an amendment proposed to it which would cut it back.

Needless to say, an organization such as our own takes some type of paternal pride in this, and our jubilation was pretty high. But when we reflected on it more seriously, we came to the rather sobering conclusion that basically this showed us that the American people believed in rehabilitation, that they wanted it, and that the House was reflecting this belief.

And I would just like to say that both Mr. Whitten and I and the other members in our national office are cognizant of what you, Senator Pastore, and what you, Senator Hill, have done throughout the 10, 12, 20 years you have been working with rehabilitation to build it as a concept in this country, and we feel that the popularity we have received to date, that we are getting right now, is somewhat a reflection of what you two men and many other Senators like you have done for rehabilitation. And we want to just publicly thank you for it because we appreciate it.

SENATOR PASTORE. Off the record.

(Discussion off the record.)

SENATOR HILL. We are certainly very much obliged to you. Tell Mr. Whitten we were sorry he could not be with us but that he had a very fine and able representative here, will you?

MR. PUTH. Thank you kindly.

SENATOR HILL. It was awfully nice to have had you here, sir.

LABOR INSTITUTE VISITORS

I might say, Senator Pastore, that our visitors here this morning on our left, whom we are happy to have with us, are here in Washington attending an institute meeting of the rubber workers. Is that correct? The Rubber Workers' Legislative Institute?

Mr. JOSEPH GLAZER (education director, Rubber Workers' Legislative Institute). We have some people from Alabama.

Senator PASTORE. You have a lot up in Rhode Island.

Mr. GLAZER. Yes.

Senator HILL. Is there anyone here from Rhode Island.

Mr. GLAZER. No. I am sorry.

Senator HILL. It is nice to have you here, Mr. Glazer, and all of you ladies and gentlemen.

AMERICAN PARENTS COMMITTEE

STATEMENTS OF ADA BARNETT STOUGH, EXECUTIVE DIRECTOR,
AND MARGARET STONE, MEMBER OF THE BOARD

CHILD WELFARE GRANT-IN-AID

Senator HILL. Mrs. Stough.

Mrs. STOUGH. Senator Hill, thank you very much for this opportunity. Mr. Hecht could have been here tomorrow morning but he could not be here this morning. He sent his regrets and he has asked Margaret Stone, member of the American Parents Committee Board, if she would represent him and present his statement.

Senator HILL. We are sorry he cannot be here, but we are delighted to have you here. You may proceed.

Mrs. STONE. As Mrs. Stough says, I am here today on behalf of the American Parents Committee to urge you to be somewhat more generous in your appropriations for services for children. We are happy that these appropriations fared reasonably well in the House, but we trust the Senate will see its way clear to increase some of the amounts.

SPECIFIC REQUESTS

We have three specific requests we would like to make.

1. We hope you will increase the appropriation for the grant-in-aid for child welfare services to the authorized amount of \$12 million. As you know, only \$8,361,000 was appropriated last year, even though the authorization was \$10 million. At the end of last session, the authorization was increased to \$12 million. We learn that the Department asked the Bureau of the Budget to include that amount in the President's budget but the Budget Bureau cut that request to \$10 million. There is great need for the fully authorized amount of \$12 million for this important work.

CHILDREN'S BUREAU

2. We hope you will restore the amount which the House cut from the budget request for the salaries and expenses of the Children's Bureau.

OFFICE OF EDUCATION

3. We hope you will not only uphold the appropriation made by the House for the salaries and expenses of the Office of Education, but will increase that appropriation to the amount requested in the President's budget. Furthermore, we hope you will restore the \$300,000 for the President's Commission on Higher Education which was eliminated by the House.

Now, I would like to support as briefly as I can our case for more money in the three specific fields I have mentioned.

NEEDS OF CHILD WELFARE SERVICES

1. The appropriation for child welfare services should be the full \$12 million.

The child welfare services program was originally enacted in 1935 because Congressmen were convinced that not all children in this country have good parents, happy homes, and the kind of environment that helps them to develop healthy personalities. Many are in homes torn by emotional or economic strife, where one or both parents are absent, or some other misfortune has struck. If there is no one close to the child to help him, the community must assume the responsibility.

In the 21 years since the program has been in operation, the comparatively small Federal grant has stimulated States and local communities to develop public welfare services for children where none existed before. In 1955 about one-half million children were helped. For every dollar the Federal Government put up for this purpose, the communities and the States spent \$20.

AMERICAN PARENTS' COMMITTEE SURVEY

The American Parents' Committee this fall conducted a written inquiry among the States to find out something about their child-welfare programs. In general, the information reveals that in spite of the progress made, the rise in child population has been so great that the welfare budgets in many States are too small to provide care of all the troubled, neglected, and abandoned children. Rising costs, and the increased tensions of modern living which make for family breakdown, have made the problem worse.

AIMS OF LOCAL WORKERS

The money which you appropriate goes with the State money to the local welfare agency. The worker in that agency is the one who must help the child who is in trouble. Today, the first aim of that worker is to keep the child living in his own home. The worker will try to prevent a family breakdown, or help the family over some temporary rough spot so that the child may be able to enjoy normal family life. Forty-one percent of the children now receiving help are with their own families or with relatives.

When a home with a child's own family is impossible, the welfare worker of today tries to find a home through adoption. The number of adoptions increased by 80 percent from 1944 to 1954. If the child can neither be kept in his own home nor placed for adoption, the welfare worker tries to find a good substitute home for the child. In 72

percent of these cases the child is placed in a foster home which is licensed and supervised by the welfare department. Sometimes the child is placed in a group home or an institution, because that seems to best meet his needs, or because there is insufficient staff to find the proper foster home for him.

STATES NEED FUNDS FOR MORE WORKERS

In the light of the job to be done, the crying need of practically all the States is for money to finance more and better qualified workers. This is what one State had to say:

Helping to adjust difficulties which affect children in a family situation demands a well qualified worker near the scene who can respond immediately to the need. A worker responsible for the welfare needs of 100 to 200 children, or a worker in another county, must often delay her visit to the home of a new child who needs help desperately. When she does get to the child, she may find her help too little and too late.

CHILD WELFARE REAL EMERGENCY

The number of children needing help is increasing; the number of trained workers is decreasing. In the eyes of the welfare departments, it all adds up to a real emergency. In one sentence, the situation is this: Children's welfare needs are not being met. An appropriation of \$12 million for child welfare services, which is the amount authorized, will help the States to recruit and train new workers and to provide in-service training to some of those working without proper training.

I would like to file, for insertion in the record of these hearings, a supplementary statement on this subject.

Senator HILL. We will be very happy to have that supplementary statement go in the record.

(The supplementary statement referred to follows:)

NEED FOR \$12 MILLION FOR CHILD-WELFARE GRANT-IN-AID BY AMERICAN PARENTS COMMITTEE, INC.

Federal grants have stimulated States and local communities to set up child-welfare services for children where very few existed before. Increased grants have encouraged extension and expansion of facilities to serve children who have no other source of help, until today every State and Territory has an organized public child-welfare program. During the calendar year 1955 specialized services were provided for about one-half million children. To finance these services the States and localities put up \$138 million compared to the \$7,228,000 spent under the Federal grant for child-welfare services.

WHY MORE FEDERAL MONEY IS NEEDED

States and communities have made great progress in child-welfare work, but the rapid rise in child population is for greater than the expansion in children's service. Half the counties of the United States have no full-time public child-welfare workers, and four-fifths of the counties which do have such workers find the number they have insufficient to meet the needs of their children.

The American Parents Committee conducted an inquiry among the 48 States as to what they believed to be their greatest needs in the child-welfare field and how the Federal Government should help to meet them. The answers indicated the following:

CHILD-WELFARE SERVICES CAN BE ONLY AS GOOD AS THE PEOPLE WHO OFFER THEM

The No. 1 need listed by all of the States was for more and better qualified workers. In 1952 the States spent 9 percent of the grant they received from

the Federal Government to train over 600 child-welfare workers. Professional stipends are given to selected staff members or persons recruited, providing the recipient agrees to return to work for a specified number of years with the agency. The cost of providing services, however, has increased so rapidly that the welfare agencies have been forced to cut down the money for educational stipends in order to take care of more children who need help. In 1955 Federal funds were used to train only 383 workers and the percent of Federal funds used for this purpose had dropped to 6.5 percent. Thus, while the number of children needing help is increasing, the number of workers being trained each year to help them is decreasing. Welfare agencies and associations term this situation an "emergency" for which some remedy must be found.

"We need to enlarge our educational grant program," said the welfare director of a Southern State, "because only as we have more skilled child welfare workers are we able to do a better job for children."

Another Southern State says, "There are few voluntary agencies within this State so the public agencies must carry almost the whole burden of child welfare. Our workload is so heavy that no worker can do the qualitative job we would like done."

One State reports it has 120 counties and only 75 child-welfare workers in the whole State. A large Midwestern State points out that one of its major problems is to find foster homes. "When there are too few workers, too many children languish in crowded, unsuitable institutions or in harmful surroundings because there is no other place to put them."

IT IS IMPORTANT TO KEEP CHILDREN IN THEIR OWN HOMES

Helping to adjust difficulties which affect children in a family situation demands a well qualified worker near the scene who can respond immediately to the need. A worker responsible for the welfare needs of 100 to 200 children, or a worker in another county, must often delay her visit to the home of a new child who needs help desperately. In the meantime the situation may grow more serious, and when the worker does get to the child she may indeed find her help "too little and too late."

Providing "homemakers" who can take over the care of children and household responsibilities while a mother is confined for a long illness, or when some other misfortune has come to a family, is a service welfare agencies are finding more and more effective. Arranging proper day care for the children of employed mothers who must work outside the home is another needed service. Establishing facts as they relate to children in cases of divorce, abandonment, neglect, or delinquency is a responsibility which probate and circuit courts are more frequently placing on county-welfare departments. Securing proper medical and psychological help for the emotionally disturbed child, so that he can remain with the family and not run afoul of the law is another big job of welfare agencies. Most States are carrying on all of this work in varying degrees. And practically all of them see much more that needs to be done.

The need for "homemaker services" described by almost every State can be summarized in the words of the welfare director of an eastern State, "In our most populous county and in another important rural county there are only untrained workers who can't give the real services children need * * * Children are suffering and families are breaking down * * * This increases the need for foster home placements and separation of children from their own families. We are not doing what we should do to bring about a real strengthening of family life which would prevent family breakdowns and separations and would also relieve the pressures on the child placement program."

THERE IS NEED FOR BETTER SUBSTITUTE HOMES

When all possibilities for a permanent home with his own family for a child are gone, the welfare worker is often the person to whom the child must look for finding a substitute home for him. It takes a staff, time, and funds to find proper adoptive homes for these children; find and supervise good foster homes; establish group homes; and to work with private and other public agencies. Said the welfare director of a western State, "We have hundreds of children in this category, but no funds to employ staff to find homes for them."

A southwestern State reports that it needs group homes for the adolescents who do not adjust to boarding homes, but yet are not delinquents. That State also needs more consultant service to institutions. "Not one institution in this

State provides casework for children it takes care of," they report. "Many children remain in the institution until they are grown up, for there's no one to help plan for them to leave."

UNMARRIED MOTHERS AND THEIR BABIES NEED SPECIAL ATTENTION

The welfare director of a New England State summed up in these words the needs in this area that were expressed by many States: "Voluntary agencies don't have funds to care for unmarried mothers. Many babies are born out of wedlock in this State. They are either being placed independently of agency help, which is always a risk, or are growing up without a solid, thoughtful, or constructive plan and without having any real place in a family unit. Many of these children come to the attention of the community some years later as damaged and often potentially delinquent children."

THE NEEDS OF MANY CHILDREN CALL FOR MORE HELP FROM THE FEDERAL GOVERNMENT

You can help to get it by asking Congress to raise the appropriation for the child-welfare services program administered by the Children's Bureau to \$12 million, the amount authorized by Congress for this purpose.

IMPORTANCE OF WORK OF CHILDREN'S BUREAU

Mrs. STONE. The second point: The work of the United States Children's Bureau must not be undercut.

We regret that the House did not allow the full budget request for the salaries and expenses of the Children's Bureau. Since two-thirds of the increase which the House did provide must go for mandatory costs over which the Bureau has no control, there will be only \$69,000 left for stepping up needed research in child life, helping States and localities with their problems of juvenile delinquency, and increasing other services.

Research in child development was one of the duties with which the Children's Bureau was charged when it was first created in 1912. Unfortunately, much of that research was eliminated during the war and appropriations for it have never been renewed. Need for such research has increased with each passing year. More and more the experts are saying that what adults are and what they do is the result of what happened to them as children. Yet we know so little about how new scientific discoveries and new patterns of working and living are affecting children. It is alarming to look at the large sums which the Federal Government spends for research in agriculture, atomic energy, and similar fields, and then at the minute amount spent for research in child development. We urge that the \$76,678 requested in the budget for research be restored.

FUNDS FOR DELINQUENCY WORK ASKED

We also want to make an appeal for the restoration of the \$120,000 requested for the Bureau's work in the field of juvenile delinquency. We have been following closely the hearings before the House subcommittee headed by Representative Carl Elliott of Alabama on the bills providing grants-in-aid to the States for the prevention and control of juvenile delinquency. The evidence brought out in those hearings about the magnitude of this problem is staggering.

Community leaders are aroused, and they are beginning to tackle the job, but they need help. They need advice on how to get their churches, their schools, their juvenile courts, their social workers, and their voluntary agencies all working together. The Juvenile Delin-

quency Division of the Children's Bureau cannot do the whole job. It is going to take legislation like that which the House is considering; it is going to take gigantic efforts on the part of all the State and local leaders. But the Division in the Children's Bureau can provide some help now, but it cannot do much if it is not given the staff.

So, because of the need for research and for help to localities on juvenile delinquency, we respectfully ask that the appropriation for salaries and expenses for the Children's Bureau be restored to the \$2,154,000 requested in the President's budget.

HOUSE REDUCTION

Senator HILL. Was that reduction made on the floor of the House?

Mrs. STOUGH. No, there were no reductions in this made on the floor of the House. It was made by the committee.

Senator HILL. By the committee?

Mrs. STOUGH. By the committee.

Mrs. STONE. Third, our country needs bold leadership in education.

INCREASE FOR OFFICE OF EDUCATION REQUESTED

We urge an increase in the appropriations for the Office of Education. We are selling our country short if we do not recognize soon that more attention to education is one of our most crying needs.

The development and expansion of our country seems to have outdistanced our ability to educate the manpower our country needs. We are facing a shortage of brainpower in almost every field of endeavor. We would like to see a strong, vigorous, bold Office of Education trying to find out why. It should pioneer in research, and it should furnish the leadership necessary to get the benefits of this research out to the schools where it will help the individual child. We believe the entire \$1.3 million requested for educational research should be voted.

earmarking of research funds

If the appropriation stands at the level passed by the House, the Office of Education will have (after meeting mandatory costs) a total of \$2,300,000 to be spent in cooperative research. The House earmarked \$1,183,000 of that, however, for research for the mentally retarded. That will leave only \$197,000 for research in other areas.

NEED FOR HELP TO GIFTED CHILD

We realize the importance of improving the education of the mentally retarded, but we also wish to call your attention to the appalling amount of needed brainpower going to waste because we have not found ways of recognizing the gifted child. I think this goes right in with the other testimony you have been having this morning. We have not found ways to guide him, to keep him in school, and to provide him with the education he needs to contribute his great potential to society.

The appropriation for the President's Commission on Higher Learning should be granted for the same reason. In a few years we

will not have enough college facilities to take care of the youth we need to train. The President's Commission will, we hope, stimulate college expansion. How can a nation continue to grow and prosper if we cut out the very roots from which its industry and its culture are sustained? We must spend more on education. If we fail to do so, we are stifling the continued growth and prosperity of our Nation.

We hope the roar for economy will not deafen the ears of the Congress. Obviously it is your duty to scrutinize Government spending and decide what is wise or foolish. However, we believe there is little basis for alarm over Federal spending, because in terms of "hard" dollars the budget has only kept pace with the Nation's growth. Actually, the spending on Federal programs not connected with national security have decreased by $21\frac{1}{2}$ percent since 1950. That is taken from the U. S. News & World Report.

Money spent for education, for the health and welfare of the Nation's children is an investment—an investment which will pay rich dividends in the future. To cut down those services in the name of economy is to cut off the very lifeblood of the Nation. We hope this committee and the Senate will remind the public of that fact by appropriating generously for these services.

Senator HILL. Senator Pastore?

PROBLEM OF RECRUITMENT

Senator PASTORE. It may not be a proper question directed to you, but I was merely curious about this. Looking at page 3 of the statement, on your first item, it reads: "Children's welfare needs are not being met. An appropriation of \$12 million for child-welfare services, which is the amount authorized, will help the States to recruit and train new workers and to provide inservice training to some of those working without proper training."

Now, do we have many people of that caliber today? I thought today that this was quite a specialized field—social working, that you have to have a college education with a degree in social work.

Mrs. STOUGH. That is the ideal situation, Senator, but in the letters we got from the States, which the supplementary insertion is about, we had many statements such as this: "We have young people in our welfare bureau that have just a college degree, say an A. B. degree. They are interested. They would be worth so much more if we could send them away for say a year's special training in graduate school, but we do not have the money with which to do it."

They are doing a job, yes, but not the kind of job they are capable of doing if they had more work.

The ideal is that they shall all be specially trained welfare workers, but there just are not enough of them, so the States are having to use second best, so to speak. And they are the people for which they would like to provide inservice training, you see.

Senator HILL. Do you have any figures on what percent have had the special training?

Mrs. STOUGH. I do not believe I have. I would certainly try to get it.

Senator HILL. See if you can get it for the record. That would be very helpful.

(The information requested follows:)

State and local public welfare agencies are not yet staffed by fully trained child welfare workers.

Two years of graduate study in a school of social work is generally recognized as the minimum professional education for full training of these workers. According to reports received by the Children's Bureau from 49 of the 53 States and Territories in 1955, the percentage of child welfare staff in public welfare agencies with professional training was as follows:

Education	Child welfare consultants and supervisors	Child welfare caseworkers
Total number.....	1,031	3,668
Some graduate social work education.....percent.....	89	53
2 years or more.....do.....	57	19
1 year, less than 2.....do.....	25	26
Less than 1 year.....do.....	7	8
No graduate social work education.....do.....	11	47

Major reasons why more child welfare staff are not fully trained are:

A. The extreme shortage of trained social workers which has existed for many years. In all fields of social work the demand for trained workers continues to be far greater than the supply available.

B. The steadily increasing demand by the public to extend child welfare services to more geographic areas so that these services may be accessible to all children who need them. States have made steady progress in the past 20 years in extending services to more areas, especially to rural areas, through the use of Federal child welfare funds. Nevertheless, both rural and urban areas still have great and pressing needs for more child welfare services.

C. The expansion of the scope of the child welfare services program. In the 1930's, the care for children which public agencies provided was largely that provided in State institutions. With the increasing recognition that children who cannot be cared for with their own parents or relatives thrive best in a family home, States have greatly expanded their provisions for care in foster family homes. In addition, they have broadened their child welfare programs in order to give more service to children in their own homes so as to help more children to remain with their own families and prevent family breakdown whenever possible.

D. The training programs of State public welfare agencies have not been able to keep pace with the expansion in the child welfare field.

During the last 20 years, the majority of States have built up their child welfare staff through the method of granting educational leave and modest stipends for training in a school of social work, for which Federal child welfare funds have been used. Educational leave has played a major role in improving the training of child welfare staff. Between 1950 and 1955, for example, the percentage of supervisors and consultants with full training increased from 45 percent to 57 percent. Nevertheless, the States are still far from the goal of a fully trained child welfare staff.

ITEMS INCLUDED UNDER TRAINING

Senator PASTORE. I mean what you will have to dispel here is this idea that these are somewhat "junkets" for people who are already social workers to go to these so-called conventions or meetings where maybe the greater aspect of the convention is the sociality more than it is the academic benefit that will be derived from it insofar as perfecting a State system is concerned.

Mrs. STOUGH. I see what you mean. I believe, Senator, conventions are never considered part of training. They have here in mind general fellowships.

Senator PASTORE. I am not saying that. I say you have to dispel that feeling on the part of some.

Mrs. STOUGH. You see, actually—and I think that I have that in the supplementary statement because we did not want to take too much of your time—in the early days of the child welfare program a fairly sizable percentage of the immediate money was put into training per se. That is, the States set that aside for training.

Senator HILL. When you speak of training, you mean what we ordinarily speak of as a fellowship?

Mrs. STOUGH. That is right—fellowship training for special work.

Senator HILL. Not just attending conventions and meetings?

Mrs. STOUGH. No. Stipend—

Senator HILL. It is going to school?

Mrs. STOUGH. Stipend I think is another word for it.

Senator HILL. Going to school, yes.

Mrs. STOUGH. Then because of the fact the number of children has increased, the problems have increased so much that gradually that percentage of the Federal money that the States laid aside for stipends has simply had to be reduced because they have had to use it for day-to-day operating, taking care of children. That is what has actually happened.

STATES HIRE AND TRAIN WORKERS

Senator PASTORE. Are you actually saying many States are more or less compelled because of the lack of social workers with a degree in social work to hire college graduates with a bachelor of arts degree who have—

Mrs. STOUGH. Who learn on the job.

Senator PASTORE. Learn on the job? Is that more or less what it is all about? And then go to some school or college and take a course in order to get a degree in social work?

Mrs. STOUGH. That is my understanding, Senator. I would be happy to try to find the exact figures Senator Hill has requested.

Senator PASTORE. Another thing for the record too. Does the State put up any money for this training?

Mrs. STOUGH. Oh, yes.

Senator PASTORE. You merely match here? Is that right?

Mrs. STOUGH. The States I think are putting up \$20 for every dollar the Federal Government spends. That is the overall welfare costs.

Senator HILL. That is the overall.

Mrs. STOUGH. Overall. But they also help on the stipends is my understanding. It is part Federal and part State.

Senator PASTORE. Would you get that in the record—precisely what the program is?

Mrs. STOUGH. I will be glad to.

Senator PASTORE. With the permission of the chairman.

Senator HILL. Oh, certainly.

Senator PASTORE. I am giving instructions here.

Senator HILL. By all means. It would be most helpful.

Mrs. STOUGH. I would be happy to do that. I am not sure that is spelled out in the letters we got from the States. The general picture is, but I think the figures are not available.

Senator HILL. You see if you can get us the clearest picture possible.

Mrs. STOUGH. I certainly will.

(The information requested follows:)

The Social Security Act does not require that the States match the Federal funds which are used for training. But in some States, State funds have been

used for training child-welfare staff. For example, in 1956, Mississippi used \$4,358 of State funds and \$9,964 of Federal funds for educational leave for child-welfare staff.

The Social Security Act does require that States pay part of the costs of services in predominantly rural areas in which Federal child-welfare funds are used. However, the act does not specify what part of the costs is to be met by the States. In general, the States as a whole are spending a great deal more in State and local funds for their child welfare programs than the amount of Federal funds available. State and local funds are used primarily for the cost of foster care of individual children, for employment of personnel, and for other administrative costs. The Children's Bureau estimates, on the basis of State reports of child-welfare expenditures, that about \$138 million was spent from State and local funds in 1956 as compared with about \$7 million from Federal child-welfare funds.

Senator HILL. Any other questions?

Senator PASTORE. No.

Senator HILL. Tell Mr. Hecht we are sorry we did not have him here, but he was certainly well represented. We are certainly delighted to have you here. Thank you very much.

Mrs. STOUGH. Thank you.

NATIONAL ASSOCIATION FOR RETARDED CHILDREN, INC.

STATEMENT OF ELIZABETH M. BOGGS, SECOND VICE PRESIDENT

RECOMMENDATIONS REGARDING FUNDS

Senator HILL. Mrs. Boggs. Have you a written statement?

Mrs. BOGGS. I have a written statement which I have already filed. I do not propose to read this statement. I would like to have it entered, if I may, and perhaps I can save your time by summarizing some of the main points.

Senator PASTORE. All right. You do it your own way.

Mrs. BOGGS. I am the second vice president of the National Association for Retarded Children, and my main job is to coordinate the committees that have to do with education, vocational rehabilitation, research, and so forth.

Senator PASTORE. Off the record.

(Discussion off the record.)

Senator PASTORE. All right. Proceed.

DEPARTMENTAL AGENCIES WORKING WITH RETARDED CHILDREN

Mrs. BOGGS. There are 5 agencies in the Department of Health, Education, and Welfare whose work has direct bearing on the interests of the mentally retarded, and it is to the programs of 4 of these in particular that we wanted to address ourselves this morning. These are the Office of Education, the Children's Bureau, the Office of Vocational Rehabilitation, and the National Institutes of Health.

Now, all of these agencies have concern for ill and handicapped people in one way or another. They include concerns for the crippled and other types of physically handicapped, the mentally ill or emotionally disturbed, and the mentally retarded. And I want to emphasize that we think the programs in these agencies are basically constructive because they are addressed to the prevention and amelioration of these conditions with the object of diminishing dependency and economic loss resulting from these conditions.

DEFINITION OF EMOTIONALLY DISTURBED CHILD

Senator PASTORE. What is an emotionally disturbed child? Is that a fair question?

Mrs. BOGGS. Well, I will——

Senator PASTORE. I will not press it if it is unfair.

Mrs. BOGGS. No, I will try to give you a thumbnail on this. Perhaps—well, you were probably particularly concerned about the differentiation between a mentally retarded child and an emotionally disturbed child, since I am speaking for mentally retarded children at this point. I think that if I may start with the mentally retarded child and then move over you will see.

MENTALLY RETARDED CHILDREN

The mentally retarded child is one whose development, mental development, has been impaired or interfered with from a very early age. Mental retardation is often the result, the end result—it is a condition which results from disease process perhaps or from an interference with development.

EMOTIONALLY DISTURBED CHILDREN

Now, emotional disturbance is an interference with the functioning of the individual which is more analogous to a physical illness, whereas mental retardation is more analogous to a physically crippling condition. Emotional disturbance is a form of mental illness or incipient mental illness perhaps, depending on who is defining it.

Senator PASTORE. Yes.

Mrs. BOGGS. I would say this: There are some children who suffer from mild emotional disturbance and we probably would not characterize them as mentally ill.

Senator PASTORE. You are not talking about that child—the child who goes into a tantrum because it cannot have a bicycle. We are not talking about that child.

Senator HILL. Off the record.

(Remarks off the record.)

Mrs. BOGGS. There is a disturbance of functioning in an emotionally disturbed child which does not necessarily imply an impaired intelligence or intellectual function—which is always implied in mental retardation. Does that answer?

Senator PASTORE. Yes.

MENTAL RETARDATION VERSUS EMOTIONAL DISTURBANCE

Mrs. BOGGS. I would say by and large as a physically crippling condition in mental retardation we are dealing with a condition which is more or less static. The individual's adaptability can be ameliorated, but there is not a basic cure for the condition any more than there is a basic cure for an amputated foot, you see, whereas with the emotionally disturbed there is some hope that by appropriate psychiatric treatment that the condition itself can be affected, that the disease itself can be redirected or modified.

Senator PASTORE. I see. I am sorry for the interruption but I have been curious for a long time.

Mrs. BOGGS. That is perfectly all right.

CONSTRUCTIVE ASPECTS OF WORK

Mr. Chairman, I was just emphasizing the constructive aspects of the work of the Office of Education, the Children's Bureau, the OVR, and NIH in relation to prevention and amelioration of these conditions to the end that the economic loss and dependency should be diminished.

And we feel very heartened and very grateful that the Congress and the administration both have in recent years very much encouraged these agencies to intensify their programs in these areas and particularly in the area affecting the mentally retarded, which has been rather overlooked in the past among these other handicaps. And we feel these agencies have gone ahead in good faith to lay out programs.

And I think our appeal here is for consistency and continuity in sustaining these programs and so that the money that has already been invested and the thought of the agency people can come to fruition and the benefit can be fully enjoyed. And this will involve some increases in appropriations for the programs that are now in effect because they are reaching the point of a fuller strength as planned, and this progress has to take place over a period of years and cannot be turned on and off from year to year like a faucet.

Now, the programs for which appropriations are asked in the bill that is before you are all, in effect, under way at the present time. There are no major departures contemplated in this bill.

I would like to speak particularly to the Office of Education, if I may, because of the fact that that appropriation was most seriously in jeopardy in the House.

I think as Mr. Puth said the OVR, for example, was very little challenged at that time, and we were very grateful for that.

But in the Office of Education there are several problems both with respect to personnel and particularly with respect to an understanding of this research program.

COOPERATIVE RESEARCH PROGRAM

The cooperative research program is carried forward under a law passed in 1954 but implemented with appropriations only for the first time this year, so it is new this year. Last year a little over a million dollars was appropriated, of which a substantial fraction was earmarked for research in the area of education of the mentally retarded, and this year the Bureau of the Budget asked for \$2,300,000, and this has now been included in the House bill. It is approximately twice what was appropriated this past year, and there apparently was some thought that this represented a very major expansion for the coming year, but this is a fallacious interpretation owing to the fact that the rate of operation at the present time is approximately \$2 million, the annual rate of operation, because the program has been actually in effect only the latter 6 months of this year. So that the \$2,300,000 will allow for very few new projects to be accepted after July 1.

If, as was threatened for a short time in the House, this appropriation were cut back to the current level, it would actually mean that contracts now out would have to be canceled and the projects discontinued after July 1, and I think this would be quite disastrous.

PERSONNEL PROBLEM

Now, with respect to personnel, there is a particular problem.

Senator HILL. In other words, the \$2,500,000—

Mrs. Boggs. \$2,300,000.

Senator HILL. Yes, \$2,300,000 will really just permit the program to go forward at its present pace, so to speak?

Mrs. Boggs. That is correct, because most of the projects which have been undertaken will take several years to complete, so only as they expire and lapse will there be even an opportunity to bring in much in the way of new projects.

Senator HILL. I understand.

Mrs. Boggs. Now, in the matter of personnel, there is a little anomaly. If you look at NIH appropriations for research and training grant programs and so on, they are nearly always bracketed with an item for administering the program itself, and this has not been done in the Office of Education. The research program has been lumped into that \$7 million. It was \$7,500,000 requested and \$7 million granted by the House committee. This includes the \$2,300,000. And this is lumped all together with the general salaries and expenses item of the Office.

And what is perhaps not realized is that the research program did not have any specific staff positions or administration expenses attached to it. The result was that the burden of administering this new and very vital program fell on the personnel who were already in the Office who already had other jobs to do.

Now, this year the Office requested 75 new positions, and the House committee cut back the appropriation so that, in effect, they will only have 8 for the entire Office.

SPEECH AND HEARING DISORDERS

Now, at the same time, the House committee made it quite evident that they are requesting the Office of Education to give quite a bit more consideration than in the past to the problem of speech and hearing disorders in the education of children so affected. Now, there is no specialist in this area in the Office at the present time, and yet I think they are going to be hard put to it to obtain a specialist without jeopardizing some other positions that they had requested for another purpose.

I think it is important to recognize that the section on exceptional children and youth which is concerned with all the various types of handicapped children who have educational handicaps and also the gifted—and this has two professional staff people for this entire area to keep track of all the 48 States and all these areas of handicapping conditions—

Senator HILL. How many children would you say in the whole United States—can you give us a rough estimate?—are in these areas?

PERCENTAGE OF HANDICAPPED

Mrs. Boggs. Well, we roughly say for all these handicapping conditions that 10 to 15 percent exist, depending on the degree of handicap that you use in your cutoff point. Now, there are about 35 million school-age children at the present time, so this would bring you to 3 million or 4 million children who need some attention to the educational problems that arise out of handicaps.

Senator HILL. Some special training?

Mr. Boggs. Some special training. A large proportion of these, or a large fraction, are speech-handicap children. Another large segment are the mentally retarded. And the so-called physically handicapped, the crippled, and the deaf are a smaller fraction. And the emotionally disturbed, also. So we have a substantial number of children whose education is interfered with by some form of physical or mental handicap.

Senator HILL. Has it not been true in recent years that it has been surprising how many children are put down as being sort of not very smart, we will say, subnormal, when the truth of the business is they had some impairment in their hearing and they could not keep up; it was not possible for them to keep up—

Mrs. Boggs. Very possible.

Senator HILL. Because they could not hear what was going on?

Mrs. Boggs. This is very possible. There are real problems of determining what the true handicap is as distinct from the apparent handicap.

Senator PASTORE. Do you think our school system is handling that problem or that responsibility effectively? I mean, for example, the child with bad eyesight.

DIFFERENCES IN STATES' PROGRAMS

Mrs. Boggs. Well, the programs of the different States are in very different states of development in this respect. There are some States, for example, which passed legislation in respect to certain types of handicapping conditions as long as 40 years ago. There are some States whose programs are not even fully legislatively established at the present time.

Senator PASTORE. I think the chairman here has brought up a very, very important point. Now, if a child cannot see the blackboard and will stand up and just not admit the fact he cannot see the board but might say, "Well, I don't know the answer," he may be classified as not a very bright child, and he may be a very bright child but just cannot see the blackboard through no fault of his own or her own, or maybe cannot hear the teacher because she has a seat in the back of the classroom and the child—

Mrs. Boggs. And the child does not know that anybody else is any different.

Senator PASTORE. Either that or would not admit it even if she does know. Now, I am wondering if in our school system we are doing enough to find that out, or whether we are just drifting in the dark.

Mrs. Boggs. Well, as I say, there are differences between the States, and really this is often a local initiative problem.

Senator PASTORE. I realize that.

Mrs. BOGGS. And the programs vary enormously in their efficiency and effectiveness. There is the problem of diagnosis in the first place, and then there is the problem of providing the additional necessary services in the second place. If the child is blind, he needs to learn Braille, and there needs to be a special instructor, and so on.

Senator PASTORE. Off the record.

(Discussion off the record.)

Senator PASTORE. I wonder if you have a system of detecting this systematically.

VISUAL SCREENING TESTS

Mrs. BOGGS. Some school systems do give a screening test. Some have a visual screening test. Others provide for a routine test of hearing, and then when they detect a child who seems to have some loss, they go in for a more elaborate examination.

Similarly we need to have screening for the children who appear to be mentally retarded and these other various disabilities. We have problems of educating cerebral palsied children, and so on.

As I said, this is basically a State and local responsibility, as all educational services are, but the Federal Government through the Office of Education has a particularly critical role which it can play in this because of the fact that these children are the exception and are fewer in number and there is a greater need for pooling of what information we do have and assistance to general administrators in seeing how they can assist the handicapped children in their district. So that the Office of Education has a particularly important role to collect data, to prepare written materials, to summarize the experiences in those States which have had perhaps advanced programs, and making this experience available to those who would like to advance in doing research. All of these things are things that the Office of Education can do which will assist the States and in no wise interferes with their proper functions of carrying out the services at the State and local level.

The importance of—well, let me put it this way: I think we all agree we like things to be done at the lowest level of government where it can be done efficiently. But when you are dealing with a minority group, which these handicapped children are by the very fact that the number of children is smaller and the services are more scattered, the ability of the central agency, the Federal Government, to bring the information together and make it available for everybody's use is even more important than it is in the work with general education.

Senator PASTORE. Off the record.

(Discussion off the record.)

DEMANDS ON OFFICE OF EDUCATION

Mrs. BOGGS. I do feel the mandate the Congress has essentially placed on the Office is a very appropriate one, but I also feel that it is imperative that the Office be allowed to have the staff to do the job, and this is where there seems to be a deficiency this year.

Senator HILL. The truth of the business is, Mrs. Boggs, we did not start this work until very recently, did we? A year or so ago?

Mrs. BOGGS. That is right. It is very much stepped up. You see, there again the responsibilities and demands on the Office of Education have been stepped up not only by what you people have been asking of them but also what has happened in the States and local communities themselves. They themselves are initiating very rapid expansion in these programs, and they are looking for assistance from people who know how to do it. They are looking for advice. They are looking for information. They are looking for curricula. They are looking for assistance in setting up programs of training teachers.

We have many more universities and colleges now who want to prepare teachers for helping these various types of handicapped children, and each one is a specialty, I emphasize. And they look to the Office of Education.

The Office has recently gotten out a series of pamphlets on teacher training in these areas which is very valuable, but it would not have been possible had not private funds been put into the project.

Senator PASTORE. Thank you.

PERSONNEL REQUESTED

Mrs. BOGGS. I just wanted to speak to the point of the personnel. I think that if the committee could see its way clear to putting back even part of that \$500,000 that the House committee cut from the salaries item it would be quite helpful.

I might also——

Senator HILL. Now, if we put that back, do you think you would get the personnel that you have spoken about here this morning?

Mrs. BOGGS. Well, let me say first of all, of course, the \$500,000 that was cut was not exclusively the program of the handicapped. They had other positions they wanted to fill.

Senator HILL. That is right. That is why I asked the question. You might get the \$500,000 back and then you might not get the personnel you are speaking of.

Mrs. BOGGS. I do not feel qualified to speak with respect to the supply of personnel for the entire Office of Education. But I do believe that we could expand the section on exceptional children at this time with several new positions in the various specialties, and I think it could be done because there is interest in this and people recognize that this is a very key position to occupy.

Senator PASTORE. How much of the \$500,000 would that take?

Mrs. BOGGS. Well, you know how these things are. If you have a professional person, you need to have also the ancillary clerical staff to go with them and the postage and telephones and so on. And I am not an expert at just how that is done, but I imagine that it amounts to perhaps \$20,000 per position—something of that sort.

Now, to go back to your question, Senator, one of the reasons that I think the House committee cut this back was that at the time that they were holding hearings—at any rate the success of the Office in recruiting in the current year was not very marked. They were given additional positions in the current budget year——

Senator HILL. The present year.

DELAY IN RECRUITING

Mrs. Boggs. The present year. And as of January 1, or so, they had not filled a good many of them. However, I feel that there were rather special circumstances pertaining in the Office this year which delayed recruiting. Now, there was a change in Commissioner, and this kind of thing always holds things up a little bit. And I feel so far as the positions in the field of exceptional children is concerned there is no doubt a shortage of personnel, but, on the other hand, there is also a great recognition of the importance of this kind of position, and I think that there are people who would really like to have the challenge of occupying such positions if they were there, and particularly if the positions were sufficiently numerous so that the people who are real specialists in different areas could be employed.

At the present time we have two people who are supposed to "cover the waterfront," and this is very frustrating, because they have to be experts on the blind and the deaf and the crippled and the mentally retarded all in one breath, and although they do have competence in these areas they cannot do the intensive kind of job they would like to do.

Now, this is what I wanted to get across about the Office, Senator. I would like to mention also just about the Children's Bureau—unless you are going to cut this short.

Senator HULL. Go ahead.

Mrs. Boggs. I just thought I would comment on my very recent experience. The Children's Bureau program in the area of the mentally retarded is under the maternal and child health program, and they are asking for continuation of the special projects million in that program.

LACKS IN STATES

Over the weekend I was in South Dakota, and this is a rural area, and this program was intended to be particularly helpful in rural areas. And I am sorry to say South Dakota is not going to get any money in special projects—not because they do not need it but because they need it too much. They need it so much because they are so inadequately staffed there they were not even able to mobilize themselves to present their project in time to get the money. Their maternal and child health director position has been vacant for several years. They have only one medical doctor in their State health department. And our association members who are very eager to see better services in rural areas are really quite unhappy that they have not been able to put forward a case to claim some of these special funds.

And, of course, even if the million is appropriated again this coming year, this will really only maintain the existing projects and will not allow for much expansion.

I am not emphasizing that, because I think that if you go along with the House in appropriating the \$16,500,000 for maternal and child health—this is the maximum authorized—it is important to know that there would be more demand than we are getting.

PRECLUSION OF MENTALLY RETARDED FROM HILL-BURTON BENEFITS

And finally, Senator, I would just like to mention this business which you and I have discussed elsewhere of the preclusion of the

mentally retarded, epileptic, and emotionally disturbed from the benefits of the Hill-Burton Act under certain circumstances. Because of regulations, construction is not allowed, or construction of certain specialized facilities is not permitted under the act for these types of individuals. And we just wanted to mention that in connection with the appropriations because we notice that under part G perhaps the demand has not appeared to be quite as great as might have been anticipated, and we feel if some of these facilities were allowed to be considered that there would be a noticeable increase in demand for appropriations under that section.

Senator HILL. Any other questions, Senator?

Senator PASTORE. No.

Senator HILL. Thank you very much—

Mrs. BOGGS. I appreciate it very much.

Senator HILL. For this most interesting discussion. We appreciate very much your being here. Very much,
(Mrs. Boggs' prepared statement follows:)

RECOMMENDATIONS REGARDING APPROPRIATIONS ON BEHALF OF MENTALLY RETARDED CHILDREN AND ADULTS FOR 1957-58

The National Association for Retarded Children, Inc., representing 45,000 family memberships in 485 local units throughout the Nation and well over 5,000 individual professional and nonparent members, deeply appreciates the impetus Congress has given to a full-scale attack on what many authorities consider one of America's foremost social problems. In doing so, the Congress has rightfully concluded that only if this impetus is supplied by the Federal Government, implemented in turn by State action, and followed up on the local community level, can the problem come nearer to solution.

It is hard to assess the full impact of the social and economic effects of mental retardation, but it can be demonstrated easily that some of its costs are tremendous. Studies made by the United States Public Health Service show that at least \$150 million is currently being spent each year in administering public and private institutions housing retarded persons, and this figure is increasing not only because of rising costs but also because of increasing population. Yet, this amount does not take into account the very considerable initial construction cost of about \$10,000 per bed. For example, one State this year is spending \$30 million just to extend its present institutional facilities for the mentally retarded. Many other States also are spending substantial amounts to increase their facilities.

However, the foregoing costs apply only to that minority of the mentally retarded who require full-time institutional care and do not take into account the extensive expenditures for special education and other community services for the considerably larger number who do not require residential care. But even this consideration falls far short of completing the picture: it fails to take account of the vast impact of the problem of mental retardation on millions of families, fails to consider the effect on brothers and sisters, the emotional strain put on parents, and the extra financial burden imposed on the family. Not infrequently, the continuous stress involved in the care of a severely retarded child affects the earning capacity of the parents and may even lead to their own need for medical or psychiatric attention.

Largely, it has been the recognition of these vast effects of their children's handicap that has caused thousands of parents to join forces through the formation of the National Association for Retarded Children, Inc. The untiring efforts of this group, sparked and carried through by volunteer effort, brought the Nation for the first time to the realization of the immensity of the problem and also to the realization that mentally retarded children can be helped. Although the association seeks guidance from and works in close cooperation with the leaders of the many professions concerned with mental retardation, most of its work continues to be done through volunteers. These parent-volunteers work through 19 national committees aided by State associations in 43 States and closely related to the almost 500 local units. The association's work extends to all Territories of the United States of America. Even groups of servicemen

in units of the United States Armed Forces stationed abroad have indicated desire to have some affiliation with the organization. Many requests have been received from servicemen for help in planning for their retarded children.

Thus, the association can claim not only that it truly represents the families which are coping with the problem of mental retardation, but also that it has a comprehensive appreciation of the problem, nationally. It is from this vantage point that the association wishes to submit, respectfully, comments on the proposed budget to the Senate Subcommittee on Appropriations for the Department of Health, Education, and Welfare, and Labor.

We wish to state at this point that we are deeply conscious of the desire on the part of many citizens to cut the proposed budget as submitted to the Congress. However, we feel that sufficient evidence has been presented to the subcommittee to prove that cutting back present expenditures for maintaining recently established programs for the mentally retarded, not only would fail to result in true savings but also, in many instances—particularly in the various fields of research—would actually lead to wasted effort and, consequently, to waste of funds already appropriated.

On the other hand, preliminary research findings, introduction of new therapies, and application of new teaching and training methods have resulted in concrete evidence that some mental retardation can be prevented, specifically, while, in other cases, individuals of even fairly severe retardation can be trained to require much less costly care and even to attain some degree of productivity. Neither our conscience for our fellow men, nor our consideration for the public pursestrings, allows any other move but to continue and increase our efforts to cope effectively with the problem of mental retardation.

UNITED STATES OFFICE OF EDUCATION

One of the most significant recent advances in the field of mental retardation has been the cooperative research program in education authorized under Public Law 531 of 1954 and first implemented with appropriations in 1956. The response to this challenge from universities and colleges and from State educational agencies has been overwhelming. Preliminary results indicate that the projects now in progress will advance materially our methods of educating and training, particularly for the more seriously retarded who previously received but little attention and, therefore, remained severe liabilities to the community.

Therefore, it is most urgent that the money appropriated for this program by the House of Representatives be approved by the Senate in order to make possible the continuation of the many research projects which already have begun to show their value, and also to initiate new projects which are greatly needed. To force discontinuation of these incomplete projects by cutting of the requested appropriation would result in an inexcusable waste of the money already invested. Our parents follow these research efforts with keen interest, aware of their tremendous significance for the future of retarded children, even though in most cases their own will not benefit.

Our association is concerned, also, about the suggested appropriation for staff service in the Office of Education, particularly as it pertains to the line item "Educational service—State and local school systems."

While we have appreciated the addition of one professional staff member to the Section on Exceptional Children and Youth, the tremendous impact of the many new programs for the mentally retarded on State and local levels, the sudden increase in research activities, the widespread inauguration of demonstration projects for new methods and techniques, the increased interest of the Congress—all make justifiable, and indeed imperative, demands on this Section, demands which cannot be met with the present limited staff, even with the assistance of the various other related branches of the Office. This became very apparent in recent hearings before a congressional committee when the Office of Education specialists were unable immediately to produce certain of the basic facts and figures requested by Members of Congress because a staff of only 2 people find it impossible to follow the many developments currently taking place in all 48 States and the Territories in relation to the education of all types of handicapped children—the blind, deaf, speech defective, cerebral palsied, crippled and emotionally disturbed as well as mentally retarded.

Our association is aware that reference has been made to the existence of vacancies in positions previously authorized for the Office of Education. We wish, therefore, to submit, respectfully, that it is our understanding that active recruiting is going on at this time for these still vacant positions, but wish,

also, to stress that the existence of vacancies in, for instance, the Division of Higher Education, is of little tangible advantage to those children who need the specialized increased services which the Section of Exceptional Children and Youth should be in a position to render.

Therefore, we respectfully urge the Senate Subcommittee on Appropriations to reinstate funds to provide the needed staff increases in this section of the Office of Education. We would suggest two additional professional positions over and above the specialist on research in education of mentally retarded children, which new position we believe the Commissioner is already counting on.

UNITED STATES CHILDREN'S BUREAU

We strongly approve of the action of the House Committee on Appropriations in allocating to the Children's Bureau \$1 million in earmarked funds for special projects in the field of mental retardation and in recommending that an additional \$1 million be spent on activities in the field of mental retardation from the appropriation for "Grants to States for maternal and child welfare." This will merely continue the program initiated this year. It should be pointed out that in the absence of any increase in the appropriation about a dozen States will continue to go emptyhanded as far as special projects are concerned.

The Children's Bureau, too, has faced new responsibilities and new assignments in the field of mental retardation which make imperative the addition of new and specialized staff. Therefore, our association strongly endorses approval of the proposed budget item of \$80,000 to enable the several divisions of the Bureau to add new consultants who can assist the States, local communities and voluntary organizations such as ours in developing promising programs and services in the field of mental retardation. We realize that the Bureau will continue to face difficulties in finding qualified staff for these positions. This is to be expected in view of the sudden demand for such personnel from a wide variety of National, State and local, public and private organizations. This is a clear case where vacant positions by no means indicate a lack of urgent need.

Institutes of Health

We are aware that the House Committee on Appropriations has noted with approval the great strides which have been made in psychological and biological research through the special appropriations granted earlier to the National Institutes of Mental Health and the National Institute of Neurological Diseases and Blindness for work in the field of mental retardation.

We can echo this satisfaction and express our great confidence in the splendid work carried on by these distinguished Institutes. Surely there can be not the slightest doubt that this work should continue unhampered and, indeed, be given the opportunity for needed expansion.

Hospital construction

It is evident from the Hearings of the House Subcommittee on Appropriations for the Departments of Health, Education, and Welfare, and Labor that the Public Health Service has not spent all the funds appropriated for hospital construction under section G of the Hospital Construction Act which provides funds for hospitals for the chronically ill and impaired, rehabilitation facilities, diagnostic and treatment centers and nursing homes. It is our contention that the difficulty in spending the entire appropriation is not indicative of an absence of need for such funds, but, rather that a too narrow interpretation of the act has had the effect of excluding clinical and treatment facilities for the mentally retarded, epileptic, and emotionally disturbed.

While institutions for the mentally retarded may offer for the high-grade retarded what is primarily a training program and, therefore, would seem to be eligible under the rehabilitation facilities category of section G, it should be noted also that residential programs for the severely retarded have all the characteristics of chronic illness hospital programs. The very severely retarded almost always suffer from an identifiable clinical disorder involving an impairment of the nervous system and it is among these most severely and chronically handicapped individuals that the most intensive medical services are required. Therefore, programs for the severely retarded would appear to fall into the category of hospitals for the chronically ill and impaired.

We feel the need for a broader interpretation of the Hill-Burton Act, which takes cognizance of the fact that present day institutions for the mentally retarded are multifacility centers partaking of the character of a school, a hospital,

a clinic and a rehabilitation center. This would enable facilities for the retarded to claim a share of funds, thus providing a more realistic picture of the appropriations required under the act.

UNITED STATES OFFICE OF VOCATIONAL REHABILITATION

Various research and demonstration projects made possible under section 4 (a) of Public Law 565 (1954) are contributing materially to new and effective approaches in rehabilitating mentally retarded individuals.

The great significance for the mentally retarded of the projects developed under this legislation lies in their provision for training and habilitation for the older mentally retarded person who otherwise would be not only a financial and emotional burden on the family but also easily might become a social problem in the community as well.

The fact that the sheltered workshops and training centers for the mentally retarded increasingly have begun to get into actual production of goods and merchandise bears testimony to their soundness and gives much promise for the future in terms of what we are learning now about the potential usefulness of even the more seriously retarded person.

Therefore, our association, which has followed this program closely, strongly recommends its continuation and urges that an amount of no less than \$3,600,000 be appropriated for this purpose. We also approve and support the appropriations requested by the Office and approved by the House for basic services (\$40 million) and for extension and improvement (\$1,500,000).

In summary, we wish to reiterate our great appreciation for the imaginative leadership the committees in both Houses of Congress have given to Federal action in the field of retardation. The tremendous response which has come from State and local communities alike, the widespread community action sparked by these programs, and the vastly increased public recognition of the problem must be a source of deep satisfaction to Congress.

Yet it is clear that we are very far from the point where we can say the battle is half won. Only undiminished, vigorous pursuit of all the present efforts will give promise of an ultimate solution.

SPOKESMEN FOR CHILDREN, INC.

STATEMENT OF MRS. C. D. LOWE, WASHINGTON REPRESENTATIVE

CHILD WELFARE GRANTS-IN-AID

Senator HILL. Mrs. Lowe. We are glad to have you here, Mrs. Lowe.

Mrs. LOWE. Senator, I appreciate this opportunity to speak. My statement relates to the appropriations for the Children's Bureau and grants-in-aid to States for maternal and child health services, child welfare services, and services to crippled children.

HOUSE ACTION

It is a source of great satisfaction to the members of Spokesmen for Children that the House of Representatives voted Secretary Folsom's full request for \$41,500,000 for grants-in-aid to the States for maternal and child health services, child welfare services and services to crippled children. Helping children to attain optimum health and well-being is, we believe, the soundest investment in the future of this country that Congress can make.

We have always looked to the Senate to safeguard these appropriations, and we are confident that you will not reduce them, in spite of the economy wave that is sweeping the country. The great strides that the States have made both in providing staff and increased services to children is an indication that these grants are among the most worthwhile things Congress has ever done. The States now spend

many times more than the amount of matching funds required of them to get Federal aid.

CUT IN CHILDREN'S BUREAU FUNDS

We regret the House action on the funds asked for the Children's Bureau program. An increase of only \$332,000 was asked, of which \$106,000 is for increases in mandatory costs, so that the total increase asked for expanded services and research was only \$226,000. Of this amount the House allowed \$72,000.

We have carefully studied what this reduction would mean.

RELATION TO JUVENILE DELINQUENCY

Recently, we testified before the House Subcommittee on Special Education in favor of legislation that would authorize anywhere from 3 to 11 million dollars for grant programs to help the States combat juvenile delinquency. It is the consensus of the members of our organization that the higher figure is more realistic and necessary if anything worthwhile is to be done.

If a bill is passed and an appropriation voted in this session of Congress, there will be a tremendous demand for consultative services from the Children's Bureau. How can this demand be met if anything less than the \$96,674 asked by the Bureau for the work of its Juvenile Delinquency Division is not voted?

And how much more important it will be for the Children's Bureau Division of Research to have the \$22,957 for improved statistical reporting of juvenile delinquency that it has requested.

These requests were not made contingent on the passage of a juvenile delinquency bill. In our opinion, they are urgent and needed whether the bill passes or not. Too many State and local agencies, both public and voluntary, that come to the Bureau for consultation on their juvenile delinquency problems are being refused help because of a shortage of staff. If we are not able to meet the problems on as broad a base as the proposed legislation would establish, then by all means we should strengthen our existing services.

TRAVEL EXPENSES

The third request made by the Bureau that bears on strengthening these services is \$30,000 for travel expenses for existing staff. This is another reason why so many requests for consultation must be turned down. If the Senate would restore the \$154,000 cut made by the House, it would make these three projects possible, with \$5,000 to spare.

It is important to remind ourselves that it is children who will benefit from these services. They have no redress if help is not forthcoming. They can contrive no alternatives. There is no other place to turn for help.

RESEARCH ON CONGENITAL HANDICAPS

In their request for \$226,000, the Children's Bureau also included studies to be carried on by their Bureau of Research in reproductive wastage and congenital handicaps. This is one of the most important challenges in medicine today. In 1955, New York stood first among the States with the largest numbers of birth injuries diagnosed in pub-

lie health clinics. California was first in diagnosed congenital malformations. The physical deformities alone are hard enough to bear, but the mental anguish for both child and parents is heartbreaking.

Medical science is steadily developing new ways to treat these deformities, but the real answer lies in research that will prevent them. We are already seeing results from medical research into the cause of premature births. We think this project is one of the most important that the Children's Bureau has ever proposed, and we ask that your committee, Mr. Chairman, give it priority in restoring the cut made by the House.

CANNOT IGNORE HANDICAPPED

The thing that makes cutting appropriations that benefit children so incongruous is that the number of children is constantly increasing. Last year saw more births in the United States than it had ever known before. That means more children with handicaps, more children getting into trouble with the law, and many more children who will grow up sound and well. We can't dispose of them as we do unneeded farmland and put them in a "child bank."

Senator PASTORE. That is a beautiful phrase. I wish you would read it again.

Mrs. LOWE. We can't dispose of them as we do unneeded farmland and put them in a "child bank." We can't ignore their existence and just let them grow like Topsy. They are our greatest asset and our most important investment in our country's future.

We ask that you restore the cuts made by the House in the appropriations for the Children's Bureau.

Senator HILL. Any questions, Senator?

Senator PASTORE. No.

Senator HILL. Thank you very much. I agree with Senator Pastore. I think you have coined a classic phrase here—we can't dispose of our children as we do unneeded farmland and put them in a "child bank." I think that is fine.

Mrs. LOWE. Thank you very much.

Senator HILL. I think you have given both Senator Pastore and myself a fine title for a speech.

Mrs. LOWE. All right. I will be looking for that.

NATIONAL CONGRESS OF PARENTS AND TEACHERS

STATEMENT OF MRS. RICHARD G. RADUE, CHAIRMAN, WASHINGTON COMMITTEE ON LEGISLATION

ATTITUDE OF P.-T.A.

Senator HILL. Mrs. Richard G. Radue, Washington Committee on Legislation of the National Congress of Parents and Teachers. We are very happy to have you here. Have you filed your statement for the record?

Mrs. RADUE. I have given copies to the clerk. It is a very short statement.

Senator HILL. All right, fine. You may proceed.

Mrs. RADUE. The National Congress of Parents and Teachers is a voluntary organization with a membership of more than 10 million

men and women who are taxpayers in every State and Territory of the Union. Our members know that they must balance their own budgets in order to pay their taxes. We have learned that economy, in the best sense of the word, means the wisest use of money; it means putting our money into resources that will provide health, education, equipment for living in an increasingly complex world.

Because we have learned this, we urge, Mr. Chairman, that in the present clamor for "economy in Government" the members of this committee will continue to recognize the value of those services by Federal agencies which are sound and prudent investments in human resources—in the health and vigor of the people, in their education, in their efforts to produce a better climate for the growth of their children.

During the 60 years of its existence, one of the continuing objectives of the National Congress of Parents and Teachers has been to help parents understand their children better, and so better meet their needs. Our members have long benefited from the Children's Bureau's research into child life. Through our common interest in the welfare of all children our organization has had a close association with the Children's Bureau, and this, we feel, justifies our concern for the appropriations necessary to continue the outstanding community services of the Bureau.

HEALTH SERVICES FOR CHILDREN

One of the jobs before our people is the organization of consistent and effective health services for school-age children. This is just the point you were making a few minutes ago. Such services begin with periodic health examinations, given before the children enter school, throughout school, and when they are ready to leave school. These services should include followups, to see that remedial defects are corrected.

Some communities are doing this successfully by coordinating public health and medical facilities with the health program in the schools and by educating parents on their responsibilities, but too many are not.

The Congress acted to improve this situation last year when it provided funds for this purpose through the maternal and child health grants. If the Children's Bureau research staff can evaluate existing health services—and this is one of the proposed projects—and demonstrate the most effective techniques, local communities will be stimulated to do more and will use this knowledge to better advantage.

ADDITIONAL WORKERS IN JUVENILE DELINQUENCY AREA

We support the budget request for additional workers in the Division of Juvenile Delinquency of the Children's Bureau. As the American public gets down to the long, hard battle for the prevention and control of juvenile delinquency we are realizing that this is a war that will have to be fought in the local communities where these children live, and we are also beginning to realize that a first point of attack is an improved handling of proved delinquents. Here the Children's Bureau's research in developing better statistics on types of delinquency, on detention services, on juvenile police work, on probation officers, and the Bureau's consultant services in getting this

data to the States have enormous value. Here again the Children's Bureau can and does serve as a catalyst. There are relatively few positions involved in this expansion, but these services can reach out to affect many, many communities, and we urge your support.

GRANTS-IN-AID

We urge your favorable consideration of the funds requested for grants-in-aid: \$16,500,000 for maternal and child health services; \$15 million for crippled children's services; and \$10 million for child welfare services.

It is one of the solid moral achievements of this Nation in this century that most Americans believe that all children have a right to grow up under the conditions most favorable to their development. The extent of our success in accomplishing this depends on our acknowledgment of the fact that not all children have parents who can give them care, security, a happy home. We all have a responsibility to these children. The grants-in-aid programs of the Children's Bureau provide a means of fulfilling our corporate responsibility.

EMPLOYMENT PROBLEMS OF YOUTH

We urge your support for the program proposed by the Bureau of Labor Standards of the Department of Labor to deal with the employment problems of young people who have dropped out of school. If school dropouts could drop into satisfactory and steady work, very often they could develop into useful citizens. They would profit, and their communities would profit. Usually they do not. School dropouts are not equipped for a competitive labor market. They have trouble getting and holding jobs. They drift into unemployment and often into delinquency.

The Bureau asks for \$63,500 to be used in 5 pilot programs where-in communities will be helped in their attack on this problem, in the belief that the knowledge gained from these demonstrations will help other communities.

RURAL LIBRARY SERVICE

We strongly urge your approval of the full sum needed for the second year of the rural libraries services program: \$7,500,000, the sum approved by the Senate last year. The figures I have here I took from the House hearings. The final score, as you know, is 38 States that are now completely ready to match the full allotment, and all but two can match a great percentage of it. But unless the full \$7,500,000 is appropriated, the amount of money allotted to each State will be considerably reduced, the program cannot do the job before it, and the intent of the Congress in helping the States bring books to the people in their rural areas will not be met.

We urge, Mr. Chairman, your full support of a program warmly supported by our people.

Senator HILL. Any questions, Senator Pastore?

Senator PASTORE. No.

Senator HILL. Thank you very much. We are happy to have had you here and for you to have brought us this statement. We are delighted.

STATEMENT OF DR. ALFRED YANKAUER

Senator HILL. I have received a request from Dr. Alfred Yankauer, president, Association of State Maternal and Child Health and Crippled Children's Directors, that a statement by him in support of appropriations for the Children's Bureau be included in the record. Dr. Yankauer's statement will be made a part of the record at this point. (The statement referred to follows:)

STATEMENT OF ALFRED YANKAUER, M. D., IN SUPPORT OF CHILDREN'S BUREAU BUDGET REQUEST

The Association of State Maternal and Child Health and Crippled Children's Directors is composed of State public-health officials responsible to their respective State health officer or other State official for the administration of maternal and child health and crippled children's services in the United States and in its Territories. Thus, the members of this organization are intimately concerned with health conditions and health services to mothers and children in our country. They are keenly aware of the importance of this phase of our public-health program and its growing need for additional financial support to underpin the increasing demands upon it. These increasing demands are not always recognized, but they are, nevertheless, very real. They can best be expressed by two simple, yet striking, observations:

1. The number of children in our population is increasing at a rapid rate. This rate of increase is considerably greater than the rate of increase in our total population. In 1940 only 8 percent of our population was under 5 years of age. In 1955 this figure had risen to 11.1 percent. At the present time more than one-third of our citizens are under 21. During the first 20 years of the human life span, physical growth and personality formation are taking place, so that special care must be taken and special services sought to protect and promote health, both for the child and for the future citizen. Obviously, an extension of these services is called for now, when the number of children to be served is on the increase. Federal funds are particularly helpful to the States in promoting evaluation and administrative study of maternal and child health services and in finding ways to extend them.

2. The remarkable medical, technological, and social progress of the present century has succeeded in concentrating death at the beginning and end of man's biological life span. The concentration of death at the beginning of this life span is not generally recognized; yet at present, the number of deaths occurring during the 4 to 5 months' time period extending from the middle of pregnancy through the first week after birth is almost equal to the number of lives lost during the subsequent 40-year period. When measured in terms of life expectancy, the number of human years lost by these premature deaths probably exceeds the number of years lost by all deaths occurring after age 60. Research, education to promote the wider application of existing knowledge, and the development of new services to prevent this loss of life are urgently needed. Federal maternal and child health funds are particularly helpful because they encourage and assist States to move in these directions.

LETTER FROM DR. GUNNAR DYBWAD

Senator HILL. I also have received a letter from Dr. Gunnar Dybwad, executive director, National Association for Retarded Children, Inc., New York City, forwarding recommendations of the association regarding programs in the Department of Health, Education, and Welfare for retarded children. Dr. Dybwad's letter and the association's recommendations will be made a part of the record at this point.

(The information referred to follows:)

NATIONAL ASSOCIATION FOR RETARDED CHILDREN, INC.,
New York, N. Y., May 3, 1957.

Hon. LISTER HILL,

*Chairman, Subcommittee on Appropriations for the Departments of Health,
Education, and Welfare, and Labor, United States Senate Office Building,
Washington, D. C.*

DEAR SENATOR HILL: The thousands of parents of retarded children throughout the country who have joined together in the National Association for Retarded Children have been deeply grateful for the aid their cause was given last year by Congress and, in particular, by your committee.

We are enclosing a statement on behalf of the members of our organization who wish to voice their support of certain budget items of vital significance for the proper care and training of the mentally retarded.

Tremendous progress has been made in the past few years in this field. The number of those who are no longer a burden to their families and society, but contributors to the national economy, bears eloquent testimony to the fact that the new measures on behalf of the mentally retarded are not just humanitarian, but indicative of sound economy. Yet this is only a small part of what is being accomplished. To tens of thousands of families these programs have given hope and encouragement.

Your leadership in this field is greatly appreciated by our entire membership. Without your advice and counsel, these accomplishments would not have been possible.

We are also sending a copy of our statement to each member of your committee.

Respectfully,

GUNNAR DYBWAD, *Executive Director.*

RECOMMENDATIONS REGARDING APPROPRIATIONS ON BEHALF OF MENTALLY
RETARDED CHILDREN AND ADULTS FOR 1957-58

Respectfully submitted by National Association for Retarded Children, Inc.,
New York, N. Y.

The National Association for Retarded Children, Inc., representing 45,000 family memberships in 485 local units throughout the Nation and well over 5,000 individual professional and nonparent members, deeply appreciates the impetus Congress has given to a full-scale attack on what many authorities consider one of America's foremost social problems. In doing so, the Congress has rightfully concluded that only if this impetus is supplied by the Federal Government, implemented in turn by State action, and followed up on the local community level, can the problem come nearer to solution.

It is hard to assess the full impact of the social and economic effects of mental retardation, but it can be demonstrated easily that some of its costs are tremendous. Studies made by the United States Public Health Service a few years ago showed that at least \$150 million is spent each year in administering public and private institutions housing retarded persons, and this figure undoubtedly would have been set much higher as of today. Yet this amount does not take into account the very considerable initial construction cost of about \$10,000 per bed. For example, one State this year is spending \$30 million just to extend its present institutional facilities for the mentally retarded. Many other States also are spending vast amounts to increase their facilities.

However, the foregoing costs apply only to the severely mentally retarded who require full-time institutional care and do not take into account the extensive expenditures for special education and other community services for the considerably larger number who do not require residential care. But even this consideration falls far short of completing the picture: it fails to take account of the vast impact of the problem of mental retardation on millions of families, fails to consider the effect on brothers and sisters, the emotional strain put on parents, and the extra financial burden imposed on the family. Not infrequently, the continuous stress involved in the care of a severely retarded child affects the earning capacity of the parents and may even lead to their own need for medical or psychiatric attention.

Largely, it has been the recognition of these vast effects of their children's handicap that has caused thousands of parents to join forces through the formation of the National Association for Retarded Children, Inc. The untiring efforts of this group, sparked and carried through by volunteer effort, brought the Nation for the first time to the realization of the immensity of the problem and also to the realization that mentally retarded children can be helped. Although the association seeks guidance from and works in close cooperation with the leaders of the many professions concerned with mental retardation, most of its work continues to be done through volunteers. These parent-volunteers work through 19 national committees aided by State associations in 43 States and closely related to the almost 500 local units. The association's work extends to all Territories of the United States of America. Even groups of servicemen in units of the United States Armed Forces stationed abroad have indicated desire to have some affiliation with the organization. Many requests have been received from servicemen for help in planning for their retarded children.

Thus, the association can claim not only that it truly represents the families which are coping with the problem of mental retardation, but also that it has a comprehensive appreciation of the problem nationally. It is from this vantage point that the association wishes to submit, respectfully, comments on the proposed budget to the Senate Subcommittee on Appropriations for the Departments of Health, Education, and Welfare, and Labor.

We wish to state at this point that we are deeply conscious of the desire on the part of many citizens to cut the proposed budget as submitted to the Congress. However, we feel that overwhelming evidence has been presented to the subcommittee to prove that cutting back present expenditures for proposed extensions of programs for the mentally retarded not only would fail to result in true savings but, in many instances, particularly in the various fields of research, would actually lead to wasted effort and, consequently, to increased expenditures in the future.

On the other hand, preliminary research findings, introduction of new therapies, and application of new teaching and training methods have resulted in concrete evidence that some mental retardation can be prevented, specifically, while, in other cases, individuals of even fairly severe retardation can be trained to require much less costly care and even to attain some degree of productivity. Neither our conscience for our fellowmen, nor our consideration for the public purse-strings, allows any other move but to continue and increase our efforts to cope effectively with the problem of mental retardation.

UNITED STATES OFFICE OF EDUCATION

One of the most significant recent advances in the field of mental retardation has been the cooperative research program in education inaugurated under Public Law 531 of 1954. The response to this challenge from universities and colleges, from public-school authorities and other eligible organizations and agencies has been truly overwhelming. Preliminary results indicate that the projects now in progress will advance materially methods of educating and training, particularly for the more seriously retarded who previously received but little attention and, therefore, remained severe liabilities to the community.

Therefore, it is most urgent that the money appropriated for this program by the House of Representatives be approved by the Senate in order to make possible the continuation of the many research projects which already have begun to show their value, and also to initiate new projects which are greatly needed. To force discontinuation of these incomplete projects by cutting of the requested appropriation would result in an inexcusable waste of the money already invested. Our parents follow these research efforts with keen interest, aware of their tremendous significance for the future of retarded children.

Our association is concerned, also, about the suggested appropriation for staff service in the Office of Education, particularly as it pertains to the line item "Educational Service, State and local school systems."

While we have appreciated the addition of one professional staff member to the Section on Exceptional Children and Youth, the tremendous impact of the many new programs for the mentally retarded on State and local levels, the sudden increase in research activities, the widespread inauguration of demonstration projects for new methods and techniques—all make justifiable, and indeed imperative, demands on this section, demands which cannot be met with the present limited staff. This became very apparent in recent hearings before Congress when the Office of Education specialists were unable to produce basic

facts and figures requested by Members of Congress because a staff of only two people find it impossible to follow the many developments touched upon, even in this brief and necessarily incomplete memorandum.

Our association is aware that reference has been made to the existence of vacancies in positions previously authorized for the Office of Education. We wish, therefore, to submit, respectfully, that it is our understanding that active recruiting is going on at this time for these still vacant positions, but wish, also, to stress that the existence of vacancies in, for instance, the Division of Higher Education, is of no tangible advantage to the parents who need increased services for their retarded children from the Section on Exceptional Children and Youth.

Therefore, we respectfully urge the Senate Subcommittee on Appropriations to reinstate funds to provide the needed staff increases in this section of the Office of Education.

UNITED STATES CHILDREN'S BUREAU

We strongly approve of the action of the House Committee on Appropriations in allocating to the Children's Bureau \$1 million of earmarked "B" funds for special projects in the field of mental retardation and in recommending that an additional \$1 million be spent on activities in the field of mental retardation from the appropriation for "Grants to States for maternal and child welfare".

The Children's Bureau, too, has faced new responsibilities and new assignments in the field of mental retardation which make imperative the additional of new and specialized staff. Therefore, our association strongly endorses approval of the proposed budget item of \$80,000 to enable the several divisions of the Bureau to add new consultants who can assist the States, local communities, and national organizations such as ours in developing promising programs and services in the field of mental retardation. We realize that the Bureau will continue to face difficulties in finding qualified staff for these positions. This is to be expected in view of the sudden demand for such personnel from a wide variety of national, State and local, public and private organizations. This is a clear case where vacant positions by no means indicate a lack of urgent need.

UNITED STATES PUBLIC HEALTH SERVICE

Institutes of Health

We are aware that the House Committee on Appropriations has noted with approval the great strides which have been made in psychological and biological research through the special appropriations granted earlier to the National Institute of Mental Health and the National Institute of Neurological Diseases and Blindness for work in the field of mental retardation.

We can echo this satisfaction and express our great confidence in the splendid work carried on by these distinguished institutes. Surely there can be not the slightest doubt that this work should continue unhampered and, indeed, be given the opportunity for needed expansion.

Hospital construction

It is evident from the hearings of the House Sub-committee on Appropriations for the Departments of Health, Education, and Welfare, and Labor that the Public Health Service has not spent all the funds appropriated for hospital construction under section G of the Hospital Construction Act which provides funds for hospitals for the chronically ill and impaired, rehabilitation facilities, diagnostic and treatment centers and nursing homes. It is our contention that the difficulty in spending the entire appropriation is not indicative of an absence of need for such funds, but, rather, that a too narrow interpretation of the act has had the effect of excluding clinical and treatment facilities for the mentally retarded, epileptic and emotionally disturbed.

While institutions for the mentally retarded may offer for the high-grade retarded what is primarily a training program and, therefore, would seem to be eligible under the "rehabilitation facilities" category of section G, it should be noted also that programs for the severely retarded have all the characteristics of chronic illness hospital programs. The very severely retarded almost always suffer from an identifiable clinical disorder involving an impairment of the nervous system and it is among these most severely and chronically handicapped individuals that the most intensive medical services are required. Therefore, programs for the severely retarded would appear to fall into the category of "hospitals for the chronically ill and impaired."

We feel the need for a broader interpretation of the Hill-Burton Act, which takes cognizance of the fact that present day institutions for the mentally retarded are multifacility centers partaking of the character of a school, a hospital, a clinic and a rehabilitation center. This would enable facilities for the retarded to claim a share of funds, thus providing a more realistic picture of the appropriations required under the act.

UNITED STATES OFFICE OF VOCATIONAL REHABILITATION

The various research and demonstration projects made possible under section 4 (a) 1 of Public Law 565 have contributed materially to new and effective approaches in rehabilitating mentally retarded individuals.

The great significance of the projects developed under this legislation lies in their provision for training and habilitation for the older mentally retarded person who otherwise would be not only a financial and emotional burden on the family but easily might become a social problem in the community as well.

The fact that these sheltered workshops and training centers increasingly have begun to get into actual production of goods and merchandise bears testimony to their soundness and gives much promise for the future in terms of what we are learning now about the potential usefulness of even the more seriously retarded person.

Therefore, our association, which has followed this program closely and participated in it through some of our local units, strongly recommends its continuation and urges that an amount of no less than \$1,500,000 be set aside for this purpose.

In summary, we wish to reiterate our great appreciation for the imaginative leadership the committees in both Houses of Congress have given to Federal action in the field of retardation. The tremendous response which has come from State and local communities alike, the widespread community action sparked by these programs, and the vastly increased public recognition of the problem must be a source of deep satisfaction to Congress.

Yet it is clear that we are very far from the point where we can say the battle is half won. Only undiminished, vigorous pursuit of all the present efforts will give promise of an ultimate solution.

NATIONAL RURAL ELECTRIC COOPERATIVE ASSOCIATION

STATEMENT OF DONALD H. DUNHAM, DEPARTMENT DIRECTOR,
RETIREMENT, SAFETY, AND INSURANCE DEPARTMENT

GEORGE-BARDEN ACT FUNDS

Senator HILL. Mr. Don Dunham of the National Rural Electric Cooperative Association.

All right, Mr. Dunham.

Mr. DUNHAM. Senator Hill, in view of time and trying to cut down here, I would like to have permission to enter my whole statement—

Senator HILL. Your statement will appear in the record in full.

Mr. DUNHAM. And just hit a few of the highlights.

HOUSE PROVISION FOR VOCATIONAL EDUCATION

Senator HILL. Let me say this to you about it. I have no disposition to cut you off, but so far as the vocational education program is concerned I understand the House provided the full amount of the funds with the exception of the new program which was for vocational education in the matter of commercial fisheries. Is that not correct?

Mr. DUNHAM. That is right. So in view of that—

Senator HILL. I cannot speak for the subcommittee, but I do not think you need have any worry on reduction of any of the funds that the House has provided.

Mr. DUNHAM. With that, I will just leave it in the record and make some additional comments, especially to your own statewide program in Alabama on job training and safety which has developed an outstanding record, and which I wish to call that to your attention although you are probably familiar with that now.

Senator HILL. I think we have done a fine job there.

Mr. DUNHAM. I know you have.

SAFETY TRAINING SHOWS RESULTS

I have also a brief statement. In 1949 there were 33 fatalities, electric fatalities. In 1956 this figure was reduced to 3. I use that as an illustration of the job that the vocational and on-the-job safety program is doing.

Senator HILL. Results have been brought about?

Mr. DUNHAM. The results are outstanding.

OPPORTUNITY TO RECEIVE VOCATIONAL TRAINING LIMITED

There is one other point that I would like to bring up. We are not asking for additional money, but our information indicates that the George-Barden Act authorized appropriation of approximately \$29,300,000 and shows that at the present time, however, only about 50 percent of those who need it and can benefit by vocational education have the opportunity to enroll in vocational training. I not only recommend the \$29 million but also hope that in the future consideration can be given to additional funds. For instance, our own program has calls once a month, including your own State, on the various systems, and experience shows that the calls should be stepped up to 2-week intervals if maximum efficiency is to be secured.

I have here as a matter of interest for your committee a map showing the areas served by each of the systems in Illinois, which is analogous to the other States. There is a local job trainer on each system throughout the State, and that is coordinated by the two job-training men on a similar basis to your own. With the facilities they have, sir, they are doing an admirable job—

Senator HILL. Yes.

Mr. DUNHAM. In cutting it down.

PRACTICAL NURSES' TRAINING PROGRAM

I would also like to mention one other thing, and that is the practical nurses' training program, which is not directly connected with our department, but the need for health and nursing services in the Nation has reached a critical level, and in the rural areas, in which our systems operate, this crisis has been compounded because of the fact that nursing personnel have been attracted from the rural areas to the larger metropolitan areas where hospital services are more extensive.

This problem would even be more accentuated in rural areas if it were not for the significant contribution vocational education is making by providing training for practical nursing.

As you all know, much has been done to encourage the development of these programs through grants made to the States as provided in Public Law 911. In order to allow for the expansion of this program,

expansion which is desperately needed for the reasons stated above, we urge the Congress to increase these appropriations by \$3 million. These funds will go a long way in helping to alleviate the nursing shortage in rural areas, and by so doing help to maintain the health and welfare of the Nation.

Attached to my presentation are the resolutions passed by the 10 regional meetings and our own national body committing us to appear before you and the various committees on behalf of the program.

STATEMENT OF ERNEST G. SMITH, MANAGER, MITCHELL COUNTY ELECTRIC MEMBERSHIP CORP.

I would like to read one brief statement of Ernest G. Smith, manager of Mitchell County Electric Membership Corp., Camilla, Ga. He is chairman of the safety and job training committee. I think it typifies the work of the committees.

The safety and job training committee of Georgia Electric Membership Corp. is composed of 4 managers, 2 directors, and 2 line superintendents. All cooperatives of the State participated in the safety and job training program but 3, 2 of these nonparticipating cooperatives being in north Georgia where it is my understanding they participate in the TVA safety program—

which is a parallel.

We have two safety instructors for the State whose salaries are paid by the State department of education with the cooperatives, through the GEMC, bearing their travel expenses. Each cooperative is visited by one of these instructors each month where 1 day of instruction is given to all outside employees. More time will be spent on a cooperative upon request to the supervisor of trade and industrial education in Atlanta after approval by the safety and job training committee.

The committee and the State department of education is glad to report no fatal accidents on the rural electric cooperative lines in Georgia in 1956 and we are also proud to report there were very few other accidents of any consequence during the year. We feel their good record is due largely to the results of a well-coordinated safety and job-training program. The cooperation of all cooperative managers and employees has been excellent.

Senator HILL. Not a single fatal accident?

Mr. DUNHAM. That is right, and that is an outstanding record for any electric utility, even a rural one.

Senator HILL. We appreciate your statement.

We inaugurated the program for nurses' training, as you know, at the last session of Congress, and we should certainly give that program our full support, I think, in the appropriations as authorized by the law, so that program can go forward fully, just as the rest of the vocational program goes forward today.

Thank you very much, sir.

Mr. DUNHAM. We certainly appreciate yours and the committee's cooperation.

Senator HILL. Thank you, sir.

(Mr. Dunham's prepared statement follows:)

STATEMENT OF D. H. DUNHAM, DEPARTMENT DIRECTOR, RETIREMENT, SAFETY, AND INSURANCE DEPARTMENT OF THE NATIONAL RURAL ELECTRIC COOPERATIVE ASSOCIATION

Mr. Chairman and gentlemen of the committee, my name is Donald H. Dunham. I am department director of the retirement, safety, and insurance department of the National Rural Electric Cooperative Association.

It is the responsibility of my department to coordinate the on-the-job training and vocational training of our rural electric cooperatives. This statement is made on behalf of the 934 rural electric systems in the United States and Alaska which comprise the National Rural Electric Cooperative Association. This association represents 92 percent of the rural electric systems in the United States and Alaska.

We are grateful for the opportunity to make this statement before your committee.

Rural electric system management realizes its responsibility for the safety of its employees, but also recognizes the fact that safe and properly trained employees decrease the possibilities of public liability accidents. They recognize that good management and a bad accident record are incompatible.

It was only after a comprehensive statewide program was initiated throughout the various States, with the use of Federal funds, that an effective job was finally accomplished in this field. Safety in electrical work depends upon the knowledge and skill of the workman and the manner in which he applies that knowledge and skill.

In order to accomplish this, our systems must secure men from the safety-engineering field who have an adequate background for proper training. This training is not only in manual skills but also in supervisory skills and, even with the statewide programs now existing, the employees are receiving an average of only about 1 day each month training from instructors traveling from system to system teaching manipulative skills and proper engineering rules for safety.

The accident rate is still declining on the rural electric system lines. This program is paying off not only in saving the lives of our workers but also in dollars and cents saved by our rural electric cooperatives, for it must be remembered that electric shocks are to a large extent fatal ones. If they are not fatal, burns are serious and in many instances permanent and total disability results.

In January 1957, David A. Hamil, Administrator of the Rural Electrification Administration, stated of the 1956 summary of fatal and lost-time injuries:

"The remarkable reduction in fatalities (48 percent) should be a matter of great pride to each and every one of you as it is to us here in REA.

"The increasing participation of management, the individual efforts of the advisory committees and the instructors, and the fine cooperation of each and every employee are responsible for this tremendous decrease in loss of life. You are all to be congratulated.

"However, safety and job training is a continuing responsibility affecting the lives and safety of employer, employee, consumer, and public."

The on-the-job training and safety programs assisting our rural electric systems in the United States and Alaska are of extreme importance to their successful operation. The funds appropriated by Congress each year, as found in this bill, make it possible for the rural electric cooperatives to benefit by the on-the-job training and safety programs. The on-the-job training is handled by the cooperatives on a local level in cooperation with the various State education offices involved. In most cases these funds are used on a matching basis: i. e., the rural electric system involved pays its part of the funds matching the Federal and State funds.

Our records indicate that at the present time there are 56 teachers engaged in carrying out this program for the rural electric cooperatives in 41 States and Alaska. A large part of the funds, therefore, are used to pay the salaries and expenses for the teaching personnel.

I call to your attention the fact that the rural electric job training and safety program has chalked up an eviable record by decreasing death and permanent and total disabilities during the few years it has been in operation. For instance, in 1949 there were 33 fatalities; in 1956 this figure was reduced to 3.

The records of the Rural Electrification Administration show that since the beginning in 1951 of the job training and safety programs, the ever-expanding voltage loads and miles of line constantly increase the need for proper training in this field.

Our information indicates that the George-Barden Act authorizes an appropriation of approximately \$29,300,000 and shows that at the present time only about 50 percent of those who need it and can benefit by vocational education have the opportunity to enroll in vocational training. We therefore heartily recommend that at this time the committee appropriate the full \$29,300,000 and we further feel that consideration should be given to expanding the program in all parts of the Nation.

At this point I would like to say a word about the practical nurse's training program. The need for health and nursing services in the Nation has reached a critical level—and in the rural areas this crisis has been compounded because of the fact that nursing personnel have been attracted from the rural areas to the larger metropolitan areas where hospital services are more extensive. This problem would even be more accentuated in rural areas if it were not for the significant contribution vocational education is making by providing training for practical nursing. And, as you all know, much has been done to encourage the development of these programs through grants made to the States as provided under Public Law 911. In order to allow for the expansion of this program, expansion which is desperately needed for the reason stated above, we urge the Congress to increase these appropriations by \$3 million. These funds will go a long way in helping to alleviate the nursing shortage in rural areas, and by so doing help to maintain the health and welfare of the Nation.

With the permission of the committee, I would like to submit certain resolutions passed by our regional bodies in their annual meetings, our national association's annual meeting held on March 7 in Chicago and short statements submitted to us by A. E. Becker, manager of the Association of Illinois Electric Cooperatives, and Ernest G. Smith, chairman ex officio of the Georgia Safety and Job Training Committee.

Mr. Chairman, I would also like to present to the committee this map of the State of Illinois which graphically illustrates in color each job training and safety unit operating in the various systems in the State of Illinois. I feel this graphic illustration is a typical example of how the job training and safety program operates in the various States. The State job training and safety instructors call on each of these systems in presenting and coordinating the on-the-job training and safety program.

This committee has always given sympathetic consideration to the need for job training and safety funds to match the funds of the various States and local cooperatives in this program and we are very hopeful that the attitude of this committee will reflect itself in the present Congress and make available the full \$29,300,000.

EXHIBIT A-1. JOB TRAINING AND SAFETY TRAINING PROGRAM

Resolutions adopted by NRECA membership in annual meeting, March 7, 1957

Whereas the job training and safety training program, to be effective must rely heavily upon sound educational practices; and

Whereas vocational education has cooperated in the job training and safety training program by giving it direction in sound educational practices; and

Whereas there is need to continue and further develop the job training and safety training program to train rural electrification workers in new techniques and safety practices; and

Whereas the continued success of the job training and safety training programs is dependent upon adequate Federal vocational appropriations to the States to stimulate and assist them in conducting the programs: Now, therefore, be it

Resolved, That we express to Congress our appreciation for appropriating the full amount for fiscal 1957 as authorized by the George-Barden Act of 1946; and be it further

Resolved, That we request Congress to appropriate for fiscal 1958 the full amount authorized for vocational education under existing laws; and be it further

Resolved, That we request Congress to enact into law legislation that will authorize appropriations to develop area vocational-technical programs to serve areas which are not now served by all phases of vocational education, particularly the rural areas; and be it further

Resolved, That we request Congress to appropriate for fiscal 1958 such sums that can be used by the States on a matching basis to develop area vocational-technical programs.

EXHIBIT A-2. GREATER REA PARTICIPATION IN JOB TRAINING AND SAFETY PROGRAM

Resolution adopted by the NRECA membership in annual meeting, March 7, 1957

Whereas job training and safety is an important phase in the success of the cooperatives; and

Whereas the success of such job training and safety program needs accident statistics in the rural electric fields; and

Whereas there is definite need for these monthly and annual reports and the distribution of these statistics and this safety information to assist the borrowers and safety instructors in carrying on an adequate job training and safety program: Now, therefore, be it

Resolved, That all co-op managers, directors, and statewide organizations report information on all accidents to REA and that we request REA to analyze and send a consolidation of the results to all safety instructors and REA borrowers.

EXHIBIT B. STATEMENT BY A. E. BECKER, MANAGER, ASSOCIATION OF ILLINOIS ELECTRIC COOPERATIVES, SPRINGFIELD, ILL.

All of the managers, directors, and employees of the 27 electric cooperatives in Illinois are deeply interested in continuing the high type of job training and safety program which is now in effect. The State of Illinois maintains a trade and industrial education service as a part of their vocational education program which is supported in part from Federal funds. This support from Federal funds insures uniformity and high quality of training for our rural electric cooperative employees through the cooperation of trade and industrial education services.

We are very proud of the 600 young men who have been trained to serve on the line crews of our electric cooperatives in Illinois. In the past 2 years, many of them have received special hot line maintenance training. This training gives the line men the education of working with energized lines safely with the proper tools which in turn insures our farms of good, dependable, continuous electric service. The use of Federal funds and the cooperation of the trade and industrial education service of the vocational education program makes this vital program possible.

I have served on the Illinois Foundation of Future Farmers of America sponsoring committee for several years. Our Illinois FFA is also vitally interested and earnestly requests the 85th Congress to give favorable consideration to the appropriation of George-Barden Act funds in an amount which will insure the continuation of their program along with the job training and safety program.

EXHIBIT C. RESOLUTIONS ADOPTED BY NRECA MEMBERSHIP AT THEIR 10 REGIONAL MEETINGS IN 1956

REGION I

Virginia, Delaware, Maine, Maryland, New Jersey, North Carolina, New York, Pennsylvania, Vermont

Whereas the job training and safety training program, to be effective, must rely heavily upon sound educational practices, and

Whereas vocational education has cooperated in the job training and safety training programs by giving it direction in sound educational practices, and

Whereas there is need to continue and further develop the job training and safety training program to train rural electrification workers in new techniques and safety practices, and

Whereas the continued success of the job training and safety training programs is dependent upon adequate Federal vocational appropriations to the State to stimulate and assist in conducting the program: Now, therefore, be it

Resolved, That we express to Congress our appreciation for appropriating the full amount for fiscal 1957 as authorized by the George-Barden Act of 1946; and be it further

Resolved, That we request Congress to appropriate for fiscal 1958 the full amount of \$29,267,080.58 as authorized under the George-Barden Act of 1946; and be it further

Resolved, That we request Congress to enact into law legislation that will authorize appropriations to develop area vocational-technical schools to serve areas which are not now served by all phases of vocational education, particularly the rural areas; and be it further

Resolved, That we request Congress to appropriate for fiscal 1958 such sums that can be used by the States on a matching basis to develop area vocational-technical schools.

REGION II

Florida, Georgia, South Carolina

Now, therefore, be it resolved, That we express to Congress our appreciation for appropriating the full amount for fiscal 1957 as authorized by the George-Barden Act of 1946; and be it further

Resolved, That we request Congress to appropriate for fiscal 1958 the full amount of \$29,267,080.58 as authorized under the George-Barden Act of 1946; and be it further

Resolved, That we request Congress to enact legislation that will authorize appropriations to develop area vocational technical schools to serve areas which are not now served by all phases of vocational education, particularly in the rural areas; and be it further

Resolved, That we request Congress to appropriate for fiscal 1958 such sums as may be used by the States on a matching basis to develop area vocational technical schools.

REGION III

Alabama, Mississippi, Kentucky, Tennessee

In view of the fact that the health and welfare of REA cooperative workers is of first order importance to all of us, and the training of sound technique and safety practices are part and parcel of a safe, efficient program, we commend Congress for passage of the George-Barden Act of 1946. We further recommend that the forthcoming Congress appropriate an amount sufficient to implement fully the provisions of the present act, together with such sums as are required by the States for matching purposes to develop area vocational technical schools.

REGION IV

Indiana, Michigan, Ohio, West Virginia

Now therefore, be it resolved, That we express to Congress our appreciation for appropriating the full amount for fiscal 1957 as authorized by the George-Barden Act of 1946, and be it further

Resolved, That we request Congress to appropriate for fiscal 1958 the full amount of \$29,267,080.58 as authorized under the George-Barden Act of 1946; and be it further

Resolved, That we request Congress to enact into law legislation that will authorize appropriations to develop area vocational-technical schools to serve areas which are not now served by all phases of vocational education, particularly the rural areas; and be it further

Resolved, That we request Congress to appropriate for fiscal 1958 such sums as can be used by the States on a matching basis to develop area vocational-technical schools.

REGION V

Illinois, Iowa, Wisconsin

Whereas, the job training and safety program to be effective must rely heavily upon sound educational practices. Vocational education has cooperated in the job training and safety program by giving it direction in sound educational practices. There is need to continue and further develop the job training and safety program to train rural electrification workers in new techniques and safety practices. The continued success of the job training and safety programs is dependent upon adequate Federal vocational appropriations to the State to stimulate and assist them in conducting the program, now, therefore, be it

Resolved, That we express to Congress our appreciation for appropriating the full amount for fiscal 1957 as authorized by the George-Barden Act of 1946, and that we request Congress to appropriate for fiscal 1958 the full amount of \$29,267,080.58 as authorized under the George-Barden Act of 1946, and that we request Congress to enact into law legislation that will authorize appropriations to develop area vocational-technical schools to serve areas which are not now served by all phases of vocational education, particularly the rural areas, and used by the States on a matching basis to develop area vocational-technical schools.

REGION VI

Minnesota, North Dakota, South Dakota

Now, therefore, be it resolved, That we express to Congress our appreciation for appropriating the full amount for fiscal 1957 as authorized by the George-Barden Act of 1946; and be it further

Resolved, That we request Congress to appropriate for fiscal 1958 the full amount of \$29,267,080.58 as authorized under the George-Barden Act of 1946; and be it further

Resolved, That we request Congress to enact into law legislation that will authorize appropriations to develop area vocational-technical schools to serve areas which are not now served by all phases of vocational education, particularly the rural areas; and be it further

Resolved, That we request Congress to appropriate for fiscal 1958 such sums that can be used by the States on a matching basis to develop area vocational-technical schools.

REGION VII

Colorado, Kansas, Nebraska, Wyoming

Now, therefore, be it resolved, That we express to Congress our appreciation for appropriating the full amount for fiscal 1957 as authorized by the George-Barden Act of 1946; and be it further

Resolved, That we request Congress to appropriate for fiscal 1958 the full amount of \$29,267,080.58 as authorized under the George-Barden Act of 1946; and be it further

Resolved, That we request Congress to enact into law legislation that will authorize appropriations to develop area vocational-technical schools to serve areas which are not now served by all phases of vocational education, particularly the rural areas; and be it further

Resolved, That we request Congress to appropriate for fiscal 1958 such sums that can be used by the States on a matching basis to develop area vocational-technical schools.

REGION VIII

Arkansas, Louisiana, Missouri, Oklahoma

Now, therefore, be it resolved, That we express to Congress our appreciation for appropriating the full amount for fiscal 1957 as authorized by the George-Barden Act of 1946; and be it further

Resolved, That we request Congress to appropriate for fiscal 1958 the full amount of \$29,267,080.58 as authorized under the George-Barden Act of 1946; and be it further

Resolved, That we request Congress to enact into law legislation that will authorize appropriations to develop area vocational-technical schools to serve areas which are not now served by all phases of vocational education, particularly the rural areas; and be it further

Resolved, That we request Congress to appropriate for fiscal 1958 such sums that can be used by the States on a matching basis to develop area vocational-technical schools.

REGION IX

Washington, Oregon, Alaska, California, Idaho, Montana, Utah

We urge Congress to appropriate the full amount authorized by the George-Barden Act for job training and safety and other activities.

REGION X

Texas, Arizona, New Mexico

Now, therefore, be it resolved, That we express to Congress our appreciation for appropriating the full amount for fiscal 1957 as authorized by the George-Barden Act of 1946; and be it further

Resolved, That we request Congress to appropriate for fiscal 1958 the full amount of \$29,267,080.58 as authorized under the George-Barden Act of 1946; and be it further

Resolved, That we request Congress to enact into law legislation that will authorize appropriations to develop area vocational-technical schools to serve

areas which are not now served by all phases of vocational education, particularly the rural areas; and be it further

Resolved, That we request Congress to appropriate for fiscal 1958 such sums that can be used by the States on a matching basis to develop area vocational-technical schools.

EXHIBIT D. STATEMENT OF ERNEST G. SMITH, MANAGER OF MITCHELL COUNTY EMC, CAMILLA, GA., AND CHAIRMAN EX OFFICIO OF GEORGIA SAFETY AND JOB TRAINING COMMITTEE

The safety and job training committee of Georgia Electric Membership Corp. is composed of 4 managers, 2 directors and 2 line superintendents. All cooperatives of the State participated in the safety and job training program but 3, 2 of these nonparticipating cooperatives being in north Georgia where it is my understanding they participate in the TVA safety program.

We have two safety instructors for the State whose salaries are paid by the State Department of Education with the cooperatives, through the GEMC, bearing their travel expenses. Each cooperative is visited by one of these instructors each month where 1 day of instruction is given to all outside employees. More time will be spent on a cooperative upon request to the supervisor of trade and industrial education in Atlanta after approval by the safety and job training committee.

The committee and the State department of education is glad to report no fatal accidents on the rural electric cooperative lines in Georgia in 1956 and we are also proud to report there were very few other accidents of any consequence during the year. We feel their good record is due largely to the results of a well coordinated safety and job training program. The cooperation of all cooperative managers and employees has been excellent.

LETTER FROM DR. M. D. MOBLEY

Senator HILL. I have received a communication from Dr. M. D. Mobley, executive secretary, American Vocational Association, Inc., Washington, D. C., regarding the reallocation provision for vocational education which was stricken by the House in passing the bill now before us. Dr. Mobley also forwarded a statement by Mrs. Eva W. Scully, president of the American Vocational Association, in support of the estimate for vocational education.

Both Dr. Mobley's letter and Mrs. Scully's statement will be included at this point in the record.

(The letter and statement referred to follows:)

AMERICAN VOCATIONAL ASSOCIATION, INC.,
Washington, D. C., May 10, 1957.

Hon. LISTER HILL,
United States Senator, Senate Office Building,
Washington, D. C.

MY DEAR SENATOR HILL: When the appropriation bill H. R. 6287 was up for action on the floor of the House of Representatives the following provision in the section carrying the appropriation for vocational education was deleted:

"*Provided further*, That the amount of allotment which States and Territories are not prepared to use may be reapportioned among other States and Territories applying therefor for use in the programs for which the funds were originally apportioned."

We sincerely hope that the Senate will reinstate this provision.

For your information I am attaching copy of a report—made available by the United States Office of Education—which shows the amount of funds reallocated to each of the several States as well as the amount of funds that were released by the States and Territories. There is a minus sign in front of the figures for those States that agreed to release funds. In the case of agriculture there was a total of \$211,863.12 released by 4 States and Territories and reallocated to a large percent of the other States and 1 Territory.

The table gives the details of all the funds in each of the four federally aided programs that were released and reallocated. This reallocation of funds has been very successful and has been most helpful to those States that have been in a position to use the funds effectively.

Prior to the time when the above provision was included in appropriation acts, vocational funds that were not used by States were usually transferred to other Federal activities. We believe that any unexpended funds under the provisions of the George-Barden Act will be of greatest benefit to this Nation, if allotted to States to help expand and strengthen vocational education programs.

We, therefore, will appreciate it very much if the Senate will act favorably on this request.

We will appreciate it if you would include this letter in the hearings.

Attached is statement by Mrs. Eva W. Scully, president of the American Vocational Association, which we hope you will see fit to include in the hearings.

Respectfully submitted; I am,

Sincerely yours,

M. D. MOBLEY, *Executive Secretary*.

Amounts released and received by States and Territories under the reallocation provision applicable to George-Barden title I funds according to the Appropriation Act for fiscal year 1957

State or Territory (1)	Agriculture (2)	Distributive occupations (3)	Home econ- omies (4)	Trades and industry (5)
Total amount reallocated ¹	\$211,863.12	\$67,580.34	\$5,000.00	\$30,000.00
Alabama	12,347.88	4,251.20	221.23	602.88
Arizona	1,253.53		42.89	193.02
Arkansas	10,281.74		164.42	317.88
California	7,888.53		263.14	2,888.21
Colorado	2,552.06		63.48	323.70
Connecticut	1,253.53	-7,200.00	57.68	557.67
Delaware				185.59
Florida	3,056.15	3,847.86	123.09	728.99
Georgia	12,358.37		242.36	712.79
Idaho	2,159.34		43.21	185.59
Illinois	9,871.06	12,096.66	251.07	2,284.37
Indiana	8,567.70		202.75	939.02
Iowa	10,099.82	3,639.28	176.15	528.71
Kansas	5,691.81	2,645.42	117.26	420.02
Kentucky				566.04
Louisiana	7,301.44	3,726.01	155.79	607.69
Maine	1,690.39	-3,032.77	56.80	224.85
Maryland	2,369.30		93.48	-5,000.00
Massachusetts	1,253.53			
Michigan	8,984.37	8,847.08	240.24	1,630.98
Minnesota	9,527.90	4,141.11	174.53	643.57
Mississippi	14,060.20	3,025.40	202.07	310.32
Missouri	11,106.60		195.66	887.73
Montana	1,740.18	1,279.10	42.81	185.58
Nebraska	5,017.92	1,840.45	90.46	
Nevada			35.87	
New Hampshire		-5,879.03	35.87	185.59
New Jersey	1,537.49	-10,000.00	83.45	1,556.59
New Mexico	1,709.57	1,279.10	43.62	185.59
New York	7,549.01			4,096.91
North Carolina				771.40
North Dakota	3,255.73		58.47	185.59
Ohio				
Oklahoma	7,094.14	3,100.95	140.63	482.83
Oregon	2,955.01	2,112.38	90.25	371.18
Pennsylvania	9,143.60	-31,829.00	397.90	2,814.57
Rhode Island	-11,167.81	-1,444.22	35.87	224.37
South Carolina				
South Dakota	3,246.30	1,279.10	56.06	185.59
Tennessee				
Texas				
Utah				185.59
Vermont				
Virginia	9,394.65	4,607.90	226.08	743.30
Washington	3,577.11	3,303.14	112.59	603.92
West Virginia				
Wisconsin	9,360.93		185.99	777.41
Wyoming	1,253.53		35.87	185.59
Alaska	-20,695.31	-8,195.32	-5,000.00	-25,000.00
District of Columbia	-40,000.00	1,279.10	35.87	230.73
Hawaii	1,392.70	1,279.10	35.87	185.59
Puerto Rico	-140,000.00		169.17	324.38

¹ Algebraic sums of amounts in each column.

1208 LABOR-HEALTH, EDUCATION, WELFARE APPROPRIATIONS

STATEMENT BY EVA W. SCULLY, PRESIDENT OF AMERICAN VOCATIONAL ASSOCIATION AND STATE SUPERVISOR OF HOME ECONOMICS EDUCATION FOR ARIZONA, PHOENIX, ARIZ.

Mr. Chairman and members of the committee, as president of the American Vocational Association, representing over 30,000 members, I want to thank Members of Congress and especially members of this committee for their strong support of vocational education in the past.

The increased funds for vocational education last year not only made possible the further development of all phases of the program, but improved the morale of vocational teachers and leaders throughout the Nation. As a result of the several votes of confidence by National Congress, these vocational education people are working today with great faith in their profession and they are doing better work than they might have done, had not additional funds been made available.

The full allotment of the George-Barden Act has provided benefits out of all proportion to the Federal funds involved. It has prompted State legislators, as well as State and local boards of education, to exert great efforts to provide increased funds for vocational education.

A recent survey, made by Mr. J. R. Cullison, State director of vocational education in Arizona, shows some of the specific results of the use of increased funds appropriated last year. Mr. Cullison reported the findings of this survey at the national meeting of State Directors of Vocational Education in St. Louis, Mo., December 3, 1956. The title of the report was "Developments in Vocational Education Resulting From the Full Appropriation Under the George-Barden Act."

The following are a few of the facts taken from the summary of returns from 39 States and given in the report referred to on the previous page:

1. State appropriations were increased in many States.
2. The enrollment in vocational classes increased in 1956-57 over 1955-56 as follows:

	Percent increase	
	Day	Adult
Agriculture.....	2.4	0.6
Homemaking.....	9.6	4.6
Distributive education.....	1.8	1.8
Trades and industry.....	.6	2.8

3. Vocational departments increased as follows:

	Percent
Agriculture.....	1.5
Distributive education.....	15.7
Homemaking.....	3.8
Trades and industry.....	4.9

4. The percent of increase of vocational teachers was as follows:

	Day	Adult
Agriculture.....	2.2	13.0
Distributive education.....	6.8	17.0
Homemaking.....	5.1	6.8
Trades and industry.....	3.2	7.2

5. The percent of increase in the average salary of vocational teachers was as follows:

	Percent
Agriculture.....	3.6
Distributive education.....	5.5
Homemaking.....	5.3
Trades and industry.....	5.3

6. There was an increase in the number of area, city, and State supervisors and coordinators in all of these vocational services.

7. There was also an increase in the number of teacher-educators in reimbursed teacher training institutions.

8. There was an increase in enrollment and in the number of chapters of youth organizations as DECA, FFA, and FHA.

9. Research studies, especially action research, increased tremendously during the year.

These are only a few of the encouraging facts found in this report. However, they are sufficient to show that the increased funds were wisely used. They also point up the need for the full amount recommended by the Bureau of the Budget for the fiscal year 1958. If the full amount is not made available the present vocational program will be curtailed at a time when it should be extended.

Some of the reasons why vocational education should be expanded are—

1. Today, only about 9 percent of our working population is engaged in the professions requiring a baccalaureate degree. Most of the other 91 percent require some vocational training of less than college grade. For example, at the present time for every university trained, professional engineer there is required, on the average, a supporting crew of five technicians.
2. Technological change, including automation, has brought about the need for retraining thousands of people in industry, business, distribution of goods and services, farming, and homemaking.
3. The increase in the number of goods and services on the market today calls for more consumer education for both youth and adults.
4. Shorter working hours, increase the amount of leisure time, and an increase in the number of retired people, releases time for adults to attend classes to learn how to supplement their incomes or to enrich their present living, or both.
5. The steady increase in the number of women working outside the home, shows the need for classes in management to help women and men manage both the home and the job to the satisfaction of everyone concerned.
6. The number of high-school students has increased 35 percent during the past 10 years and the percent of increase will be even greater next year. Many of these students will want to enroll in vocational classes.
7. The number of students enrolled in terminal classes in the 13th and 14th years will also increase next year.

These are some of the reasons why we in vocational education believe the full amount of the George-Barden funds should be allowed next year.

Your approval of the full appropriation of George-Barden funds last year showed your confidence in the people administering these funds. This written statement indicates that the funds have been wisely and economically used to further develop the program of vocational education.

Mr. Chairman, in behalf of 30,000 vocational education workers in the United States and the thousands of youths and adults who benefit from this program, I sincerely and respectfully ask that this committee and Congress approve the full amount recommended by the Bureau of the Budget for the fiscal year 1958. Thank you.

LETTER FROM MR. JOHN T. BRUEHL, JR.

Senator HILL. I also have a letter from Mr. John T. Bruehl, Jr., Berlin, Md., regarding the apprenticeship training program of the Department of Labor which will be included in the record at this point.

(The letter referred to follows:)

JOHN T. BRUEHL, Jr.,
Berlin, Md., March 14, 1957.

Hon. LISTER HILL.

United States Senate, Washington, D. C.

DEAR SENATOR HILL: I am opposed to the promotion, development, and adoption of plans and programs by the Bureau of Apprenticeship to include programs other than those provided for in the Fitzgerald Act.

The development of the broad-gage program proposed by Secretary of Labor James P. Mitchell will undoubtedly adversely affect the formation of new programs of apprenticeships and the furtherance of labor standards to safeguard the welfare of those apprentices. Furthermore, the placement of training functions other than apprenticeship in the Bureau of Apprenticeship is without authority, and I oppose the change in the Bureau's name, and function, to include the words "and training."

I further want to point out to you that we have established and are operating departments of government on National, State, and local levels that are effectively cooperating with industry and business in the training and retraining of persons in meeting present and future trained manpower needs.

May I count on you to see that statements are put in the committee reports on the appropriation bill that will prohibit the Department of Labor from using any funds for promoting training in any shape, form, or fashion except for apprenticeship work as authorized by law?

Sincerely yours,

JOHN T. BRUEHL, Jr.

LETTER FROM MR. ZELMAR A. HARRIS

Senator HILL. I have here another letter regarding the apprenticeship training program from Mr. Zelmar A. Harris, of Baltimore, Md., which will be included at this point in the record.

(The letter referred to follows:)

BALTIMORE, MD., *March 15, 1957.*

HON. LISTER HILL,

United States Senate, Washington, D. C.

DEAR SENATOR HILL: I am not in favor of promoting, developing, and adopting plans and programs by the Bureau of Apprenticeship to include programs other than those provided for in the Fitzgerald Act.

The developing of the broad-gage program proposed by Secretary of Labor James P. Mitchell will most likely seriously affect the formation of new programs of apprenticeship and the furtherance of labor standards to safeguard the welfare of those apprentices. Likewise, the placement of training functions other than apprenticeship in the Bureau of Apprenticeship is without authority, and I am not in favor of the change in the Bureau's name, and function, to include the words "and training."

I also want to point out to you that we have set up and are operating departments of government on National, State, and local levels that are effectively cooperating with industry and business in the training and retraining of persons in meeting present and future trained manpower needs.

May I urge you to see that statements are put in the committee reports on the appropriation bill, that will prohibit the Department of Labor from using any funds for promoting training in any shape, form, or fashion except for apprenticeship work as authorized by law.

Sincerely yours,

ZELMAR A. HARRIS.

LETTER FROM MR. H. M. JAMES

Senator HILL. Mr. H. M. James, supervisor of industrial education, State Department of Education, Baltimore, Md., has also written to me with regard to the apprenticeship program. Mr. James' letter will be included in the record at this point.

(The letter referred to follows:)

STATE DEPARTMENT OF EDUCATION,
Baltimore, Md., March 7, 1957.

HON. LISTER HILL,

*United States Senate,
Washington, D. C.*

DEAR SENATOR HILL: Information coming to me from various sources leads me to believe that a determined effort is being made by the officials of the Department of Labor to launch a program of training in addition to their responsibilities for apprenticeship during the coming year. If the Department is authorized to spend funds appropriated for fiscal 1958 for training purposes of any sort, this will give legal authority which has been denied in a regular and formal manner; and will be the beginning of another Federal agency becoming involved in operating directly in education programs.

I am opposed to the promotion, development, and adoption of plans and programs by the Bureau of Apprenticeship to include programs other than those provided for in the Fitzgerald Act.

The development of the broad-gage program proposed by Secretary of Labor James P. Mitchell will undoubtedly adversely affect the formation of new programs of apprenticeships and the furtherance of labor standards to safeguard the welfare of those apprentices. Furthermore, the placement of training functions other than apprenticeship in the Bureau of Apprenticeship is without au-

thority, and I oppose the change in the Bureau's name, and function, to include the words "and training."

Insofar as our own State is concerned, we want the Department of Labor to expand its apprenticeship program. We insist that the Bureau of Apprenticeship carry out on an expanded basis the job it was created to do rather than take on another job which it has no legal authority to do.

May I count on you to see that statements are put in the committee reports on the appropriation bill, that will prohibit the Department of Labor from using any funds for promoting training in any shape, form, or fashion, except for apprenticeship work as authorized by law?

Sincerely yours,

H. M. JAMES,
Supervisor of Industrial Education.

LETTER FROM AMERICAN VOCATIONAL ASSOCIATION, INC.

Senator HILL. The policy and planning committee, trade and industrial education division, American Vocational Association, Inc., has requested that a statement in opposition to the proposed program of the Department of Labor for "other occupational training in industry and trade" be included in the record. The statement will appear at this point.

(The statement referred to follows:)

STATEMENT BY THE POLICY AND PLANNING COMMITTEE, TRADE AND INDUSTRIAL EDUCATION DIVISION, AMERICAN VOCATIONAL ASSOCIATION, INC.

(This standing committee of the American Vocational Association is authorized to speak for the AVA on matters of policy involving the several facets of the program of the trade and industrial phase of vocational education.)

The purpose of this statement is to set forth the position of the American Vocational Association with regard to the United States Department of Labor, the Bureau of Apprenticeship and the request of officials of the Federal Labor Department to be granted authority and funds by National Congress to become involved in "other occupational training in industry and trade."

First of all, the American Vocational Association has no quarrel whatsoever with any of the presently authorized programs being operated by the United States Department of Labor. On the contrary, our association has been and still is a strong supporter of the Department of Labor and its many worthwhile activities. It is the desire and plan of the members of our association to continue in the future to cooperate fully with the officials and employees of the Department of Labor as they have in the past.

Second, we wish to state emphatically that vocational educators have consistently supported the Bureau of Apprenticeship in its functions—as set forth in the Fitzgerald Act of 1937—of promoting apprenticeship and will continue to do so. The American Vocational Association has never opposed the Federal Bureau of Apprenticeship in carrying out its authorized functions in the field of apprenticeship, and does not now oppose this important activity of the United States Department of Labor. On the contrary, members of the American Vocational Association would like to see the apprenticeship program strengthened and expanded.

From the beginning, the AVA has given full support to officials of the Federal Bureau of Apprenticeship in the discharge of their duties in the apprenticeship field. As evidence of this, we would like to have inserted at the end of this statement the so-called Hawkins-Patterson agreement which sets forth the relationship and responsibilities of vocational educators and apprenticeship officials. This agreement, which was entered into in 1943, has not been superseded and is still in force. It serves as a guide for vocational and apprentice officials in their working relationships.

The vocational authorities of the Nation in accordance with provisions of the Smith-Hughes and George-Barden Vocational Education Acts have, through the years, provided related instruction for apprentices. They expect to continue to cooperate wholeheartedly and fully with organized labor, management and the Department of Labor in the further development and improvement of the apprenticeship program by providing needed related instruction in keeping with

the Hawkins-Patterson agreement, which is based on and in conformity with existing Federal vocational and apprenticeship laws.

OPPOSED TO NEW TRAINING PROPOSAL

The vast majority of the members of the American Vocational Association, as well as other educators, are concerned with the new activities in the field of training, which are now being proposed by the Department of Labor. They are not in favor of the language, "and other occupational training in industry and trade" which was deleted by the House from the section of H. R. 6287 which deals with the Bureau of Apprenticeship. It is our sincere hope that the Senate will concur in the action of the House.

This proposed new language to the appropriation measure (H. R. 6287) for fiscal 1958 which would authorize the Secretary of Labor to conduct a program of encouraging "occupational training in industry and trade" is of grave concern to educators in general. Here, stated briefly, are a few of the reasons:

1. Similarity of language of the Smith-Hughes Vocational Education Act (Public Law 347, 64th Cong.) and the proposed new language in the appropriation measure (H. R. 6287) in the section dealing with the Bureau of Apprenticeship.

The beginning of the Smith-Hughes Act reads as follows:

"An Act to provide for the *promotion* of vocational education; to provide for cooperation with the States in the *promotion* of such education in agriculture and the *trades and industries* * * *."

The appropriation measure (H. R. 6287) as originally proposed to the House carried in the section on the Bureau of Apprenticeship the following language:

"For expenses necessary to enable the Secretary to *conduct* a program of *encouraging* apprentice and other occupational training in industry and trades * * *." (Italic by authors of this statement.)

"Education" and "training" are interchangeable terms as used by vocational educators and by people in the trades and industries. The terms "promoting" and "encouraging" are also used somewhat interchangeably.

It is extremely difficult to see how any agency can "promote" training without "encouraging" it and vice versa. It then follows logically that it is difficult to understand why two agencies should be subsidized by the Federal Government to do the same things, or why the United States Department of Labor under the proposed language would not be authorized to actually conduct training programs as a means of encouraging it, just as Federal funds for vocational education are used for operating training programs by the States to promote it.

2. Should Congress approve the language "and other occupational training in industry and trade," this would place an extra burden on the Bureau of Apprenticeship and would, doubtless, retard or impede the progress of the apprenticeship program at a time when there is great need to expand this important program.

3. The language in the appropriation measure "and other occupational training in industry and trade" does not set forth in detail nor limit the activities in the field of training that are to be carried out by the Department of Labor.

We know that the present officials of the Department of Labor, at the policy-making level have promised, in their testimony before the House and Senate committees, that they will not engage in the actual conduct of training programs, but will limit their activities to the promotion of training. We believe that so long as the present officials are in authority in the Department of Labor, it will be their intent that this promise be kept. However, they will not be in authority forever.

We do not believe, therefore, that any department or agency of the Government should be given blanket authority in any appropriation act to become involved in any activity not specifically authorized by basic law.

4. Public educators in general do not want a Federal agency operating, promoting or influencing education or training programs of any sort, except those carried on through and by the Department of Health, Education, and Welfare.

May we again state emphatically that we have no quarrel whatsoever with the Department of Labor, or its officials and employees, and that we are solidly supporting the Department's activities in the field of apprenticeship as authorized by the Fitzgerald Act.

MEMBERSHIP OF COMMITTEE

William G. Loomis (chairman), trade and industrial education, Salem, Oreg.
 Thomas E. Hampton (vice chairman), trade and industrial education, Baton Rouge, La.

Sallie H. Richardson (principal), Essex County Vocational and Technical High School and Adult Technical School, Newark, N. J.

W. A. Seeley (State supervisor), trade and industrial education, Nashville, Tenn.
 Carl Anderwald (president), American Technical Education Association, Albany, N. Y.

A. B. Anderson (director), trade and industrial education, Wilmington, Del.

Rupert A. Evans (teacher trainer), industrial education, Urbana, Ill.

Tom G. Bell (industrial education supervisor), Shelby County Schools, Whitehaven, Tenn.

C. E. Highlen (associate professor), industrial education, Lafayette, Ind.

Robert M. Reese (director), trade and industrial education, Columbus, Ohio.

Samuel L. Fick (State supervisor), trade and industrial education, Sacramento, Calif.

TRAINING TO MEET INDUSTRIAL NEEDS, OCTOBER 1943

(Issued jointly by United States Office of Education, Vocational Training for War Production Workers, Washington, and Apprentice-Training Service, War Manpower Commission, Washington)

FOREWORD

This statement is the result of an awareness on the part of the Apprentice-Training Service, WMC, and the United States Office of Education that they and the respective State and local agencies are jointly responsible for assisting management and labor in the development of a functional overall training program to meet the needs of industry.

The purpose of this statement is to encourage the several States to further extend the present cooperative relationships as they exist relative to training apprentices. The training of apprentices has long been carried on through a clearly established working relationship between Apprentice-Training Service and Vocational Education. These relationships extended through a plan of cooperative action to the entire field of training of industrial workers can bring about the teamwork necessary to assist labor and management in meeting their training needs.

The preparation of this statement resulted from a series of conferences in which representatives of both agencies participated. Full utilization of existing services will not only extend our present programs but can provide a complete service to meet the total training needs of industry.

L. S. HAWKINS,

Director, Vocational Training for War Production Workers,

United States Office of Education.

WM. F. PATTERSON,

Director, Apprentice-Training Service,

War Manpower Commission.

OBJECTIVE

The objective of the following suggestions is to create working relationships which will bring into functional operating practice the distinct services of Apprentice-Training Service and Vocational Education to the end that the joint management and labor needs for training can be met.

Apprentice-Training Service and Vocational Education have distinct functions and responsibilities in the promotion and subsequent operation of a training program.

A joint statement has been issued by the United States Department of Labor and the United States Office of Education, indicating the relationships of the two offices with respect to apprenticeship. Quoting this statement in part:

"* * * there are two distinct groups of responsibilities and functions in the promotion and subsequent operation for apprentice training. One group deals with the apprentice as an employed worker, the conditions under which he works, his hours of work, his rates of pay, the length of his learning period, and the ratio of apprentices to journeymen so that overcrowding or shortage of skilled workers in the trades may be avoided in large part. The second group of responsibilities deals with the apprentice as a student, the related technical and supplemental instruction needed to make him a proficient worker, and the supervision and coordination of this instruction with his job experience."

The same responsibilities and functions as they apply to apprenticeship in the above statement also apply in the entire field of training of industrial workers other than apprentices.

Training is a concern and one of the primary interests of industry—management and labor. Hence, all training must be geared to the needs of industry. It follows therefore that when training as such is delegated to the training agencies such training must be based upon the recommendations and practices of industry concerned.

In order to accomplish the above purpose it is the practice of Vocational Education to use representative advisory committees appointed from nominations made by management and labor, and for Apprentice-Training Service to use joint apprenticeship committees appointed by management and labor. The Vocational Education representative Advisory Committee is used in an advisory capacity. The Joint Apprenticeship Committee is used in the field of policymaking and administration. In many cases, separate committees are maintained. Experience indicates that one committee can serve in both capacities and make a more effective contribution to the operation of a training program.

Industry as never before is recognizing the need for training in all its branches. To meet this need closer cooperation of all agencies in all aspects of training and on all levels of responsibility, Federal, State, and local, is essential.

STATE PLAN

The cooperation of Apprentice-Training Service and Vocational Education in meeting these training needs can best be accomplished by jointly working out State plans designed—

1. To aid in clarifying to industry the close interrelationships between the two services.
2. To aid in the technique of preventing overlapping and duplication of effort.
3. To present to industry a comprehensive, complete, coordinated, and easily understood training service.
4. To develop operating practices between the two services which will meet the training needs of industry.
5. To inculcate a spirit of teamwork in the development and operation of training programs.

In formulating a State plan it is strongly recommended that such a plan include statements in terminology regularly used by industry, embodying the following:

1. *Selection of a title for the plan.*—

Example: ("Plan for Training Industrial Workers in the State of ———.")

2. *A preface or foreword indicating who is participating in the plan, why it was drawn, and what it will accomplish.*

3. *The purposes for and the manner in which each agency operates.*—Include statements that will embody such as the following:

(a) The Apprentice-Training Service is established to formulate and promote the furtherance of labor standards and the labor relations aspects of training necessary to safeguard the welfare of industrial workers.

References.—Public Law 308; Miscellaneous 2477 VE-ND; Training Services Available to War Industries and Agriculture, WMC; Advancing Worker Standards Apprentice-Training Service, Serial No. G-93.

(b) Vocational Education is established to provide organized instruction and training of less than college grade, conducted by State and local vocational schools to meet the specific needs of trade and industrial workers.

References.—Vocational education State plan for your State; VEWPW State plan for your State; Statement of Policies for Administration of Vocational Education, Vocational Education Bulletin No. 1, revised 1937.

4. *The responsibilities of each agency relative to a training program.*—The statements should embody specific responsibilities of Apprentice-Training Service as it applies in dealing with the individual as an employed worker, including such considerations as the conditions of employment, the hours of work, rates of pay, length of the training period; and the responsibilities of vocational education in dealing with the individual as a student. It is recommended that the principles established in VE-ND Miscellaneous 2477 be retained but applied to the whole field of training for industrial workers of all types such as:

- | | |
|----------------------------|---|
| (a) Apprentices | (i) Workers preparing to enter industry |
| (b) Operators | (j) Beginners |
| (c) Specialists | (k) Learners |
| (d) Helpers | (l) Inspectors |
| (e) Leadmen and quartermen | (m) Foremen |
| (f) Journeymen | (n) Job instructors |
| (g) Masters | |
| (h) Supervisors | |

5. *The activities of each agency and its representatives in discharging their responsibilities relative to training.*—The statements should embody specific activities of each agency, retaining the principles established in VE-ND Miscellaneous 2477, but adapting them to the whole field of training industrial workers of the types listed under item 4 above. Refer also to Training Services Available to War Industries and Agriculture, WMC. All statements should be made in terms regularly used by industry. (Avoid terminology as used by each agency for reporting purposes.)

6. *The joint activities of the agencies and their representatives in discharging responsibilities relative to training.*—These joint activities are among the most important functions of the State plan, and therefore should embody statements which will make clear to industry the teamwork the plan represents. Teamwork means working together for a common goal. Working together effectively requires planning together and doing the job so everyone engaged in related activities can more efficiently fulfill his obligation. The work of each person must dovetail with and supplement that of his coworkers. For efficiency there is usually a desirable sequence wherever a number of steps is involved.

This is true of all training programs both during their promotion and subsequent operation. Further statements under this heading should include, among other things—

(a) The use of representative committees.

1. Whenever feasible it is advised that one committee be used in two capacities: namely, as the joint apprenticeship and or training committee, and as the advisory committee to the vocational education authorities in connection with the program involved.

2. Where no committees exist and new committees are to be organized, one joint apprenticeship, training, and advisory committee should be established. Such a committee to be policy forming or administrative for management and labor on the labor standards and labor-relations aspects of training, and advisory to the vocational education authorities in connection with the program involved.

3. When practicable, working agenda for such a committee should be mutually prepared by Vocational Education and the Apprentice-Training Service in cooperation with the officers of the committee. Meetings should be called in the same manner.

(b) Teamwork in planning and servicing training programs.

1. The appropriate Apprentice-Training Service and vocational education representatives should consult with one another when a training need involving the service of the other is discovered by either.

2. The appropriate Apprentice-Training Service and vocational education representatives should keep each other informed through frequent contact, and by exchanging information relative to the servicing of training programs with which they are mutually concerned.

3. Continued collaboration of other consultants will materially contribute to the effective operation of the training program.

(c) Statement of activities of Apprentice-Training Service and vocational education which can be performed mutually.

7. *Specific information as to how industry can avail itself of the services offered in this State plan.*—List training and consulting services available through Vocational Education and Apprentice-Training Service, what they will accomplish, and where they can be secured. (See columns under "Scope and purposes" as they apply, pp. 8 and 9 of Training Services Available to War Industries and Agriculture, WMC). Care should be exercised to keep this listing in terms commonly used by industry.

8. *That this State plan is jointly arrived at and jointly issued by the two services involved.*

FURTHER SUGGESTIONS

The following suggestions may serve as aids in attaining the objective set forth in this bulletin.

1. Arrange joint conferences of personnel representing the two services on the State level, to work out practical means for attaining the objective.

(a) By determining the essential kinds of training to be done for workers in industry:

(b) By determining how and where such training can be done;

(c) By determining the scope of activity of the two services:

(d) By determining ways and means for developing effective teamwork in servicing the training needs of industry;

(e) To develop a State plan;

(f) And to review the operation of such a plan.

2. A plan developed from the suggestions in this bulletin should be published in printed form if possible, and with good makeup and suitable illustrations for distribution to industry so they may be properly informed of the contents of the plan and the services it describes.

3. The plan should also be distributed as a guide to the representatives of services working in the field of training.

4. Copies of all devices found successful in accomplishing the objectives set forth in this bulletin should be forwarded to the national offices of the respective services. This will permit dissemination of information on the experience in the field in working toward a common goal.

LETTER FOR SENATOR PAYNE

Senator HILL. Senator Hayden has received a letter from Senator Payne regarding education and training in commercial fisheries under the Vocational Education Act which will be included at this point in the record.

(Senator Payne's letter follows:)

UNITED STATES SENATE,
COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE,
March 19, 1957.

HON. CARL HAYDEN,

*Chairman, Commission on Appropriations,
United States Senate, Washington, D. C.*

DEAR MR. CHAIRMAN: During the 84th Congress I introduced a bill (S. 2379) in the Senate to authorize Federal grants to the States for education and training in the commercial fisheries. This bill was cosponsored by 26 other Members of the Senate. Representative John McCormack of Massachusetts introduced a companion bill in the House of Representatives. After lengthy hearings by committees of both Houses of Congress, this bill was enacted and became Public Law 1027, 84th Congress. At that time the measure was hailed throughout the commercial fishing industry as one step which offered promise of material assistance in combating the severe economic problems of the commercial fisheries.

Public Law 1027 contained two basic provisions, one for college level education and training, the other for vocational education. Section 1 of the act authorized the appropriation of \$550,000 annually for grants by the Secretary of the Interior to public and nonprofit private universities and colleges to promote the education and training of professionally trained personnel needed in the field of commercial fishing. The President's budget for fiscal 1958 requested \$583,000 of which \$550,000 was to implement this section and the remainder was for costs of administration not provided for in the act.

Section 2 of Public Law 1027 authorized the appropriation of \$375,000 annually for vocational education in the fishery trades and industry to be allocated by the Commissioner of Education. The budget for 1958 requests \$228,000 to carry out the purposes of this section.

By way of background for this legislation I believe it might be helpful to quote a portion of the report of the Senate Interstate and Foreign Commerce Committee on S. 2379 which states as follows:

"The fishing industry has been a part of the American economy from the very beginning. Fishing was conducted on the Atlantic coast of the North American Continent by several European nations long before there were any settlements in the New World. When the Jamestown and Plymouth colonies were established, fishing was one of the key means of livelihood of the people. From that day to this the fishing industry has occupied an important role in our economy as one of the principal sources of high protein food products.

"When Senator Payne introduced S. 2379 on June 30, 1955, he stated on the Senate floor in part as follows:

"Probably no phase of our commercial fishery industries has received less attention than the development of progressive fishery educational facilities in this country. Whereas this field of vocational and academic training has received

growing attention and action in other major fishery producing nations, the meager facilities in this country have remained almost unchanged during the past three decades.

"This inadequacy has left a serious mark on the efficiency of the industry, but just as important has been its effect on the management and conservation of our fishery resources. At no time has this been better illustrated than by the current difficulties being experienced by Government in its management staffing program.

"As the world's fishery industries become more advanced technologically, this serious deficiency in educational facilities is becoming more pronounced and can exert an even more serious effect on this Nation's standing as a major fish producing and processing factor. While this condition merits immediate consideration because of the importance of the fisheries contribution to the gross national product, it can be even more serious in that it can adversely affect our independence for protein food from foreign sources during periods of international emergencies."

"The above remarks by Senator Payne are an excellent summary of the situation revealed at the hearings held by the committee. That foreign nations are actively promoting fisheries training and education was amply demonstrated. That the United States has for all intents and purposes done nothing in this field was also amply demonstrated" (S. Rept. 2014, 84th Cong., pp. 2-3).

The conclusion of the Senate Interstate and Foreign Commerce Committee on the merits of the program embodied in S. 2379 was as follows:

"The committee was deeply impressed by the volume of testimony in support of this bill. After carefully reviewing the record of the hearings your committee is convinced that the American fisheries need a vigorous education and training program to provide for education and training of personnel at all levels for the commercial fisheries" (S. Rept. 2014, 84th Cong., pp. 8-9).

Last fall the United States Tariff Commission found that the domestic industry was being seriously injured by increasing imports of groundfish fillets and recommended an increase in the tariff on such imports. After careful consideration President Eisenhower concluded that he could not accept the Tariff Commission's recommendation and set forth his reasons, in some detail, in identical letters to the chairman of the Senate Finance Committee and the House Ways and Means Committee. I am attaching a copy of that letter for your information but wish to quote one paragraph which should be stressed. That paragraph states as follows:

"At the same time, I recognize that beset as it is with problems ranging from the age of vessels to competition with other food products, the fishing industry of the United States will experience difficulties in the years ahead, despite the bright prospects for increased consumption of fish and fish products, unless bold and vigorous steps are taken now to provide root solutions for the industry's problems. To this end, the administration last year proposed and I signed into law several bills designed to assist the industry in improving its competitive position. These laws include provisions for increased funds for research and market development programs, *educational grants*, and a \$10 million revolving loan fund for vessel and equipment improvement purposes." [Italic added.]

From foregoing it is obvious that the President recognizes an obligation on the part of the Government to take steps offering legitimate forms of assistance to the commercial fishing industry. As an example of the various forms such assistance may take, the President cited the Payne-McCormick Fishery Education Act. Consistent with this view, the President's budget for fiscal 1958 recommended the funds which I referred to previously to implement Public Law 1027. Inasmuch as the act authorized grants for both colleges and universities and for secondary and vocational schools part of the appropriation request is contained in the Department of the Interior budget and part in the Department of Health, Education, and Welfare budget.

Recently the House of Representatives approved the Department of Interior appropriation bill, but only after reducing the funds requested under section 1 of Public Law 1027 from \$583,000 to \$350,000. The House Appropriations Committee has not yet completed action on the Health, Education, and Welfare appropriations bill, but there is some indication that funds for implementing section 2 of Public Law 1027 may be either cut or eliminated altogether.

I am fully aware of the fact that there is great national concern over the size of the budget proposed for fiscal 1958 and that there is rather general agreement, both in and out of Congress, that the budget should be cut wherever possible. The real danger is a large budget during a time of economic prosperity, and the source of the present concern, is that unnecessary Federal spending may have an

inflationary effect on the economy. Accordingly, while the entire budget should be reviewed very carefully, it is the type of spending which carries with it or has inherent within it an inflationary character that should be scrutinized with particular care. The purpose of Public Law 1027 is to provide a very modest program of research and educational training in an effort to at least partially improve the technology and proficiency of the commercial fishing industry as a means of easing some of the very serious economic conditions which are preventing that industry from participating in the general economic prosperity. It is not believed that money spent for such a purpose will have any inflationary effect.

In view of the critical economic condition presently existing throughout our domestic commercial fishing industry and in view of the President's view that forms of assistance other than import duties or controls must be found, I believe it is essential that the funds requested by President Eisenhower to implement Public Law 1027 be appropriated this year. It is my hope that the Senate Appropriations Committee will find it possible to include in the respective appropriation bills the funds requested by the President to implement this act. It is requested that this letter be made a part of the record of the hearings on the two pertinent appropriation bills.

Sincerely yours,

FREDERICK G. PAYNE,
United States Senator.

THE WHITE HOUSE,
December 10, 1956.

DEAR MR. CHAIRMAN: On October 12 the United States Tariff Commission, pursuant to section 7 of the Trade Agreements Extension Act of 1951, as amended, submitted to me a report of its findings and recommendations in the groundfish fillets escape-clause case. The Commission found, as a result in part of the customs treatment reflecting the trade agreement concession applying to these products, that they are being imported into the United States in such increased quantities as to cause serious injury to the domestic industry. The Commission accordingly recommended that those imports of groundfish fillets presently dutiable at 1½ cents per pound should be dutiable at 2.8125 cents per pound, and that those dutiable at 2½ cents per pound should be dutiable at 3.75 cents per pound.

It is the Tariff Commission's responsibility in these matters to investigate and report to the President any finding of serious injury or threat of serious injury within the meaning of the law. It is the President's responsibility, on the other hand, to consider not only the question of injury and measures recommended for its relief, but also all other pertinent factors bearing on the security and well-being of the Nation.

As an aspect of national policy dedicated to fostering the security and economic growth of the United States, this Nation seeks to encourage in all feasible ways the continued expansion of beneficial trade among the free nations of the world. In view of this policy I am, as I have said before, reluctant to impose a barrier to our trade with friendly nations unless such action is essential and clearly promising of positive, productive results to the benefit of the domestic industry in question. My reluctance to impose such a barrier is heightened in this case because the other nations concerned are not only our close friends, but their economic strength is of strategic importance to us in the continuing struggle against the menace of world communism.

I have analyzed this case with great care. I am fully aware that the domestic groundfish fishing industry is faced with serious problems, but I am not persuaded that, on balance, the proposed duty increase would constitute a sound step in resolving those difficulties. Because of that conviction, I have decided in view of all of the factors bearing on this case that I cannot accept the Tariff Commission's recommendations. It might well be, in fact, that the proposed duty increase would only further complicate the industry's basic problems.

Over the years, the consumption of groundfish fillets has shown a persistent upward trend, consumption rising to a record level in 1955. This trend is expected to continue; the United States, by all indications, is heading toward a further increased population and a greater expansion of its economy. If, as this growth takes place, there is a proportionate increase in requirements for fish and fish products in the United States, the domestic demand for these products will more than exceed the present combined total of domestically caught fish plus imports.

This is an encouraging prospect which the domestic industry should prepare to exploit.

At the same time, I recognize that beset as it is with problems ranging from the age of its vessels to competition with other food products, the fishing industry of the United States will experience difficulties in the years ahead, despite the bright prospects for increased consumption of fish and fish food products, unless bold and vigorous steps are taken now to provide root solutions for the industry's problems. To this end, the Administration last year proposed and I signed into law several bills designed to assist the industry in improving its competitive position. These laws include provisions for increased funds for research and market development programs, educational grants, and a \$10 million revolving loan fund for vessel and equipment improvement purposes.

The Administration's examination into the industry's problems has continued beyond the enactment of these laws. These studies, in which we are benefiting from consultations with State and local officials and private groups, look toward the development of additional opportunities for promoting the well-being and sound management of all of our fish and wildlife resources, including our commercial fisheries resources. These further efforts should be of assistance to the domestic groundfish fishing industry in its search for solutions to the fundamental problems it faces. They should also help the industry to improve its position without the imposition of further trade restrictions which might actually discourage needed improvements.

This approach is consistent with our objective of achieving a dynamic, expanding, free enterprise economy and also accords with our national policy of seeking the highest attainable levels of mutually profitable and beneficial trade and investment among the countries of the free world.

DWIGHT D. EISENHOWER.

LETTER FROM MR. J. L. McCASKILL

Senator HILL. I have a letter from Mr. J. L. McCaskill, assistant executive secretary for State and Federal relations, National Education Association, regarding the apprenticeship program, requesting that a statement by him be included in the record of the hearings. Mr. McCaskill's letter and statement will be included at this point. (The letter and statement referred to follow:)

NATIONAL EDUCATION ASSOCIATION,
Washington, D. C., May 9, 1957.

Senator LISTER HILL,

Senate Office Building, Washington D. C.

DEAR SENATOR HILL: Enclosed is a brief statement which we hope you will see fit to place in the hearings on the appropriation bill for the Departments of Labor and Health, Education, and Welfare. It deals with the new proposal of the Department of Labor to be authorized to become involved in training programs other than those which they are authorized to do in the field of apprenticeship under provisions of the Fitzgerald Act of 1937.

With highest personal regards, I am

Very truly yours,

J. L. McCASKILL,
*Assistant Executive Secretary
for State and Federal Relations.*

STATEMENT BY J. L. McCASKILL, ASSISTANT EXECUTIVE SECRETARY FOR STATE AND
FEDERAL RELATIONS OF THE NATIONAL EDUCATION ASSOCIATION

Educators are concerned with the Department of Labor's request for authorization by Congress to become involved in "Occupational training in industry and trade." It is my understanding that the House of Representatives deleted from the appropriation measure H. R. 6287 the following language "and other occupational training in industry and trade," which if approved by the Congress would give authority to the Department of Labor to expand activities of the Bureau of Apprenticeship to include training.

We strongly recommend that the House action in deleting this language from the appropriation bill be sustained and that the Department of Labor not be

given authority in an appropriation measure to become involved in training on any basis. It is our opinion that if the Department of Labor wishes to become engaged in training, then the activities which this Department proposes to carry out should be spelled out in detail in basic law.

The educators of the Nation are grateful, I am sure, to the officials of the Department of Labor, especially Secretary Mitchell, for the splendid job they have done in the past several years in pointing up the need for certain kinds of training. We are sure that this effort has helped materially to focus attention on a national problem and that it has been of value to education authorities in their efforts to develop more adequate vocational education programs. I am also sure that a committee of educators will be glad to meet with and cooperate with Secretary Mitchell and other officials of the Department of Labor in helping them plan an acceptable program whereby the Department of Labor can continue to make contributions to the solution of our Nation's training problem by keeping the Nation alerted to our manpower needs.

The educators of this Nation are exceedingly anxious to see that the control of education, including vocational education, is kept in the hands of State and local education officials. They do not look with favor on proposals by any agency of the Federal Government to become involved directly in education and training.

May I further state that this statement is not in opposition to the apprenticeship program being promoted by the Department of Labor under provisions of the Fitzgerald Act. Educators in general have through the years given full support to this program. They want to see more instead of less apprentice training.

NATIONAL WILDLIFE FEDERATION

STATEMENT OF CHARLES H. CALLISON, CONSERVATION DIRECTOR

WATER SHORTAGE

Senator HILL. Mr. Callison. Good morning, sir. We are glad to have you here, Mr. Callison. You are the conservation director of the National Wildlife Federation? Is that right, sir?

Mr. CALLISON. Right, sir.

Senator HILL. All right, sir.

Mr. CALLISON. Senator Hill, in view of the shortage of time and the length of the witness list, I will take very little time.

Senator HILL. All right, and your full statement will appear in the record, Mr. Callison.

Mr. CALLISON. My name is Charles H. Callison, and I am conservation director of the National Wildlife Federation, which, as you know, is an organization of State wildlife federations and sportsmen's leagues—

Senator HILL. You have many splendid members down in Alabama, I may say.

Mr. CALLISON. And I know that you are very favorably and well known to them for your interest in the subject that I wish to discuss this morning as well as in other conservation matters.

This Nation has constructed the world's leading economy upon a base of abundant natural resources. The most essential of those resources—and once considered the most inexhaustible—is water. But today water shortages haunt America from east to west and threaten to knock the props from under future progress.

We have water shortages not because we have outgrown the supply but because of the way we have wasted it and despoiled it.

Mr. Chairman, the public has become painfully aware of water

shortages. Not only aware, but alarmed about them. They also know that growing and unabated pollution contributes directly, and unnecessarily, to those critical water shortages.

Senator HILL. Do you think water shortage is becoming one of our most acute and urgent national problems?

Mr. CALLISON. I think beyond a doubt it is, certainly in the field of natural resources management. It is the most general and most acute of our problems.

Big cities have to go far inland and construct reservoirs and aqueducts at great expense to the public, while tons of water flow by them in streams so befouled with sewage and the waste of factories they cannot be used.

WATER POLLUTION

Last week I took part in a program-planning conference for the next North American Wildlife Conference, the largest annual meeting of professional and lay conservationists held in the world. One of the subjects adopted for discussion was "Water pollution—the shame of America."

The cities and industries of America have been building waste-treatment plants, but the trouble is they have not been building them fast enough. The new sources of pollution have been outrunning the treatment. I can give you chapter and verse, data, and statistics to back up these assertions. But I am sure they have already been given you and are in the record of this and previous hearings. Suffice it to point out here that in 1920 the city sewage escaping untreated into our streams was equal to the wastes from 42 million people. Today our public waters are polluted by the untreated sewage of 55 millions.

In 1920 the industrial waste being dumped into our streams was equal—in damaging effect—to sewage from 49 million people. In 1955 it amounted to sewage from 110 millions.

For these reasons, Mr. Chairman, the conservation-minded citizens of the United States—and that, as you know, includes most of our citizens—were cheered when the 84th Congress passed a new and stronger Water Pollution Control Act. They were cheered, and they applauded lustily, when this subcommittee and the Congress provided the funds to start the new program.

National conservation organizations ranked Public Law 660 among the top 2 or 3 most constructive conservation achievements of the 84th Congress. In the field of water resources, it was without doubt the most important.

So now we are in a position to begin turning the tide on pollution. We have a law and a program under which Uncle Sam has, at long last, started shouldering his share of the task.

CONSTRUCTION PROGRAM IN STATES

There have been dissatisfactions and complaints about the construction-grants program in some States. That was to have been expected. There has not been enough grant money in 1 year to go around because the need is so great. But, Mr. Chairman, if the programs authorized by Public Law 660 are carried out—with \$500 million in construction grants over a period of years as authorized in that law—we shall be-

gin to get on top of this critical problem. At the end of 10 years—or even at the end of 3 years at the rate of \$50 million in Federal grants to spur municipal action—we predict the results will show a spectacular increase in the total volume of sewage-treatment construction.

Thousand of miles of streams will flow clean again. Real-estate values will rise along once-polluted streams. Recreation will be restored. And new industries can be installed, bringing new prosperity to areas now blighted by the stench of pollution and by a shortage of clean water.

SEWAGE-CONSTRUCTION GRANTS

Mr. Chairman, I am here in behalf of the National Wildlife Federation and its member State federations and conservation leagues. I am here to urge this committee, in the strongest possible terms, to appropriate the full \$50 million budgeted for sewage-treatment construction grants.

I speak also for the International Association of Game, Fish and Conservation Commissioners, an organization composed of the heads of the game and fish departments of the various States. It is my honor to serve the international association as chairman of its legislative committee.

I am here to urge this committee in the strongest possible terms to approve the full budget estimates also for program grants to the States—\$3 million, as authorized by Public Law 660.

OTHER RECOMMENDATIONS

And we recommend you grant certain increases over and above the budget requests for research, for enforcement, and for administration of the act. These proposed increases are the result of our careful study of the minimum requirements for proper administration during the next fiscal year.

These are our recommendations:

For "Administration of the construction grants program," the Federal budget proposes \$600,000. We recommend \$790,000.

For "Research activities," the budget proposes \$1,140,000. We recommend \$1,645,900.

For "basic data collection and analysis," the budget figure is \$500,000. We recommend \$575,000.

For "Technical assistance to States, interstate agencies and industries," the budget proposed \$1,020,000. We recommend \$1,685,000.

For "Enforcement of interstate pollution control," the budget allocation is \$350,000. We recommend \$375,000.

We have been told, Senator Hill, this new program would be a target as Congress searched for places to cut the budget. It was said that because this program is new it would be singled out as a soft spot, a likely place to use the ax.

Still, Mr. Chairman, the conservationists of this country arose in shocked surprise when an attempt was made on the floor of the House to knock out the construction grants money. They were reassured when the House voted, 231 to 185, to retain the program. At this point in the record I should like to insert, with your permission, the National Wildlife Federation's report on that rollcall vote in the House.

Senator HILL. We will be glad to have it go in the record at this point.

(The report referred to follows:)

231 TO 185 VOTE SAVES POLLUTION-CONTROL FUNDS

Conservationists in the House of Representatives won a dramatic victory yesterday. By a rollcall vote of 231 to 185 they turned back a powerful drive aimed at scuttling a major part of the water pollution control program started only last year with passage of the Blatnik Act.

It was the first major test of conservation strength in the House this session. The final vote came during a tumultuous day in which the roll was called 14 times on amendments to cut appropriations for the Departments of Labor and Health, Education, and Welfare. Eleven budget-cutting amendments were adopted; four others were voted down.

Congressman O. C. Fisher of Texas had offered the amendment to knock out the whole \$50 million budgeted for the second year of the Public Health Service program providing grants to cities to stimulate the building of sewage-treatment plants.

It was a dramatic victory because, only the day before, the House had tentatively passed the Fisher amendment by a tellers' count of 162 to 140.

Pressure to eliminate the sewage-treatment grants was spearheaded from the outside by publicists and lobbyists of the United States Chamber of Commerce, the National Association of Manufacturers, and trade associations representing certain polluting industries. The attack was mounted under the guise of economy.

Conservation leaders in the House pointed out that while unnecessary Government expenditures are bad and must be eliminated, there is another kind of waste that is even more deadly to the economy and welfare of America—the waste of natural resources.

Why industrial polluters should fight a sewage-treatment program has mystified many people. There are, however, two obvious reasons:

First, certain industrial interests fear the buildup of any strong Government program to control pollution. They fight pollution laws and appropriations in State legislatures as vigorously as in the Congress. In this instance they pinpointed on the construction grants, regarding them the most vulnerable part of the Federal program.

Second, to clean up municipal sewage will point the finger of blame for water pollution directly at offending industries. As it is now, with raw city sewage contaminating many rivers, the public cannot sort out the smell of destructive industrial wastes above the general stench.

They even use the preposterous argument that the sewage-treatment grants program has nothing to do with water pollution. It is merely, they assert, a Federal subsidy to help cities build sewer systems. This argument was made repeatedly on the floor of the House by Congressman Leslie C. Arends, of Illinois, and other leaders of the attack.

A listing of the rollcall vote on the Fisher amendment, showing who voted to sustain the water pollution control funds and who voted to delete them, will appear in our next report. We also shall report other details of the contest.

H. R. 6287, the Labor-HEW appropriation bill, now goes to the Senate where no doubt another attempt will be made to economize the pollution-control program out of existence.

LEGISLATIVE REPORTING SERVICE

Mr. CALLISON. That report is from the federation's legislative reporting service that goes to State and local conservation organizations and civic groups throughout the Nation.

This is a new program, Mr. Chairman, but it is a long overdue one. It deals with a form of natural-resource waste so long neglected as to become a national crime.

The conservation-minded people of America will be shocked if this program is cut off at the pockets before it is fairly started. They will be shocked and sorely disappointed. Water is the most basic of our basic resources. It is essential to our whole economy, to the health and welfare of every one of us, and to the security of the Nation.

We urge this committee, in all respect and with deep appreciation for the fair consideration you gave this program last year, to give it equally fair consideration for 1958.

I want to thank you for the privilege.

Senator HILL. Thank you, Mr. Callison. We very much appreciate your coming here.

Mr. CALLISON. We appreciate the privilege of presenting our views.

Senator HILL. Thank you, sir.

PUBLICATION OUTDOOR NEWS BULLETIN

STATEMENT OF DANIEL A. POOLE, EDITOR

GENERAL STATEMENT

Senator HILL. Mr. Poole.

Mr. POOLE. Like the previous witnesses, I will present a very brief statement.

Senator HILL. Sir, we are glad to have you here.

Mr. POOLE. By way of identification, I am Daniel A. Poole, editor of the Outdoor News Bulletin, a news service issued by the Wildlife Management Institute. The institute is one of the older national conservation organizations devoted to the improved management of natural resources in the public interest. The program of this nonprofit organization has been continuous since 1911.

SEWAGE-TREATMENT WORKS CONSTRUCTION

Like the previous witness, Mr. Callison, and his organization, the institute joins in urging the committee to give favorable consideration to the \$50 million grants-in-aid appropriation requests for the construction of urgently needed sewage-treatment works. A similar amount was appropriated last year, and this allotment is in accordance with the 10-year authorization in the Water Pollution Control Act, Public Law 660, that was enacted by the 84th Congress.

Public support of the grants-in-aid section of the Water Pollution Control Act was demonstrated emphatically last month in the House when a rollcall vote in that body reversed the previous day's action which had deleted the \$50 million item from the Public Health Service budget request. In the less than 24 hours which elapsed between the tellers' vote which struck out the \$50 million and the rollcall vote which decisively restored the funds, the Members of the House were flooded with telephone calls and telegrams from irate citizens from all parts of the country. They demanded that the grants-in-aid program for assistance in the construction of sewage-abatement facilities be continued, and that the Congress appropriate the required funds to enable the program to proceed as scheduled.

Veteran House observers tell us that the public reaction seldom has been as swift and unanimous as it was in this instance.

The people feel strongly about water pollution, Mr. Chairman, and we sincerely hope that the Senate will recommend the continuation of the requested level of appropriations for construction grants.

SPECIFIC INCREASES NEEDED

It is clear, however, that certain specific increases are needed in the coming year's budget if the program is to be administered properly, and if the pressing urgency to take full action on the Nation's water-pollution problems is to receive realistic support. The requested increases are as follows:

	Appropriations 1956-57	Budget allocation 1957-58	Adjustments recommended
Construction grants administration.....	\$400,000	\$600,000	\$790,000
Research.....	440,100	1,140,000	1,645,900
Basic data collection and analysis.....	300,000	500,000	575,000
Technical assistance.....	834,000	1,020,000	1,685,000
Enforcement of interstate pollution control.....	250,000	350,000	375,000
Total.....	2,224,100	3,610,000	5,070,900

The House cut \$110,000 from the \$3,610,000 budget allocation without saying where the reductions were to be made. We are convinced, however, Mr. Chairman, that the vast majority of people want the Public Health Service to have what it takes to administer the expanded program. Furthermore, the States and the cities should have the technical information and basic data that are needed to assist them in combating their water pollution problems. This urgently needed program should not be curtailed, and the requested increase of \$1,460,900 would meet only the minimum requirements.

WATER POLLUTION CONTROL ACT

We believe that the new Water Pollution Control Act can overcome most of the shortcomings in the earlier program that was authorized by the 80th Congress. With the enactment of the Taft-Barkley Water Pollution Control Act in 1948, the conservationists thought that the Federal Government finally had assumed its responsibility along with the States for abating stream pollution, which is endangering the Nation's health, wealth, and security. That certainly was not the case, and the Taft-Barkley program would have been far more effective if the Congress had not failed to provide adequate funds for its administration. Then again, without grants-in-aid to the States, pollution abatement activity declined on all levels.

The conservationists believe that the Congress wants the Nation to receive the many benefits that were provided in the Water Pollution Control Act of 1956. We know that all of you appreciate that water has become a limiting factor in community growth and national welfare. Urbanization, industrial expansion, and the increased utilization of atomic energy will aggravate the problems that already are acute in many areas.

Increased appropriations for the administrative, research, enforcement and other items listed above, I am sure, will return benefits to the citizenry far in excess of the comparatively small amount that is needed for the better implementation of the water-pollution control

program. The Federal Government and the States are beginning to go to work in earnest in combating water pollution under this new authority, and it is hoped that the Congress will appropriate the amounts that the Public Health Service must have to enable the program to proceed as effectively and as fully as possible.

Thank you.

Senator HILL. Thank you very much, Mr. Poole. We appreciate very much your testimony and Mr. Callison's too. We are glad to have you gentlemen here.

LETTERS FROM SENATOR HENNINGS

Senator HILL. I have received a letter from Senator Hennings requesting that a statement prepared by him regarding the water-pollution control program and waste treatment construction program be included in the hearings. He also forwards a resolution of the Conservation Federation of Missouri urging support of the water-pollution control program of the Public Health Service. Both Senator Hennings' statement and the resolution of the conservation federation will be included in the record at this point.

(The statement by Senator Hennings and the accompanying resolution follow:)

STATEMENT BY SENATOR THOMAS C. HENNINGS, JR., IN BEHALF OF APPROPRIATIONS FOR THE WATER-POLLUTION CONTROL PROGRAM, UNITED STATES PUBLIC HEALTH SERVICE

The amendment of the original Federal Water Pollution Control Act with subsequent appropriations has assisted the general public and the State officials in Missouri in reevaluating the need for a comprehensive water-pollution control program. Many citizens and civic groups on conservation and labor and State officials in Missouri have developed studies and helped prepare the language for a new act, which is now under consideration by the State legislature.

The appropriations under consideration by this committee include \$3 million for grants to States and interstate agencies under a general program to aid States. Another \$3,500,000 is earmarked for the Public Health Service to administer Public Law 660, 84th Congress. This modest figure is the overhead charge on the entire program—which includes the \$50 million sewage treatment plant building program, as well as other activities that are necessary in this national clean streams drive, such as scientific research, technical assistance to the States and industries, the collection and dissemination of basic data on engineering and scientific water-pollution treatment functions.

Of course, the heart of this water conservation program, at this time, is the \$50 million construction activity. This is authorized in section VI of Public Law 660, passed last year by Congress.

Mr. Chairman, I should like to review for the benefit of the committee what has happened in my State under this construction grant program so far. For the present fiscal year, Missouri's allotment from the \$50 million construction grant fund amounted to \$1,059,755. The State agency has certified sewage treatment plant applications for 23 communities, and the Public Health Service has made grants to these communities totaling \$1,040,729.46. The total estimated cost of these 23 projects is in excess of \$4 million.

Nineteen of the twenty-three communities have received grants from the Public Health Service in amounts below \$100,000, and no community in the State has received the \$250,000 maximum authorized by the law. The following is a list

of the communities, including the total estimated cost of the project, and the amount of the grants :

Missouri

Applicant	Total estimated cost	Amount of grant	Applicant	Total estimated cost	Amount of grant
Higginsville.....	\$521,550	\$146,888.14	Steelville.....	\$99,950	\$29,985.00
Fornfelt.....	53,813	14,763.75	Lincoln.....	27,420	7,566.00
Belle.....	47,000	13,290.00	Center.....	20,000	5,547.00
Stover.....	30,216	7,714.80	Springfield.....	635,000	177,000.00
Ironton.....	54,000	14,962.00	Stanberry.....	136,564	40,969.17
Troy.....	215,000	59,895.00	Union.....	148,256	4,932.51
Illmo.....	33,840	8,973.00	Marshall.....	349,000	104,700.00
Blue Springs.....	150,776	36,656.40	Marceline.....	284,212	85,263.60
Carthage.....	216,000	59,670.00	Tipton.....	59,000	16,713.00
Trenton.....	523,860	139,096.66	Humansville.....	169,000	4,770.00
Hornersville.....	37,751	10,015.23	Thayer.....	160,000	37,853.20
Kahoka.....	45,000	13,500.00			
State allotment.....			\$1,059,775.00		
Grant funds obligated.....			1,040,729.46		
Balance.....			19,045.54		

This clearly demonstrates that the program is stimulating the construction of sewage treatment plants for the smaller communities, which was the intent of Congress in enacting Public Law 660.

In the past, municipal officers of small communities have realized that the financial burden for the construction of a comprehensive sewer system and sewage treatment plant would use all, or nearly all, of the available financial ability of the community. Therefore, many small communities have not constructed much needed sewer systems and treatment plants. In the State of Missouri, the Federal grant has furnished the incentive needed to initiate an active construction program in these areas.

The State of Missouri received \$38,000 from the program grant funds last year, and this money has been instrumental in strengthening and improving the comprehensive water pollution control program at the State level. The coordinating program for the review of plans and specifications by the State stream pollution control engineers and the Federal water pollution control engineers has assisted in bringing together wider experience and better technical review of individual sewage treatment plant projects, and this in turn has brought about an improvement in the design prepared by the consulting engineers. These improved designs will also provide for more economical and better treatment plant operation in the future.

I have been advised by the Public Health Service that they have made 344 grants to communities throughout the United States totaling \$28,053,000. The Public Health Service states that more than 80 percent of the projects approved are to benefit communities of 125,000 population or less.

My State is cooperating with the Public Health Service in administering a water pollution control program which will protect and conserve not only the waters of Missouri, but also the interstate waters in which we have an interest. In addition, Missouri will receive many benefits from water pollution control improvements in the upstream States on the Kansas, Missouri, and Mississippi Rivers. Likewise, the downstream States will benefit from the water pollution control activities in the State of Missouri.

In view of the above facts, I strongly urge that this committee report favorably on the \$3 million program grants, the \$50 million construction grant funds, and the \$3,500,000 requested for administering this much-needed water-conservation program.

CONSERVATION FEDERATION OF MISSOURI

RESOLUTION No. 13

Whereas the United States Senate subcommittee of the Committee on Labor and Health, Education and Welfare, is currently conducting hearings on H. R. 6287, appropriating funds to the Public Health Service for water pollution control; and

Whereas the water pollution control program would be hamstrung without the full amount appropriated which has been budgeted: Now, therefore be it

Resolved by the Conservation Federation of Missouri in annual meeting assembled in the city of Kansas City this 28th day of April 1957, That we do hereby urge and request the aforesaid subcommittee to give an early and favorable report upon this appropriation; and be it further

Resolved that copies of this resolution be provided by the executive secretary of the federation to the secretary of the National Wildlife Federation, to Senator Lister Hill, chairman of the Senate subcommittee and to the Missouri delegation in the United States Senate.

Senator HILL. Senator Hennings has also written a letter to me with regard to the water-pollution program, attaching thereto a letter from the Honorable Robert P. Weatherford, Jr., mayor of Independence, Mo., and also a statement by Mr. Weatherford on the same subject, which will be included at this point in the record.

(The letters and statement referred to follow:)

UNITED STATES SENATE,
COMMITTEE ON RULES AND ADMINISTRATION,
May 6, 1957.

Hon. LISTER HILL,

*Chairman, Senate Subcommittee on Appropriations,
Senate Office Building, Washington, D. C.*

DEAR LISTER: I should like to transmit the enclosed statement from the Honorable Robert P. Weatherford, Jr., mayor of Independence, Mo., for inclusion in the record of the hearing by your Senate Appropriations Subcommittee on Tuesday, May 7. Mayor Weatherford, as you know, is this year the chairman of the water pollution control committee of the American Municipal Association, and in this capacity is urging the retention of the \$50 million appropriation for water pollution grants and aid contained in H. R. 6287, the 1958 appropriations bill for the Departments of Labor, Health, Education, and Welfare.

May I say that I heartily endorse Mayor Weatherford's statement. I would consider it a personal favor, if you would have this statement read into the record so that all of the members of the committee may have the benefit of the thoughts expressed on this vital matter affecting the health and welfare of our citizens. I cannot urge too strongly that your committee support the full amount contained in this appropriation for continuing Federal aid to municipalities for sewage-treatment plants. Pollution of our streams is fast becoming a national public health problem of critical proportions. Congress recognized this danger when it passed H. R. 9580 in the last session to provide for Federal technical services and financial aid to State and interstate agencies in connection with the prevention and control of water pollution. Certainly, there can be no saving which is at the expense of the health and welfare of our people.

With warmest regards to you, as always, I am

Sincerely yours,

THOMAS C. HENNINGS, Jr.,
United States Senator.

THE CITY OF INDEPENDENCE, MO.,
May 3, 1957.

Senator THOMAS C. HENNINGS, Jr.,

*United States Senator From Missouri,
Senate Office Building, Washington, D. C.*

DEAR SENATOR HENNINGS: Mr. Patrick Healy of the American Municipal Association advised this writer that 10 minutes would be allowed by the Senate Subcommittee on Appropriations on Tuesday, May 7, relative to the \$50 million appropriation on water-pollution grants and aid.

It was Mr. Healy's and my personal opinion that my coming to Washington would not be justified for a 10-minute interview with Senator Lister Hill's subcommittee.

I am taking the liberty of requesting that you hand this epistle to Senator Hill and ask him to place it on the record. As you know, I am this year the chairman of the water pollution control committee of the American Municipal Association and have appeared before the House committee previously in Washington relative to the original H. R. 9540.

Tell Senator Hill that I shall always be personally grateful to him for the luncheon we had one day and for the splendid visit it was my privilege to have with that esteemed gentleman from Alabama. Also tell Senator Hill that I am one of his strongest admirers along with my fellow townsman, President Truman, and that this communication is my sincere and honest opinion and is not just another routine letter of appeal.

I am sorry to impose upon you with your busy schedule but will be grateful to you if you will see that the Senator receives this statement, along with your approval of the matter.

Kindest personal regards to you and your entire staff.

Sincerely,

R. P. WEATHERFORD, Jr., *Mayor.*

THE CITY OF INDEPENDENCE, Mo.,
May 3, 1957.

Senator LISTER HILL,

*Chairman, Senate Subcommittee on Appropriations,
Senate Office Building, Washington, D. C.*

DEAR MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE: We of the American Municipal Association, representing some 15,000 municipalities, are vitally concerned with and seriously recommend your consideration and approval of the pending appropriation for \$50 million for water pollution control assistance to the municipalities of the United States.

Water-pollution control is a national public health problem and is so designated in the declaration of congressional policy passed at the last session under H. R. 9540 which states:

"In connection with the exercise of jurisdiction over the waterways of the Nation and in consequence of the benefits resulting to public health and welfare by the prevention and control of water pollution, it is hereby declared to be the policy of the Congress to recognize, preserve, and protect the primary responsibilities and rights of the States in preventing and controlling water pollution * * * and to provide Federal technical services and financial aid to State and interstate agencies in connection with the prevention and control of water pollution."

We of the American Municipal Association are faced with similar budget problems as are the members of your committee—the only difference in our problems is the digits involved. It is thoroughly understood among the American cities that there is an economic retrenchment program stimulated by the citizens of this Nation, but there can be no compromise with public health and welfare where citizens are involved and it is in this field of stream pollution that the health of America's major portion of population is involved.

In certain sections of this Nation, the Federal Government through its Public Health Service has issued an ultimatum to abate stream pollution by 1959. Many American cities have engaged engineers under advanced planning grants and under their own resources where these funds are available to them to comply with the Government edict.

The public officials of our member cities are sympathetic with your problems but we are watching with a keen eye the vital services and substantiating appropriations and are heartily in accord with austerity where it does not affect the health and welfare of our people.

Many cities and other governmental units affected by this problem of stream-pollution abatement, as laid down by the Congress and administered by the Public Health Service, are not in economic position to carry the full burden of a capital expenditure such as this imposes due to the necessity of direct tangible services on the home front to people residing in our jurisdiction.

The American city gives more direct, tangible benefits to its people than any other level of government in the world and, of necessity, does more services for the small tax revenues than any other level of government. There isn't an hour

of the day or night when a citizen cannot look out his window and see something that his municipal government is doing for him.

We carry the direct "grassroots" responsibility to our people. Sources of revenue are just not such that we can move upon the government ultimatum and, therefore it is necessary that we appeal to you of the Congress to approve this \$50 million appropriation in order that the municipalities of this land may adhere to your policies to which we subscribe, but financial strangulation at this level needs relief and assistance from the Federal Government.

This responsibility is clear cut. This is a joint matter of Federal and municipal cooperation. We are willing, at the municipal level to do our full share and appeal most humbly to your committee to approve this appropriation. As to us it places first things first, namely, the health and welfare of every American.

Most grateful am I for this opportunity to present this paper to you and to the gentlemen of your committee. Pleading for your understanding; praying for the welfare of all Americans.

Respectfully submitted.

R. P. WEATHERFORD, Jr.,

Chairman, Water Pollution Control Committee of American Municipal Association.

LETTER FROM SENATOR COOPER

Senator HILL. I also have a letter from Senator Cooper in support of the water-pollution program, quoting a statement by Mr. Laban P. Jackson, commissioner of conservation and chairman of the Kentucky Water Pollution Control Commission. Senator Cooper's letter will appear in the record at this point.

(Senator Cooper's letter follows:)

UNITED STATES SENATE,
COMMITTEE ON LABOR AND PUBLIC WELFARE,
May 16, 1957.

Hon. LISTER HILL,

Chairman, Subcommittee on Departments of Labor and Health, Education, and Welfare, Committee on Appropriations, United States Senate, Washington 25, D. C.

DEAR SENATOR: Following is a statement telephoned by Mr. Laban P. Jackson, commissioner of conservation and chairman of the Kentucky Water Pollution Control Commission, which I would appreciate your including—if it is possible—in the subcommittee's record:

"My name is Laban P. Jackson, commissioner of conservation and chairman of the Kentucky Water Pollution Control Commission.

"Gentlemen, these two agencies have the responsibility of providing clean, healthful water for human consumption, industrial use, and recreation.

"It would be extremely shortsighted to consider reducing the appropriation on Public Law 600. Rather, considering the good that has been done in its short existence, the appropriation should be increased.

"The Commonwealth of Kentucky heartily endorses this law and will fight to maintain it and its effectiveness."

Your consideration of Mr. Jackson's statement in effecting a favorable determination of the appropriation will be very much appreciated.

Sincerely,

JOHN SHERMAN COOPER.

LETTER FROM SENATOR KERR

Senator HILL. Senator Kerr has forwarded to me a letter addressed to him by Mr. Morrison B. Cunningham, director of public works, city of Oklahoma City, regarding the water pollution control program. Senator Kerr's letter along with Mr. Cunningham's will appear in the record at this point.

(The letters referred to follow:)

UNITED STATES SENATE,
Washington, D. C., April 19, 1957.

HON. LISTER HILL,
*Chairman, Subcommittee on Appropriations,
Labor and Public Welfare Committee,
United States Senate.*

DEAR LISTER: Attached hereto is a letter, addressed to me, from Mr. Morrison B. Cunningham, director of public works, city of Oklahoma City.

In addition, Mr. Cunningham is on the Governor's Water Advisory Committee and is a past president of the American Water Works Association. He is presently serving as a civilian member of the President's Pollution Control Board. Therefore, he has a fine background in connection with matters relating to the operation of the pollution control legislation.

I would appreciate your making his statement a part of your records. I am sure that you will find therein valuable information for your consideration in connection with appropriations for pollution control under the Public Health Service.

With kindest regards, I am
Sincerely yours,

ROBERT S. KERR.

THE CITY OF OKLAHOMA CITY,
Oklahoma City, Okla., April 15, 1957.

Senator ROBERT S. KERR,
Senate Office Building, Washington, D. C.

DEAR SENATOR KERR: Public Law 660 which was passed by the last session of Congress provides for a program on pollution control, which, in my opinion, can be a great contribution to the people of the United States if adequate funds support the program. I certainly appreciated your support last year in getting this bill passed by Congress, and I know you are familiar with the progress which can be made in pollution abatement.

As you know, the bill provides one of the finest approaches to helping solve some of the pollution problems—for example—research. Many of the problems on pollution can only be studied by research. The bill also provides for the collection of basic data. This, of course, is important, for we know that a great deal of information has been made available by the various Federal, State, and city agencies; however, it is next to impossible at the present time to get information, because in many cases it has not been assembled as required under Public Law 660.

Even some of the streams in Oklahoma, having high chlorides, would more than likely not have as their origin oilfields altogether, because we might find some natural chlorides coming from soils.

The bill also provides that the Public Health Service assist the States on pollution control problems, and this has been and will continue to be of great assistance, and offers great possibilities for the States to do a better job on pollution control, by having the assistance and benefit of experience of the Public Health Service.

Adequate financing to provide for the administration of the work under Public Law 660 is also of great importance. Also grants to the States to encourage construction. As long as this program has been started, and for the most part allocations for 1 year have been made, if the funds are now eliminated, or greatly reduced, it would, in my opinion, set the program back a good many years. As long as the Surgeon General, Public Health Service, is charged with the administration of this, it will be dependent upon Congress making the appropriation as recommended by the Budget Bureau.

Pollution control—not only in Oklahoma, but in almost every area of the United States—should be continued, to make progress in making more water available for use and reuse—and is worthy of our careful consideration. I hope you can support the Public Health Service budget request for this important work.

I want you to know we greatly appreciate the interest and assistance you have given to the development of our water resources—in all phases. This benefits not only the State of Oklahoma, but certainly will have far-reaching effect throughout the United States.

With every good wish for your continued success,
Cordially yours,

MORRISON B. CUNNINGHAM,
Director of Public Works, City of Oklahoma City.

LETTER FROM RALPH E. FUHRMAN

Senator HILL. I also have a letter here from Mr. Ralph E. Fuhrman, executive secretary, Federation of Sewage and Industrial Wastes Associations, regarding the waste treatment construction program which will be included in the record at this point.

(The letter referred to follows:)

FEDERATION OF SEWAGE AND INDUSTRIAL WASTES ASSOCIATIONS,
Washington, D. C., May 7, 1957.

HON. LISTER HILL,
*Chairman, Health, Education, and Welfare Subcommittee,
Senate Committee on Appropriations, Washington, D. C.*

DEAR MR. CHAIRMAN: This brief statement is submitted on behalf of the Federation of Sewage and Industrial Wastes Associations, the single professional and technical organization wholly concerned with the abatement of stream pollution throughout the United States. The federation is made up of State and regional organizations who have the common aim of conserving our waters through proper treatment of municipal and industrial wastes.

Our member associations in the United States and possessions number 32, with an individual membership of over 6,000, while readers of the federation's technical monthly journal, Sewage and Industrial Wastes, exceed 8,000. The individuals affiliated represent the frontline of those concerned with the design, construction, and operation of waste-treatment works in this country.

Surely other statements have placed before you the magnitude of this waste-treatment problem. It cannot be emphasized too strongly that problems are being created constantly by continued industrial expansion and the accompanying urban development. These increases are not only quantitative but, unfortunately, they are in the technical complexity of wastes and combinations of wastes.

The only known answer to the problem is technical research. In recent years, the Public Health Service has taken a leading role in the direct performance of research work in the field and has fostered much outside work through its grants. A vigorous continuation and extension of this work will conform to the water resources conservation policy of the Federal Government. It will continue the advancement of needed technical knowledge in the wastes-disposal field with actual stream-pollution abatement as its ultimate objective.

For these reasons, the Federation of Sewage and Industrial Wastes Associations urges your committee to approve the modest appropriations requested for research in water-pollution activities and as authorized by Public Law 660, 84th Congress.

Respectfully submitted,

RALPH E. FUHRMAN,
Executive Secretary.

LETTER FROM JOHN T. KELLY

Senator HILL. Mr. John T. Kelly, secretary, Cook County council, Illinois Federation of Sportsmen's Clubs, Chicago, has written to me in support of the water-pollution program. Mr. Kelly's letter will appear in the record at this point.

(The letter referred to follows:)

COOK COUNTY COUNCIL,
ILLINOIS FEDERATION OF SPORTSMEN'S CLUBS,
Chicago, Ill., April 20, 1957.

Re water pollution control.

Senator LISTER HILL,

*Chairman, Senate Committee on Labor, Health, Education,
and Welfare Appropriations,
Senate Office Building, Washington, D. C.*

DEAR CHAIRMAN HILL: Our organization desires to go on record with your committee as being in favor of the passage of the above bill including the following amounts of money: \$50 million for sewage-treatment grants to municipalities; \$3 million for program grants to States; \$3.6 million for research, technical assistance, and enforcement.

We believe that it is not economy to permit the continued waste of water.

We have advised Senators Douglas and Dirksen of Illinois that we favor approval of the amounts of money as stated above in this bill.

We ask that your committee schedule hearings on this bill in the immediate future, and that our recommendation be made a part of the record of the hearings.

Will your committee please acknowledge receipt of this recommendation?

Sincerely yours,

JOHN T. KELLY, *Secretary.*

STATEMENT OF J. W. PENFOLD

Senator HILL. Mr. J. W. Penfold, conservation director, Izaak Walton League of America, has forwarded a statement to me regarding the water-pollution-control program which he requests be included in the record. Mr. Penfold's letter and statement will appear in the record at this point.

(The letter and statement referred to follow:)

THE IZAAK WALTON LEAGUE OF AMERICA,
Denver, Colo., April 12, 1957.

HON. LISTER HILL,

*Chairman, Appropriations Subcommittee,
United States Senate, Washington, D. C.*

DEAR SENATOR HILL: I regret that it is not possible for me to appear before your committee in person to point out the deep concern of the Izaak Walton League of America that the Federal pollution control program be continued as provided in Public Law 60 of the 84th Congress.

I am attaching a brief statement on the subject. We would appreciate your bringing this to the attention of the members of your committee and that it be made a part of the record.

Sincerely yours,

J. W. PENFOLD, *Conservation Director.*

STATEMENT OF THE IZAAK WALTON LEAGUE OF AMERICA, INC., IN RESPECT TO FEDERAL POLLUTION CONTROL AND 1958 APPROPRIATIONS, H. R. 6287

Gentlemen, the Izaak Walton League of America is a broad-gage citizen organization dedicated to the conservation and wise use of our God-given natural resources. Of the basic resources water is fast becoming the one which may most limit our economic growth and our cultural development. Whether in the arid and semiarid West or in the more abundantly supplied regions of the Nation, all Americans are facing water shortages to a greater or lesser extent. This is a trend which will accelerate even faster than our population increases. We cannot afford the waste of any water and surely of all wastes, that due to pollution is clearly insupportable.

The Izaak Walton League throughout its 35-year history has been a staunch advocate of clean waters and a vigorous opponent of man-caused pollution. The league has consistently stimulated, promoted, and supported pollution abatement and prevention programs at local, State, and National levels. It supported Public Law 660 of the 84th Congress and continues this support.

Last week at its 35th annual convention, held in Washington, D. C., the hundreds of delegates from all parts of the Nation reaffirmed their support of the program in a resolution as follows:

Resolution No. 8—Pollution Control Funds

Whereas the Izaak Walton League of America, Inc., has, throughout its history, consistently supported and promoted sound antipollution programs and legislation at all levels of government;

And our rapidly increasing population, as well as expansion of industry and all other human activity, is aggravating the pollution problem at alarming rate, requiring accelerated rather than diminished pollution abatement efforts, and on nationwide scope;

And the Izaak Walton League of America, Inc., strongly supported the pollution-control program adopted by the United States Congress in 1956 as Public Law 660: Therefore be it

Resolved, That the Izaak Walton League of America, Inc., in its 35th annual convention assembled this 6th day of April 1957 in Washington, D. C.—

That we strongly recommend to the Congress of the United States of America the continuance, both in function and intent, of the provisions of Public Law 660,

And the provision of adequate funds to accomplish this purpose: and be it finally

Resolved, That the national president of the Izaak Walton League of America, Inc., appoint, within 30 days after the close of this convention, a committee to take all practical steps necessary to implement this resolution and to bring it to the attention of all persons and groups important to affirmative action upon its provisions, said committee to report at the 1958 national convention of the Izaak Walton League of America, Inc., or before, as required.

It seems clear to us that the grants-in-aid program, the \$50 million per year for 10 years, has not only been of material assistance to communities, but, even more important, has stimulated local pollution-control programs which otherwise might not have been initiated for many years. The complete essentiality of this cannot be overemphasized.

The progress that has been made in less than a year, actually but 5 months, is most encouraging. Over 225 projects approved totaling \$80 million in costs of which \$60 million have been locally financed. A good start.

More meaningful to me, however, are the details of the progress in my home State of Colorado and our neighboring Mountain States with the problems of which I am personally most familiar—Idaho, Montana, Utah, Wyoming, and New Mexico. The record is good.

1. Twenty-one projects approved totaling \$7,064,624 of which \$5,398,811 is locally financed, \$1,665,813 of Federal aid.

2. Eleven more project applications are being processed in the regional offices of the USPHS—totaling \$2,310,700 of which \$1,608,978 would be locally financed, \$701,722 of Federal aid.

3. More significant—an additional 33 project applications are being processed in the several State agencies—totaling \$12,888,797 of which \$10,586,516 would be locally financed, \$2,302,281 of Federal aid.

4. The proportions of the problem are illustrated by the firm report of 71 additional projects now in various stages of preparation and not yet in formal application status. These total \$24,915,780 of which \$21,162,106 would be locally financed, \$3,753,674 in Federal aid.

5. These projects and programs stimulated so far, present a total of approved projects and a backlog of projects which would require the full six-State share of the annual \$50 million appropriations authorized by Public Law 660, for nearly 3 years.

To put it simply: we must get our water supplies in shape to meet the impact of 224 million citizens in 1975 and likely 300 million by the year 2000. They will all need clean water for culinary, industrial, and agricultural purposes and for recreation, just as we do. There will not be the same per capita supply for

them, however, hence it is our duty at least to assure them that their smaller share is entirely usable. A fully implemented program under Public Law 660 is an important step toward providing that assurance.

The Izaak Walton League respectfully urges that your committee and the Senate confirm the favorable action already taken by the House of Representatives.

LETTER FROM SENATOR KUCHEL

Senator HILL. Senator Kuchel has written to me in support of the air pollution research program of the Division of Sanitary Engineering, Public Health Service. Senator Kuchel's letter will be included in the record at this point.

(The letter referred to follows:)

UNITED STATES SENATE,
COMMITTEE ON INTERIOR AND INSULAR AFFAIRS,
April 17, 1957.

HON. LISTER HILL,

Chairman, Subcommittee for Appropriations, on Departments of Labor and Health, Education, and Welfare, Senate Office Building, Washington, D. C.

DEAR SENATOR HILL: I have just learned that the subcommittee is expediting its hearings on appropriations for the Department of Health, Education, and Welfare and already has taken testimony about items for the Division of Sanitary Engineering, United States Public Health Service.

Inasmuch as the House allowed an amount which will permit a rounded, balanced program, I previously had not intended to make any personal appearance in connection with an item in which I am deeply interested, the amount for air-pollution research as authorized by Public Law 159, which I had the privilege of introducing in the 84th Congress.

However, I do wish to register my hope that the Senate subcommittee will agree that this activity is highly important to the health, safety, and happiness of tremendous numbers of Americans and that the amount of \$4 million carried in the bill as passed by the House will be approved by your subcommittee.

The subcommittee possibly has learned that the seriousness of air pollution in California has led to creation of additional regional pollution-control districts and adoption of more stringent regulations and codes to reduce contamination of the atmosphere in some of our largest cities and most highly industrialized areas. The effective date of new controls already has been set in the San Francisco Bay area and Metropolitan Los Angeles.

The imposition of tighter controls emphasizes the importance of continuing research in the most vigorous manner practicable. In order that local agencies can be certain they are attacking the major causes of air pollution, it is imperative that all avenues of investigation, research, and experimentation be followed speedily and aggressively. The \$4 million Federal appropriation, while not adequate to carry on all programmed projects, will assist greatly in exploring some of the fields which need earliest attention.

I am sure the subcommittee appreciates that air pollution is due to many factors and that these often vary from area to area. Among them are the topography, the peculiar weather and meteorological conditions, the character of industry and its location or concentration, the volume of traffic, the kind and distribution of housing, and so forth.

Nevertheless, I am convinced that research projects such as have been initiated with Federal funds offer a hope of ascertaining facts and demonstrating theories which will have wide application. As an illustration, the United States Bureau of Mines, which is working with funds allotted by the United States Public Health Service under Public Law 159, recently announced it will begin tests of a process and idea believed likely to reduce air pollution as a result of discharges from automobile exhausts. The "soft fuel" investigation obviously should be most thorough and conducted by the most competent agency, because of the possible far-reaching results of findings about changes in gasoline or in construction and operation of motor vehicles.

The importance of Federal participation in this attack is further indicated by recent disclosure that effects of pollution are causing agricultural crop damage greater than previously suspected. I have noted a recent report that the menace

is spreading into fringe rural areas. The California State department of public health just revealed damage in 13 county areas surrounding metropolitan centers in our State and listed 44 separate crops which suffered, including such commonly grown varieties as alfalfa, grapes, and lettuce. The implications of these facts are ominous and suggest that research must be pursued on a broad front.

In many ways, I should like to see the Federal activities broadened and the program move faster. There is, however, a limit to the ability of the Government to finance such programs. Also, I am told there is a definite shortage of personnel to carry on different technical and scientific projects. The \$4 million item in the bill before your committee will permit progress and effective employment of trained scientists on the staffs of several Federal agencies.

Smog has been plaguing the people of the Los Angeles area for approximately 15 years and no longer is a topic for joking. Public and private agencies in California are spending large sums annually to end this menace. It also has become a problem of increasingly serious proportions in many other communities across the Nation.

The Federal Government appears best situated to tie together efforts to identify sources and causes of air pollution and to provide guidance toward methods of reducing and—I trust—ultimately eliminating this curse. The problem is not simple to solve and every bit of assistance which Federal agencies can render will be very much in the public interest.

I sincerely trust that the subcommittee will concur in providing the \$4 million now carried in the bill to finance air-pollution research in fiscal year 1958.

With best wishes, I am

Very truly yours,

THOMAS H. KUCHEL,
United States Senator.

Senator HILL. The committee will now stand in recess until 10 o'clock in the morning.

(Whereupon, at 12:30 p.m., Tuesday, May 7, 1957, the subcommittee recessed, to reconvene at 10 a. m., Wednesday, May 8, 1957.)

LABOR-HEALTH, EDUCATION, AND WELFARE APPROPRIATIONS, 1958

WEDNESDAY, MAY 8, 1957

UNITED STATES SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, D. C.

The subcommittee met, pursuant to recess, at 10 a. m., in room F-82, the Capitol, Hon. Lister Hill presiding.
Present: Senators Hill and Hayden.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

AMERICAN PUBLIC WELFARE ASSOCIATION

STATEMENT OF DR. ELLEN WINSTON, PRESIDENT

GENERAL STATEMENT

Senator HILL. The committee will kindly come to order.

Dr. Ellen Winston, president of the American Public Welfare Association. We will be delighted to have you come around and have a seat right here. Have you filed your statement with the committee, Doctor?

Dr. WINSTON. Yes, Senator. I filed a statement with the committee, so I would like to speak very briefly with regard to the main points.

Senator HILL. All right. Go right ahead, Doctor. Please proceed in your own way.

Dr. WINSTON. We appreciate the opportunity of appearing before the committee today. I represent the American Public Welfare Association, as you know.

Senator HILL. Yes.

Dr. WINSTON. I am also commissioner of public welfare in North Carolina.

ADMINISTRATIVE DUTIES UNDER NEW AMENDMENTS

We in public welfare were, of course, greatly pleased over the Senate amendments to the Social Security Act in 1956. We are also aware of the fact that they gave us added responsibilities. You, through those amendments, emphasized the importance of self-support and self-care, the strengthening of family life with regard to the aid to dependent children program, and the importance of medical care for the about 5 million needy people who receive public assistance.

Well, we are concerned how we continue to administer public welfare at the highest possible level and also absorb these expanding responsibilities.

CHILD WELFARE SERVICES

Now, this morning I have testimony that develops four points. The first of these has to do with child welfare services. This, of course, is a program that is very close to the hearts of all of us because it involves the welfare really of all of the children.

We are pleased that the House of Representatives has increased the appropriation to \$10 million per year. We are quite well aware of the fact though that the authorization has now been raised to \$12 million.

Senator HILL. Yes.

Dr. WINSTON. With the growing number of children, with the increased costs of administration regardless of what the program is, we need that full authorization.

We have many people in this country who are concerned about children with particular types of needs. You have hearings going on here in the Senate now. We recognize the fact that we must have strong basic services for children, that unless you have a firm foundation these specialized programs really do not bring us a full return.

So we are very hopeful that the Senate will be able to increase the amount to the full authorization of \$12 million.

ADMINISTRATIVE COSTS

Then, the second area in which we are particularly interested is that of administrative cost. For 22 years, as you know, we have had a very fine Federal and State relationship in the area of administration of public assistance. The way the Social Security Act was originally drafted, the States have general control over the level of administration. We know when we make up our budgets that we will get 50 percent matching of public assistance. But with the ceiling that has been written into the appropriations bill in the House, we have a negation of that longstanding arrangement. I know that you are thoroughly familiar with the problem it creates for us.

Senator HILL. We had a big fight over it in the deficiency bill.

Dr. WINSTON. We are aware of your leadership and how much we owe you in the fact that we were not cut right here at the end of the fiscal year. Of course, the problem is the same before us now except that it is for a longer period of time.

Senator HILL. It will be for the whole fiscal year.

Dr. WINSTON. It would be for the biennium with regard to many of us.

Senator HILL. That is what I mean.

Dr. WINSTON. We have submitted our budgets to our general assemblies, and we are extremely concerned over what the implications would be.

QUESTIONS OF FEDERAL-STATE RELATIONSHIPS

Of course, I do not need to tell you it is not only a matter of the dollars, it is a matter of the whole principle of Federal-State relationships, of using the appropriations bill to violate the basic law as we interpret it in the Social Security Act.

It would also inevitably mean more Federal control over the level of public welfare administration. The States that you and I repre-

sent believe in States rights. This would mean that we would have a ceiling set on our State appropriation instead of being relatively in control of it, and in the locally administered States it would move right down. So in my State, for example, we would have to say to counties: "You can have so much Federal money," which in turn will affect their level.

The way it is now we build up from the bottom with the individual counties making the determination knowing that they can expect a certain percentage of funds on whatever budget they set up.

Senator HILL. Yes.

Dr. WINSTON. So that is a very fundamental problem for all of us.

FUNDS FOR TRAINING AND RESEARCH

We are concerned too, about two of the major amendments in 1956, namely, funds for training and funds for research, and I would like to just run through a minute that particular problem for you.

Senator HILL. Sure.

Dr. WINSTON. In the public assistance field, we get the worst problems, the most difficult problems in the community. Again and again we have people coming to us, as I had a child just last week who had made the rounds of every other agency and then finally that child is brought to public welfare.

NEED FOR TRAINED WORKERS

It takes a great deal of skill to work with these cases. We have not been able to recruit trained workers. We have not been able to send our workers to school as we should. With the seriousness of the problems with which we deal, with the emphasis in the 1956 amendments on a constructive approach to public assistance, certainly we need competent people to handle the matter.

Again I know that you are thoroughly familiar with it, but I am also concerned about what seems to be an inconsistency in the present appropriations bill. Now, there are funds in that bill for training personnel for vocational rehabilitation. We have long had funds that could be used for training in the public health field and in mental health. Well, surely those of us who are dealing with social and economic problems need some funds for training, too, so that we may have well-qualified workers.

We hope very much the Senate will put the \$21½ million the administration has requested back into the bill. That, of course, is really a compromise fund on the part of the administration. We are not trying to do something very large to begin with but to get a good, stable foundation.

Senator HILL. Well, the Bureau recommended that two and a half million?

Dr. WINSTON. Yes, the Bureau and the President made that recommendation.

RESEARCH AND DEMONSTRATION PROJECTS

The fourth area in which we are interested is that of research and demonstration projects. Now, the Department has recommended there \$2,080,000 for the first year, which again is a modest figure in

this field. We are concerned about dependency. We are concerned why we have continuing need on such a large scale in our present-day economy. But we need to make studies. We need to learn more about it.

We have the example of the tremendous progress that has been made through the National Institutes of Health. In comparison we are asking for very little money. But we are sure that we could make significant progress if we had some funds for research that we could, through knowing more about why we have those problems, do a better job of coping with them.

We are hopeful again that the funds requested by the Department will be restored to the bill by this committee.

Senator HILL. Of these items, do you recall how many of them were stricken out by the House itself or stricken down?

HOUSE ACTION

Dr. WINSTON. Yes, sir. Well, what happened is that items were stricken out in the full appropriations subcommittee.

Senator HILL. Yes, that is right.

Dr. WINSTON. You see, the subcommittee had recommended both the research funds and the training funds, and I believe those were stricken out in the full Appropriations Committee.

Senator HILL. Yes.

Dr. WINSTON. Then you may recall that the request for the training funds was brought up on the floor of the House by Representative Cooley of North Carolina—

Senator HILL. Yes.

Dr. WINSTON. But was not restored.

With regard to funds for administration, the amount is the original amount which the Department placed in the bill knowing that there would have to be a deficiency next spring as we have always had. The problem there, you see, is the limiting proviso—

Senator HILL. Yes.

Dr. WINSTON. That there could not be a deficiency.

With regard to the child-welfare services funds, of course, the amount has remained fixed. It is only the difference between the amount in the bill and what the authorization is in the law.

Senator HILL. Yes. Well, Doctor, we certainly thank you very much for coming here and bringing us this very splendid and helpful testimony.

Dr. WINSTON. Thank you.

Senator HILL. We are delighted to have had you.

Dr. WINSTON. Thank you for your courtesy.

Senator HILL. We are thoroughly delighted.

(Dr. Winston's prepared statement follows:)

STATEMENT BY ELLEN WINSTON, PRESIDENT, AMERICAN PUBLIC WELFARE ASSOCIATION

Mr. Chairman and members of the committee, I appreciate the opportunity of appearing before you to testify with respect to the 1958 appropriations for public assistance and child welfare contained in H. R. 6287. I am the commissioner of public welfare of North Carolina and also the president of the American Public Welfare Association, which association I represent here today.

The American Public Welfare Association is a national nonpartisan organization of local and State public-welfare departments and of individuals engaged in public welfare at all levels of government. Its membership includes State and local welfare administrators, board members, and welfare workers from every jurisdiction. Within the association are a number of national councils including a council representing all State administrators of public welfare, a council of local administrators of public welfare, a council of members of State and local boards of public welfare, and a council of child-welfare directors. We have six regional conferences each year and a nationwide meeting in alternate years at which we discuss current issues in public welfare and obtain the views of the membership. As a result of these discussions the board of directors, representing all parts of the country, adopts official policy positions on issues of current significance for public welfare.

The agencies and individuals making up the membership of the American Public Welfare Association are charged with the responsibility for administering the various assistance and service programs in public welfare under the several titles of the Social Security Act. We are the people who have the responsibility for day-to-day administration of the programs for the needy aged, the needy blind, the needy disabled, needy dependent children, and child welfare.

Through our organization, we work toward constructive ways to help restore as many persons as possible in the public-assistance caseload to self-care and self-support. We seek through protective, preventive, and rehabilitative services to help solve the problems of children and families who request the services of public-welfare departments. We are constantly seeking ways to make our services more effective and to improve the caliber of administration in public-welfare programs. We have been in the forefront of those groups which have advocated broadening and strengthening our existing social-insurance programs. We believe that the Congress should take further action to improve the social-insurance program and thus further to reduce financial dependency.

Last year the American Public Welfare Association supported the amendments reported out by the Senate Committee on Finance to strengthen public-assistance programs by authorizing specific use of administrative funds for services designed to help maintain and strengthen family life and to help restore persons to self-support and self-care. These provisions were incorporated in the social security amendments of 1956.

We have endorsed measures for expanding rehabilitative and preventive services and for research with respect to the causes of dependency and more effective means of dealing with dependency. We believe that both the taxpayers of this Nation and the recipients of public assistance and other public-welfare services have a right to expect leadership from our membership in the efficient and humane administration of the broad range of public-welfare services for which we have legal responsibility. We are constantly seeking ways to improve the administration and the efficiency of these programs.

CHILD-WELFARE FUNDS

We endorse the \$10 million included in the appropriation bill for child-welfare services. We should like to point out, however, the Social Security Act authorizes an appropriation of \$12 million annually by virtue of an amendment unanimously adopted on the floor of the Senate in 1956. The American Public Welfare Association, on the basis of its knowledge of child welfare conditions throughout the country, believes the full \$12 million is needed for fiscal 1958 in view of the increased numbers of children and the rising price level. We need to be able to provide specialized care as needed to children who are not developing normally whether it be physically, mentally, or emotionally. We are concerned about greater protection for children who become available for adoption. We know that it is economically sounder in terms both of dollars and cents and of the welfare of children to provide basic services needed by children so that they will not get into trouble and come before the courts as delinquents. We know that we need far sounder planning so that we may provide the particular type of care which a given child needs at a given time, whether it be within his own home, within a good foster home, or within a carefully selected institutional setting. These are essential if the welfare of children is to be protected. Amounts of money involved in child welfare services are of small account in relation to the total Federal budget. In terms of the welfare of children, they are of inestimable importance.

PUBLIC ASSISTANCE ADMINISTRATION

The appropriation bill, as passed by the House of Representatives, contains a fixed dollar limitation of \$103 million for State and local administrative and service costs in carrying out the public assistance titles of the Social Security Act for fiscal 1958. This limiting provision is usually referred to as a closed-end appropriation in contrast to the open-end authorization provided in the basic statute. Our association is strongly opposed to this limitation, which is contrary to the basic statute, and we urge that it be stricken from the bill.

The American Public Welfare Association has gone on record in opposition to any type of closed-end appropriation for public assistance administration in the Federal appropriations bill whether it be in dollars or in terms of a percentage of payments. The most recent policy statement on this point, adopted by the board of directors on November 30, 1956, reads as follows:

"The continuation of a Federal open-end appropriation is essential to a sound State-Federal fiscal partnership in the field of public assistance. Since it is not possible to predict accurately the incidence and areas of need, flexibility is necessary in financing public assistance programs."

We believe that a closed-end appropriation is directly contrary to the basic long-range policy Congress wrote into the Social Security Act. We believe that it is not in accord with sound Federal-State relationships for the Congress to change the regulations under which we operate in the various jurisdictions just before the new fiscal year. Most State legislatures will have adjourned by the time the appropriation bill becomes law. Estimates by these States of their needs for State and local administrative funds for the coming fiscal year, and in many instances for the coming biennium, have been based upon continuation of the basic Federal statute which provides for 50-50 matching of administrative costs. Should there be any change in Federal participation in administrative costs for public assistance, we believe that such change should be written into the basic law after thorough study through the regular legislative committees. This has been the policy of the Congress on all other public assistance requirements affecting the States. Splendid Federal-State cooperation and mutual confidence in the administration of public assistance programs have been built up during the past 22 years by strict adherence to the legal and moral responsibilities of both levels of government. A unilateral change may seriously impair this relationship.

In our opinion the recent action by the House of Representatives is inconsistent with the objectives of the social security amendments of 1956. As pointed out earlier these amendments authorized States to use administrative funds for an expanded program of services directed toward self-support, self-care, and maintaining and preserving family life. Furthermore, the 1956 amendments authorize Federal funds for medical care, as required, to 5 million needy persons. These amendments become effective on July 1. But in the appropriation bill, as passed by the House, on the very day that the States begin to carry out these new and heavy responsibilities, administrative and service funds to do the job are to be reduced. We subscribe fully to the statement by Secretary Folsom that "it would be false economy to hold down administrative expenses which hold the promise of keeping ineligible off the public assistance rolls and assisting others to become self-sufficient."

We request your support for the continuation of the open-end policy in administrative funds in the present law. We know that there is room for improvement in the administration of public assistance just as there is in any governmental program. We do know, however, that as long as the States and localities are paying one-half of the total cost of administration and service for these programs we have built-in protection for Federal funds. State and local appropriations are closely scrutinized by the appropriating bodies. We believe that the partnership principle set up in the law should be carried out without other arbitrary limitations.

Any abrupt change may adversely affect the welfare of the 5 million persons receiving public assistance. With the rising cost of administration of all governmental programs due to factors beyond our control and with the increased legislative responsibilities to be assumed as of July 1, 1957, any limitation at this time will work hardships in most if not all States. Staffs will have to be reduced. Visiting services to clients will have to be curtailed with little possibility of expanding services as provided so clearly in the 1956 amendments. The adequacy of investigations with regard to financial need will be affected, an unsound busi-

ness proposition. In fact the administration of the public assistance programs can only be jeopardized by such a restrictive step.

The administration of public assistance as provided for in the basic act makes it possible for the individual States to determine the levels at which they wish to operate the several programs. In other words the State itself makes the decision with regard to the efficiency and effectiveness of its administration with the knowledge that the Federal Government will match State funds dollar for dollar. Should there be a ceiling placed upon the Federal appropriation for administrative purposes, it will mean that the Federal Government will tell each State how much money it may have for this purpose. This in turn means the injection of Federal controls around the State's administration. There is much sentiment throughout the country against the imposition of additional Federal controls with respect to State government. We urge that you not incorporate through the imposition of the limitation as passed by the House a further control from the Federal level upon the operation of our programs.

For those States which have local administration of public assistance and which have a sizable contribution toward local administration from city and county governments, a Federal ceiling will in turn make it necessary for the States to impose ceilings upon the counties. In other words this matter of control would mean not only more Federal control of State operations but inevitably more State control of local operations. Thus the philosophy of government and the principles involved are found to be of as much or more significance than the question of the actual amount of money. In reviewing the total situation and the grave problems inherent in any change at this time for the States, we recommend that you retain the flexibility so wisely incorporated in the basic law, a flexibility which has been tested by 22 years of experience.

TRAINING FUNDS

The American Public Welfare Association urges restoration of the \$2½ million requested by the President and the Department of Health, Education, and Welfare for 1958 to increase and improve the supply of professionally trained welfare personnel. The shortage of trained workers is serious. If the number and quality of trained personnel can be increased, we shall be in a far sounder position to help more recipients of public assistance to help themselves through becoming able to take care of themselves, or to become self-supporting, or to strengthen family life.

The problems involved in obtaining and retaining adequately trained personnel for the administration of public assistance programs is becoming more acute every day. The competition for personnel trained primarily in the social work field from business and from private agencies is serious. Our personnel carry heavy responsibilities. Individual workers in some States have a caseload which involves payments of over \$100,000 per year. We need well-qualified workers to carry this kind of responsibility, responsibility not only for the proper determination of the recipients of such large sums of money but also responsibility to help those recipients help themselves.

In 1954, because of the high turnover rate, about one-fourth of all persons in public assistance social work positions were new to their jobs. Their educational qualifications were slightly lower than those of the workers who had left. The same situation persists today. And the educational qualifications of practically all of the workers are lower than is sound in order to do the most effective job. We need better trained personnel in our programs. The States are eager to put into operation the 1956 authorization for the training of public assistance workers.

The Congress has made available substantial amounts for training in the public health field, in the mental health field, and in vocational rehabilitation over a period of several years and such provisions are retained in H. R. 6287. It appears time that the fundamental services available through public welfare should also be strengthened through the provision of funds for staff training. The most serious problems of individuals and families in the community come eventually to the public welfare department. We need trained personnel fully to understand the needs of those individuals and families and then to work with them in terms of providing resources to help meet their needs and in turn to provide services as constructively as possible. For these reasons we urge you to include the \$2½ million appropriation for training of public assistance workers in the bill now under consideration.

RESEARCH AND DEMONSTRATION PROJECTS

The 1956 amendments to the Social Security Act authorize \$5 million for cooperative research and demonstration projects to learn more about the causes of dependency and to find more effective means of dealing with this problem. The Department of Health, Education, and Welfare requested \$2,080,000 for the implementation of these areas during the first year of operation. Our association believes that this is a far-reaching and significant approach to the whole problem of dependency in our society.

As administrators we constantly find ourselves faced with questions to which we do not know the full answers. If we knew more about why families break down, why some children become delinquent, how better to motivate dependent persons to become more self-reliant, and the answers to similar questions, we could provide far more constructive services for dealing with the problem of dependency. We seek ways and means of preventing the basic problems with which we deal. Too long has our approach been of necessity ameliorative in focus rather than preventive and rehabilitative.

This committee has every right to take pride in its accomplishments in advancing medical science and medical care through providing for basic medical and health research in the National Institutes of Health. The results have been and will continue to be of tremendous significance. We are requesting that you invest a very small amount in relation to the investment in medical research in the broad field of social research to help us understand better the social and economic problems of individuals and families with which we deal and to help us find ways to provide more effective types of services to help people lead more productive lives and to help themselves in every way possible.

CONCLUSION

In conclusion, may I again point out that the 1956 social security amendments greatly increased the responsibilities of State and local departments of public welfare. These amendments expand services directed toward self-support and self-care, provide for services for the maintenance and preservation of family life, provide for medical services for needy individuals, and establish programs for the training of personnel and for research into the problems of dependency. These amendments were adopted less than a year ago and have been heralded throughout this country as the Senate amendments to the Social Security Act. In our opinion they are highly significant amendments. We ask that you now implement them through this appropriation bill. We in the American Public Welfare Association, through our official responsibilities in the States and localities, deal each day with thousands of needy persons and families who apply for financial assistance and for a broad range of services. We know the problems of needy and troubled people at first hand, people who cannot manage in our complex civilization without help. It is because of this experience and the fact that we know that we can strengthen the kinds of services which they require and in turn strengthen our human resources that we request this committee (1) to appropriate the full amount authorized for child welfare services, (2) to eliminate from the bill the closed-end appropriation of \$104 million for State and local administrative and service costs so that we may continue our well established Federal-State partnership in administration, (3) to appropriate the amount requested by the Department of Health, Education, and Welfare for the training of public assistance personnel, and (4) to appropriate the amount requested by the Department for research and demonstration projects to investigate causes of dependency and more effective ways of dealing with this basic problem.

NATIONAL ASSOCIATION OF SOCIAL WORKERS

STATEMENT OF RUDOLPH T. DANSTEDT, DIRECTOR, WASHINGTON
BRANCH OFFICE

RESEARCH AND TRAINING GRANTS

Senator HILL. Now, Mr. Danstedt, we will be very happy to have you come around, sir, and have a seat.

Off the record.

(Discussion off the record.)

Senator HILL. I am going to turn the meeting over to the distinguished chairman of the full Committee on Appropriations, Senator Hayden.

Chairman HAYDEN. We will be pleased to hear from you, Mr. Danstedt.

Mr. DANSTEDT. Mr. Chairman, I am Rudolph T. Danstedt. I am director of the Washington branch office of the National Association of Social Workers. This association of ours is composed of people who work in governmental and voluntary agencies throughout all the 48 States and Territories.

I would like to file with Mr. Downey the April journal of our association, which has an article by Dr. Winston on the subject of training and also has an article by Mr. Wilbur Cohen, whom I think you know. He is now with the University of Michigan and used to be the Director of Research and Statistics of the Social Security Administration. His article is on the subject of research. I think they bear very strongly and effectively on the 2 or 3 points I want to stress.

What I want to talk to very briefly is an amount that is about \$10,316,000—\$10 million of that is for the research grants and training grants, and \$316,000 is for restoration of salaries and expenses in the Bureau of Public Assistance which was eliminated in the House.

We understand that when the Social Security Act was first put into effect there was every hope and intent there would be provisions for training and research in the act, but a variety of reasons interfered with that, and I suspect one of them was the demands on the part of States for funds for grants to their recipients.

We look, therefore, on the 1956 amendments which put in the training and research grants as sort of, in a sense, reinstating into the Social Security Act what probably was its original purpose.

So we support not the \$2,500,000 for training which was asked by the Administration or the \$2,080,000 which was asked by the Administration for research but the full \$5 million for each which was authorized in the 1956 amendments.

We do that because we think that these two programs constitute a kind of modest "jet" approach, a "crash" approach to the whole business of upgrading our public assistance program.

We feel that undoubtedly a good case exists for the \$2,500,000 asked by the Administration for training grants and the \$2,080,000 asked by the Administration for research grants, but we would argue, on the other hand, that there is undoubtedly a large backlog of people who would take advantage of these training funds, and we know there is a large backlog of activities that could be engaged in from the standpoint of cooperative research and demonstration.

TOTAL EMPLOYEES ENGAGED IN PUBLIC WELFARE WORK

I would like to point out there is something like 37,000 people now employed in public-welfare agencies in administrative, supervisory, and worker positions, and many of them are what in the scientific field you would call technical assistants. Now, there is nothing wrong with that except in the field of human relations like the administration of public assistance there ought to be a substantial number of people with the skill and judgment required to do that job effectively.

And it is our understanding that the reservoir of these skilled people who can do this job effectively has been declining over the years, and we think something ought to be done now to pick up these able people who are working for public-welfare agencies and give them an opportunity through in-service training, through seminars, through graduate work to constitute what in a sense will represent the sort of leadership that is needed in the public-welfare field.

Chairman HAYDEN. As a matter of fact, on that point, from the standpoint of the taxpayer proper supervision of all these matters in the end saves money, does it not?

Mr. DANDSTEDT. I do not think there is any question about that, sir.

And that is particularly appropriate at this time when, as Dr. Winston pointed out, increasingly the people on public assistance are those who present problems of social maladjustment. They are not there largely for reasons of poverty alone. They are there because they present all kinds of complicated problems of human adjustment.

Chairman HAYDEN. Passing on the merits of each case requires somebody with technical training?

Mr. DANSTEDT. There needs to be substantial staff qualified to provide that sort of supervision and leadership.

As far as cooperative research grants are concerned, I will pass over that quickly, because I have an appendix to my statement here.

FUNDS TO RAISE OPERATION LEVEL OF ASSISTANCE

I would like to point out that we think the welfare field has got its share of capable and able people who can devise projects that will contribute significantly to better understanding of the reasons why people are on public assistance and better methods of trying to rehabilitate and help these persons as far as public assistance programs are concerned.

We would argue, therefore, that this \$10 million which was in the 1956 authorization constitutes a kind of a jet-assist which would get our public assistance program off the ground of needs investigation and operating at the constructive level of self-help, self-care, and maintenance of family life directed toward the problems of personal maladjustment and family disorganization that I talked about before.

SALARY RESTORATION, BUREAU OF PUBLIC ASSISTANCE

We are also supporting restoration of salaries and expenses for the Bureau of Public Assistance to the amount originally requested for 1958; namely, \$2,216,000. This represents an additional \$316,000 over the amount allowed by the House in H. R. 6287.

As we understand it, this increase was largely tied in to the 1956 amendments again. I think something over half the positions were tied in with administration of training grants, and another half were tied in with the amendment which provided medical care to recipients of public assistance. And then another phase of it was also tied in with staff who were needed to help prepare for the authorized program of self-help, self-care and strengthening of family life.

ADDITIONAL PERSONNEL FOR MEDICAL CARE

We would like to lay emphasis on the urgency for additional personnel in connection with the authorized programs for medical care which become effective July 1, 1957. We understand that the Bureau of Public Assistance asked for some additional personnel in connection with the supplemental appropriation, but that has not gone through. The result is the Bureau will find itself on July 1, 1957, without having done some of the advance planning that should be desirable for the administration of a program that is going to cost something like \$60 million a year.

In conclusion, I would like to point out that, in the large and small communities of the United States, public-assistance programs are the essential foundation and floor upon which rest our other community welfare services such as State, governmental, and voluntary services for families, for children and youth, for the handicapped, the aged, and the sick. A service-oriented public-assistance program possesses an important potential for the prevention of juvenile delinquency, would be a substantial source of referral to rehabilitation programs, and can contribute at an early stage to the prevention of family breakdown and the discovery of incipient mental illness.

These dollars for training and research and for needed staff for the Bureau of Public Assistance are a relatively modest investment in basic prevention of human distress and unhappiness.

Sir, since I was instructed to be brief, I hope I have been.

Chairman HAYDEN. Thank you.

Mr. DANSTEDT. If you have any questions, I will be glad to answer them.

Chairman HAYDEN. Thank you.

COUNTY SUPERVISORS ASSOCIATION OF CALIFORNIA

STATEMENT OF JAMES G. STEARNS, TULELAKE, CALIF.,
REPRESENTATIVE

LIMITATION ON FUNDS FOR ADMINISTRATION

Chairman HAYDEN. James Stearns, director of California County Supervisors Association.

Mr. STEARNS. Mr. Chairman, with your permission, I will read this statement, and then I have another point or two I would like to add.

Chairman HAYDEN. You may proceed.

Mr. STEARNS. My name is James G. Stearns. I am a county supervisor from Modoc County, Calif., and I am a member of the board of directors of the County Supervisors Association of California.

I am here today on behalf of the hundreds of counties in over 20 States which have local administration of the Federal-State-county public-assistance programs under the Social Security Act.

Specifically, I am here to protest the inclusion of lines 16 through 21 on page 32 of H. R. 6287. The material objected to places a limitation for the next fiscal year of \$104 million as a ceiling on the Federal participation in the cost of administering the public-assistance partnership programs. In addition, it prohibits the use of any of this money to make up deficiencies in such funds for the current fiscal year.

Ever since the Social Security Act was passed 22 years ago, it has contained provisions such as those found in section 3 (a) (B) (3) providing for a payment of one-half of State and county costs found necessary for the proper and efficient administration of the approved State plan. This particular provision is for old-age assistance. There are, of course, similar provisions with respect to each of the other three public-assistance programs.

CONCERN OVER RISING COSTS

It has come to our attention that some Members of the Congress are becoming disturbed about the rising costs of administration of public assistance. So is county government becoming similarly disturbed. It has come to our attention that some Members of the Congress want very much to do something about this disturbing condition. So also does county government.

Our protest here today is that it is almost unthinkable that the Congress would enact a basic change in the Federal Social Security Act by inserting a clause in an annual departmental appropriation bill. The place to change the Social Security Act is in the Social Security Act and through regularly proposed and duly considered amendments to that Act.

EFFECT OF NATIONAL STANDARDS ON LOCALITIES

Our national public-assistance programs are all built upon the basic foundation of the Social Security Act. In my own State of California in 1936 we converted our preexisting aged, blind, and child-aid assistance programs into Federal programs. Over the past 21 years, we have changed them constantly as Congress has changed the Federal act. Today they care for the needs of 440,000 aged, blind, and children in need. Basic in this whole growth has been the principle that the Federal Government will pay one-half of proper administrative costs.

Under State prodding and under Federal staff prodding, we have built our administrative structure to what it is today. If it is too large, if it is too expensive, if it is unrealistic, it is only because we have been led to make it so by guidance from a higher government. Certainly, we at the county level share all the fears of the Congress about creating overbearing bureaucratic machines. We are just as interested in economical governmental processes as anyone anywhere. And there are days when we feel that our record of performance in that department could be favorably compared with that of the State and Federal Governments.

WILLINGNESS OF COUNTIES TO JOIN STUDY ON ADMINISTRATION

What I am trying to say to this committee is that county government will willingly join in any movement to study the relationship of administrative costs to actual assistance costs in our welfare programs. We will gladly consult with any who wish to explore this field. We will even seriously consider retrenching on the advanced type of welfare administration we have been led into by 21 years of progress.

But we cannot, and I think we should not, stand silently by while an arbitrary ceiling is placed upon the Federal Government's basic

obligation of paying one-half of proper and necessary administrative costs.

I need also to call to the subcommittee's attention an additional factor confronting us in California in this year 1957. We probably are not alone in this situation.

PROGRAMS OF AID TO DISABLED AND OF MEDICAL AID

California is one of the States which has not yet enacted an aid to needy disabled program, and it is one of the States which does not have the new medical payments program for public assistance recipients. Both of these programs are authorized by the Federal Social Security Act, and the overwhelming vote by which these authorizations were granted would indicate that the Congress wants the States to install the programs.

As I speak to you, the California Legislature is about to give final consideration to bills which would install both of these two programs in our State. This is being done under our traditional California method of State supervision and county administration of the program. It means that our county governments will be administering two huge new public assistance programs under Federal sponsorship. It means that over 1,000 additional full-time employees must be hired by our county governments. Nominally, the Federal Government would pay half of the proper administrative costs of these programs, and the Social Security Act so provides.

EFFECT OF RETENTION OF CEILING PROVISIONS

The situation to which I wish to invite your attention is this: If the ceiling provisions are not removed from H. R. 6287, the Federal Government will, in effect, be paying nothing toward the administrative costs of the medical payments and the disabled aid programs California hopes to establish later this year. This is true because the ceiling provision does not allow for normal growth of the public assistance programs nationally. In fact, that is the very purpose of the ceiling. The results here would be so manifestly unfair and unjust that I do not think they need further comment.

With respect to the proposed prohibitions against using any of the next fiscal year appropriation to cover current fiscal year costs, I would like only to say that this provision should be deleted. Possibly House Joint Resolution 310 has made available sufficient money for the current fiscal year for this purpose. In the event that it has not, certainly there should be some way available wherein the Social Security Administration can make good on the Federal Government's obligations for the current fiscal year. I am sure I need not remind you that for this fiscal year local government's budgets have long since been made and their taxes long since levied. We just cannot believe the Federal Government would abandon its long-stand commitments in the middle of a fiscal year.

COOPERATION OF COUNTY GOVERNMENTS PLEDGED

In conclusion, I wish to pledge to this committee the full cooperation of county government nationally, regionally and in each State affected. We are truly interested in the same problem which prompted the ceiling provision to which we object. I think the proponents of this ceil-

ing provision will find that they are hurting those very units of government who adhere most closely to the philosophy of these same proponents in matters of governmental operating costs.

Our plea to you is that the ceiling provisions as to public assistance administrative costs be deleted from H. R. 6287.

NEED FOR REVIEW OF WELFARE PROGRAMS

I only have a few things to add to that. This whole problem of administrative cost of the social welfare programs is, we think, due for a good close look. In California we have 58 counties, and there is a tremendous variance in the cost of administration of our public assistance just between the counties percentagewise, the percentage of the administrative costs as against the percentage of the public assistance paid, and so forth.

Now, there have been several reasons put forth for that, but there have been no studies made that so far as we can tell give any conclusive evidence as to why that should be so. And our State Department of Social Welfare in conjunction with our own association of counties are going to study that situation to see if 3 percent administrative cost in a given county means that that is an extremely efficient welfare department or if it means simply that they are not looking over the individual cases and are simply writing out checks to everybody that comes in. Depending on the point of view of the individual who is looking over those figures, they arrive at those two opposite conclusions.

We would like to suggest to you that that same suggestion be made by this subcommittee to the Department of Health and Welfare here—that a thorough study be made, as has been suggested to you already this morning.

CHANGING PICTURE OF PUBLIC ASSISTANCE

The picture of public assistance is rapidly changing. Our public assistance is going to different people than it used to. It is not simply economic hardship that dictates the needs of people now. It is a multitude of very complicated things. And, of course, we have the same trouble people in other States do of training capable social workers.

But we think if we could build some yardstick, some dependable yardstick, as to what administrative costs should be—and the range is extremely wide now—and the reasons why they should be, then we would have some really sound basis to base things of this nature on. We are very much in the dark on it, and you are too, and that is the only—

Chairman HAYDEN. To impose an arbitrary ceiling percentagewise would mean in one place that good administration was prevented, and in another place where there was not good administration it would mean they get more money than they need.

Mr. STEARNS. That, we think, is very likely the case. And in some States they are paying high salaries and really beating the brush for extremely efficient people. In other instances—and even counties in my own State—the jobs are passed out to sometimes unqualified people. And there should be some standardization there.

Chairman HAYDEN. Thank you.

Mr. STERNS. I want to suggest that too.

Chairman HAYDEN. Thank you.

Mr. STEARNS. Thank you very much.

INTERSTATE CONFERENCE OF EMPLOYMENT SECURITY AGENCIES

STATEMENT OF SAMUEL C. BERNSTEIN, PRESIDENT

GRANTS TO STATES FOR UNEMPLOYMENT COMPENSATION AND EMPLOYMENT SERVICE ADMINISTRATION

Chairman HAYDEN. Mr. Samuel C. Bernstein.

Mr. BERNSTEIN. Thank you, Senator.

First, let me thank you for the opportunity to appear here as president of the Interstate Conference of Employment Security Agencies, which is an organization representing the employment security agencies of the 48 States, the Territories of Hawaii, Alaska, and the District of Columbia. And I am here, of course, as you know, to discuss the interest of the State employment security agencies in the appropriation for grants to States for unemployment compensation and employment service administration as provided in the Labor-HEW appropriation bill.

RESPONSIBILITY OF STATES FOR ADMINISTRATION

In the allocation of the responsibilities within the Federal-State system of employment security, Congress gave the States the primary responsibility for administration. And, of course, as a result of that, the States have a direct and a special interest in the provision of adequate funds for administrative purposes.

The Secretary of Labor is charged by the provisions of section 302 (a) of the Social Security Act with determining amounts necessary for the proper and efficient administration of the various State employment security programs, but, of course, within the limits of the appropriations by Congress.

For fiscal year 1958 for this purpose he requested \$281 million. This was subsequently reduced by the Bureau of the Budget to \$270 million, which consisted of a basic appropriation of \$258 million and a contingency fund of \$12 million.

HOUSE ACTION

In the House of Representatives the requested amount was reduced from \$270 million to \$249,814,000. This was accomplished by an outright reduction of \$8,186,000 in the basic request and the complete elimination on the House floor of the \$12 million contingency fund.

I would like first, if I may, Senator, to discuss the action of the House in eliminating the contingency fund. This action eliminated a method of financing which has been in effect in our program since 1950 and which has had the effect of effectively removing the necessity of going back to Congress for supplementary appropriations year after year.

USE OF CONTINGENCY FUND

In essence, the contingency fund provides moneys which can be used only for three purposes: One, for the cost of increase in benefit loads above the estimate which was used in preparing the request for the basic appropriation; second, for increased costs due to changes in State laws which were unforeseen at the time the basic appropriation was prepared; and third, for the costs of salary increases of State employment security personnel which were occasioned by State action applicable to all State employees.

And I can assure you that the law provides for very adequate safeguards to prevent the use of that contingency fund for any other purpose than the three named.

Now, the provision of such a fund has in the past done a tremendous amount to stabilize the administrative operations of our program by making funds available to meet these unpredictable types of costs. It served to eliminate the very dangerous and unsound administrative practice of incurring deficits in the hope that supplemental funds would subsequently be provided by Congress. Our experience in the past few years has proved over and over again the wisdom of Congress in establishing this method of financing our program.

LANGUAGE ELIMINATED ON POINT OF ORDER

Now, as you already know, the contingency fund was eliminated in the House of Representatives on the basis of a point of order—that the language establishing it was legislation in an appropriation bill and that it was not authorized by law because it required additional duties in the appropriation bill of the Secretary.

Actually, the language was substantially the same as that which has been contained in the appropriation bills in prior years since 1950. Furthermore, the language does not impose any additional duties on the Secretary over and above those now required by section 302 (a) of the Social Security Act and section 5 of the Wagner-Peyser Act, under which he is supposed to provide the States with moneys necessary for the proper and efficient administration of their State laws.

REQUEST FOR LANGUAGE DELETION

However, in order to overcome the objection raised in the House, I respectfully suggest that the phrase “that the Secretary finds” be deleted when the language reestablishing the contingency fund is restored.

Chairman HAYDEN. Then, it is your contention it is not necessary for the Secretary to be directed to make a finding——

Mr. BERNSTEIN. Because he ——

Chairman HAYDEN. Because the law requires it anyhow?

EFFECTS OF CUT IN BASIC FUNDS

Mr. BERNSTEIN. That is correct, sir.

The \$8,186,000 reduction by the House in the basic appropriation request affects several items that I would like to discuss for a moment.

Approximately \$3 million of the requested funds was intended to enable the States to do more effective work with such special groups as

the older workers, the youth, and the physically handicapped. We in the States know that if we had more time to spend on such services that we can convince employers to remove artificial restrictions against hiring experienced workers in the older age brackets, the highly qualified workers having physical disabilities, and the inexperienced youth who have high aptitudes for learning. As these three groups are peculiarly dependent upon the type of service we provide in our local employment offices, we should be provided, it seems to me, with sufficient funds to serve them adequately.

Some \$369,000 of this somewhat over \$8 million cut was intended to improve and extend the annual worker plan for domestic migratory farm labor. You are aware, Senator, I am certain, of the reduction in the number of domestic farm workers in recent years.

Chairman HAYDEN. Yes.

MR. BERNSTEIN. You, therefore, will be pleased to know that this annual worker plan that we have developed within the past few years has been one of the most positive steps to regularize farm employment. This has meant an increase in their annual earnings, thus encouraging them, these migratory workers, to remain in the agricultural labor force.

If there is to be an even moderate extension of this program, it is essential that these funds be restored.

Chairman HAYDEN. That expenditure is made applicable both to American citizens and aliens who are migratory?

MR. BERNSTEIN. No, this particular program, the annual worker program, is intended for domestic migratory workers, to minimize the need, so to speak, for importation.

Chairman HAYDEN. I understand.

TAX COLLECTING OPERATIONS

MR. BERNSTEIN. About \$2,600,000 of the reduction made by the House was for the purpose of improving the States' claims taking and tax collection operations. The States are very vitally concerned in the increase in tax delinquency due to the recent extension of coverage brought about by amendment of the Federal Unemployment Tax Act.

In essence, the money that would be provided would be used by the States to insure that the employers would pay their taxes promptly and fully. To permit any appreciable tax delinquency is to fail in the basic responsibilities placed upon the States for equitable, proper and efficient administration of the system.

Chairman HAYDEN. Do you have any figures to show what that delinquency amounts to?

MR. BERNSTEIN. Well, we do. I do not have them here, Senator, but they are available.

Chairman HAYDEN. Are they substantial?

MR. BERNSTEIN. Yes, they are significant.

NEED TO CHECK ELIGIBILITY FOR BENEFITS

Also, the States are concerned that lack of sufficient funds has prevented them from giving greater attention to their obligation to pay benefits only to those who are entitled to them. The proposed in-

crease, we believe, would go far toward reducing to a minimum both employer tax delinquency and fraudulent benefit payments.

About \$1,500,000 of the House reduction was intended for the improvement of management of the various State agencies and to provide better technical services in the local offices and also for extending our labor market research program. The problem of management in the 50 State jurisdictions engaged in taking 7,500,000 work applications, placing 6,500,000 workers in nonagricultural employment, collecting over a billion and a half dollars in taxes, and paying out approximately a like amount in benefits each year is indeed a very complex task.

These increasing complexities require improved controls through management techniques to insure these jobs are done effectively and efficiently. The benefits of such controls and techniques will, we believe, in the years to come, as you already pointed out, Senator, more than compensate for the funds requested for this purpose.

NEED FOR LABOR-MARKET INFORMATION

We in the States have been increasingly aware in recent years of a constantly growing demand on the part of employers and the public generally for additional information concerning labor supply, wage rates, and similar types of labor market information. These demands have not been met in the past because of the inadequate funds that were made available for this purpose. As there is no more logical source for such information than the State employment security agencies and their local offices, I strongly recommend that the funds be made available so that this need can be met.

In the foregoing remarks I have attempted merely to highlight the basic types of expenditures contained in the President's budget which have, in effect, been eliminated by the specific action in the House. I sincerely hope that your committee will agree with me as to the value of the affected services and provide sufficient funds for the restoration.

BUREAU OF EMPLOYMENT SECURITY

Before I close, I would like to say a few words about our Federal partner in this program, namely, the Federal Bureau of Employment Security. In our State-Federal program, the Bureau plays a very important role. The President's budget contains under \$6,500,000 for salaries and expenses of the Bureau, and this would have provided for some modest increase in the Bureau's staff. This increase we in the States feel was necessary if the Bureau was to discharge its responsibilities for providing technical services and assistance to the States and to act as a clearing house on program and procedural improvements.

The \$800,000 reduction by the House of Representatives would reduce the Bureau's staff by approximately 10 percent. This, in our judgment, is extremely unwise economy. While we in the States are understandably and jealously proud of our prerogative to operate our independent programs, we nevertheless appreciate and acknowledge the necessity for the service which the Bureau of Employment Security provides to us.

The Interstate Conference of Employment Security Agencies wishes definitely to record its support of the original recommendation for the Bureau of Employment Security as contained in the President's budget message.

Thank you.

Chairman HAYDEN. Thank you for your statement, sir.

TEXAS EMPLOYMENT COMMISSION

STATEMENT OF MAURICE ACERS, COMMISSIONER

SCOPE OF COMMISSION

Chairman HAYDEN. Maurice Acers, of Texas.

Mr. ACERS. Senator Hayden, the Texas employers deeply appreciate this opportunity of being heard, and I would like to make, as a prelude to my few remarks here this morning, 1 or 2 statements which may be of interest in evaluating these remarks.

The first is that the Texas Employment Commission itself consists of 3 members, and these 3 members represent the public, the employees, and the employers. And my position here is that of representing some 68,000 employers, Texas employers, or we might say "employer taxpayers" since they pay the total tax bill and provide the moneys about which we are talking.

RESERVE FUND

All of these moneys we are speaking of too, I think it is interesting to note, stay within the program. In other words, regardless of what appropriation is made here, it does, under the Reed bill, circulate, come back, and eventually find its way to the trust fund which is the reserve created by the employers.

This for me is a rather unusual role. My friends refer to me as a conservative, and my enemies refer to me as a reactionary, and the people I represent here are indeed certainly conservative to say the least.

These 68,000 employers are also represented by a 5-member advisory board, and we will have more to say about them in just a little while.

But the employers of Texas enjoy one of the lowest if not the lowest unemployment tax rates in the United States and its Territorial possessions. And in coming here I not only represent the State of Texas, the employers, but I come representing Governor Price Daniel with his full knowledge and consent, one of your former colleagues.

BUREAU OF EMPLOYMENT SECURITY BUDGET

I would like to talk about the total unemployment or the employment security budget, including both funds for grants for the States and the administrative costs of the Bureau of Employment Security.

And I mention the Bureau of Employment Security because it and the States work together as a State-Federal team in the administration of the program, as was so clearly and eloquently brought out by my colleague, Mr. Bernstein, the president of the Interstate Conference.

The Bureau has on many occasions supplied and rendered invaluable technical services to the State, and further the Bureau has rendered valuable service in the field of coordinating work and clearance of labor as between States.

Chairman HAYDEN. It does have this advantage—that it can gather the experience of all States, and where they find something worthwhile in one State they can pass the word to the rest of them.

VALUE OF COORDINATING WORK

Mr. ACERS. It is so apparent that you understand it perfectly. They can bring to us the best of the 48 States and the Territorial possessions. And they have very recently done that, Senator. They came down on the administrative review, and we were able to make substantial changes which saved us quite a bit of money in the mechanics operations.

In my opinion, adequate financing of this program would include provisions for unforeseen cost in addition to adequate base appropriation, and Mr. Bernstein referred to that specifically, the contingency fund. Our State receives administrative funds on the basis of estimates of future activity, and these estimates are made sometimes 6 to 18 months before the work is actually performed, and, as we know, estimates made that far in advance can often be far below the workload actually encountered when the period arrives.

The deficiency approach, which apparently is the only alternative to the contingency fund, leaves the Administrator in a very dangerous dilemma. It seems that he has two choices. Does he handle the unexpected load thrust upon him in the hope he will receive more money through supplemental appropriations? And if he does that, I think he is violating the law. I do not believe he can legally do that. And the other one is to close the doors and say, "Sorry, we just don't have any more funds to do this."

And there is no way to govern the workload. The workload occurs, and there is nothing we can do about it.

EMPLOYMENT SERVICE

Of course, the real key to the effectiveness of the employment security program in my opinion is the Employment Service, finding jobs for people. Ironically, it is the Employment Service which most often suffers during a retrenchment. The effectiveness of the Employment Service determines to a large degree how long unemployed workers will draw unemployment insurance.

For example, if there is an increased load and we are short of employees, the one thing you have to do is take claims. The other thing you have to do is pay claims. So where do they get the employees? They reach out and say, "Let's bring in these folks right now, put them to doing it." When you do that, the employers cancel their request for employees or make certain cancellations, and they hire their people outside of the employment security agency, whatever it might be, which means that you do not have the opportunity to take these people who are drawing this unemployment compensation off the rolls and put them into productive work. Up goes unemployment. Up go costs. And then we start that vicious circle.

In time of even slightly depressed industrial conditions, the volume of jobseekers, a large number of whom are unemployment insurance claimants, rises sharply in a community or State, and when additional people cannot be hired to take care of this emergency condition the quality of service to employers and workers receives a serious blow.

TEXAS UNEMPLOYMENT TAX RATES

In Texas, unemployment tax rates vary from one-tenth of 1 percent to 2.7 percent, which is the maximum, of the payroll. The Texas tax for rated employers now averages about three-tenths of 1 percent, one of the Nation's lowest. Now, 40 percent of the employers whom I represent enjoy the minimum rate of one-tenth of 1 percent.

And a one-tenth of 1 percent unemployment tax increase in Texas on a \$5 billion payroll means \$5 million. And I think what these rugged conservatives are saying to me is: "We don't want you to be pennywise and pound foolish and push our rate up one-tenth of 1 percent and cost us \$5 million. We want you to have whatever moneys you need in order to keep these people working."

Our low unemployment tax rates in Texas have proved the soundness of the philosophy that lower tax rates result from a stable work force. The employment security program we are convinced promotes stability of work force.

And, as you know so well, we are required by law to take and pay claims for insurance. When these uncontrollable workloads increase, the operations essential to the proper disbursement of public moneys—investigations and fraud prevention—have to be curtailed unless additional funds are available.

DELAYED CLAIMS PAYMENTS

Claim payments are delayed when funds are inadequate. And we are convinced in our own mind that delayed payments hurt everybody, not only the employers I represent but the employees as well, because the unemployed need money promptly to pay for basic necessities, food, clothing, and shelter. Certainly the landlord and the grocer need to be paid for their goods and services quickly.

The employers pay this unemployment tax, all of which is earmarked for employment security purposes. The total amount collected from employers nationally has always been in excess of the amount provided for Federal and State administration.

This year, for example, I was just looking—1956 it was—and there was 73.8 percent appropriated out of these moneys created by the three-tenths of 1 percent.

And we believe that the 68,000 Texas employers have the right to the assurance that the program for which they pay will be adequately financed and to the further assurance that their tax rates will not be raised because of insufficient financing.

ADVISORY COUNCIL

Now I would like to talk about these five members of the advisory council who guide, counsel, and advise me. And this is the Texas Advisory Council, in contradistinction to any other group. There are 15 members of that advisory council. And when they were set up

this last time—or reestablished—my statement was that, “If they will come in there and work and they will actually give us advice, I will come in and serve and listen to them and be guided by them. If we’re going to just meet and adjourn and report progress, there are too many things to be done to do that.”

So I picked some of the ruggedest individuals I could find. One of them is the executive secretary of the Texas Manufacturers Association. I think you will say that he would be a conservative at least. Another one is executive vice president of Mid-Continent Oil & Gas Association. Another one is manager of industrial relations for Ford Motor Co. Another one is Gen. Jim Taylor, Senator Jim Taylor, former chairman of the finance committee of our State senate—a rugged individual you have never met. And he is also a general of the National Guard. He is rough as a cob. And then we have one of the top members of the law firm of Lunney, Clark & Morehead down there, and they are quite effective in presenting their views, and they are also conservative.

COMMUNICATIONS

Now, I have here in my possession wires which we may never see again. I have wires from these individuals approving everything I have said here and everything else that I am going to say just for a few minutes before I wind up.

Here is one from Charley Simons:

See no objection to statement.

From Ed Burroughs—I never thought I would see the day that he would go for an increase in appropriation of anything—

Statement sounds O. K. to me.

From James E. Taylor, Jim Taylor:

Approve your proposed statement before Subcommittee on Appropriations, United States Senate.

And this is the Ford Motor Co., from Jonh McKee:

I have read your statement you are going to make before the Subcommittee on Finances, and I agree wholeheartedly with your position. On page 3 stress points 1, 2, 3, and 4; on page 4 point 5.

He not only was giving lipservice to it, he said:

I want you to go in there and fight for us, boy.

And that is the reason I am here, Senator.

I am proud of those people backing us up like that; these conservative men have agreed we need sufficient money to do a quality job. And they know if we do a quality job it means future economies far beyond that cost of doing the job.

INCREASED WORKLOAD

We have not had enough money this fiscal year to render the service we should because of the increased workload. We needed 300 more employees. But when the President’s request for funds in the fiscal year of 1957 was reduced \$15 million, we in Texas had to take our part of the cut, and that amounted to \$800,000, and as a consequence, at the peak of the program, when we had things accelerated

and we were receiving maximum production for our dollar, we had to dispense with the services of 131 well-trained, capable employees.

And this was right after the legislature took us from representing employers of coverage of 8 or more over to employers of 4 or more, which threw upon us a tremendous workload, and we also had the Todd casework load of refiguring all tax rates and refunding to the employers some \$12 million, and as a consequence we found ourselves in a bind.

And it can be said to the everlasting benefit of these employees that they buckled their belts and got on a little bit closer. We found every possible economy. We should have taken 200 off the payroll, but we cut every corner we possibly could in order to keep all the people on, and even so we had to take off 131.

Well, if the President's request this year is reduced as contemplated by action of the House from \$270 million to \$249,814,000, we face further reduction in personnel because, as you know and have heard several times, the cost of doing business for us has increased substantially—rent, communications, supplies, and so on.

ADEQUATE FUNDS WOULD REDUCE UNEMPLOYMENT

And I would like to just get down in plain Texas language for a minute and tell you one thing of which I am sure: With adequate funds, we can reduce unemployment by putting more people to work in suitable jobs in less time. And this will mean fewer people drawing unemployment insurance payments, and fewer people drawing insurance payments means lower tax rates to Texas employers. And I know that Texas workers, the employees, would rather be working and receiving a full salary check than to be receiving less than half that much while not working.

Therefore, Senator, on behalf of the State of Texas and my 68,000 employers and these 5 rugged members of the advisory council, I urge you, sir, that you provide us with adequate funds so we can place our people in jobs promptly so that we can help Texas employers keep their tax rates down and so we can through these accomplishments make a real contribution to the economy of Texas and of this Nation.

And I think it is only fair to say that I am an employer and when this matter of taxes comes up I pay my share and put back into the pot just about as much as I take out, so when I say this I am saying I should pay my part into this employers' fund, and I think that—

Chairman HAYDEN. You have made a very interesting statement here.

Mr. ACERS. Thank you.

Chairman HAYDEN. And if we do what you say, we will be carrying out the jibe that is current in the House and has been for many years that "the Senate is the upper House because it ups appropriations." [Laughter.]

Mr. ACERS. Thank you, sir. It was grand being here.

Chairman HAYDEN. What I would like to ask is, Have the representations made by these five rugged individuals been passed on to the Members of the Texas delegation in the House of Representatives?

DISCUSSION WITH HOUSE MEMBERS

Mr. ACERS. That is a very good question, and I am so glad you asked that, Senator. We did not hear about this until just about the last minute—in other words, about the House action. As you know, Senator, Congressman Taber raised the point of order, and then it went through. Omar Burleson, one of our Texas men, took his part in it. And Mr. Bernstein called me by long distance. And Col. S. Perry Brown, former commander of the American Legion—you probably know Perry Brown—said we ought to do something about this. So he called Jack Brooks and said, “Jack, here’s our problem.” Jack was supposed to get in touch with Congressman Burleson to discuss the matter. And there was a delay of some 48 hours. I waited until I came up here and I visited with some of my very good friends on the Hill, and one of them said, “Maurice, look, we didn’t know a thing in the world about this.”

I said, “Yes, I know. I also know the rule that when you don’t know the answer you tape down the ‘no’ button and leave it there.”

He said, “That’s just exactly right.”

I said, “Now you know, so you can’t say you don’t know.” I said, “Here’s a copy of it. You can read it in your spare time.”

He said, “I shall do so.”

Chairman HAYDEN. Thank you.

Mr. ACERS. I am having lunch with the Texas delegation. Mr. McBryan and I are going over there. We are sure they will know more about this after lunch than they knew when this came up on the floor of the House.

Chairman HAYDEN. Thank you, sir.

THE AMERICAN LEGION

STATEMENTS OF BERTRAM G. DAVIS, LEGISLATIVE ASSISTANT TO THE DIRECTOR, NATIONAL LEGISLATIVE COMMISSION; T. O. KRAABEL, DIRECTOR, NATIONAL REHABILITATION COMMISSION; DR. HYMAN D. SHAPIRO, SENIOR MEDICAL CONSULTANT, NATIONAL REHABILITATION COMMISSION; CLARENCE W. BIRD, DIRECTOR, NATIONAL ECONOMIC COMMISSION; AND AUSTIN KERBY, ASSISTANT DIRECTOR, NATIONAL ECONOMIC COMMISSION

AMERICAN LEGION POSITION

Chairman HAYDEN. Mr. Bertram G. Davis of the national legislative commission of the American Legion.

Mr. DAVIS. Mr. Chairman, I am Bertram Davis. I am legislative assistant to the director of the American Legion’s legislative commission. I have filed statements with the committee, and I ask that they be incorporated in the record.

Chairman HAYDEN. That will be done.

Mr. DAVIS. We will attempt to highlight the two matters in which we are interested this morning, namely, the shortage of nurses and the budget request for the Department of Labor.

The first witness will be Mr. T. O. Kraabel, who is the director of our national rehabilitation commission of the American Legion, accompanied by Dr. Hyman Shapiro, our senior medical consultant.

Chairman HAYDEN. You may proceed.

Mr. KRAABEL. The American Legion has a variety of interests, as you know, and one of them is in the matter of professional services to the sick and disabled of the veteran group. In this we have the concern of nurses and the nursing service throughout the country.

SCHOLARSHIPS FOR NURSES

It came to a point where the great Department of Pennsylvania took cognizance of it and proposed a resolution which went through channels at our last national convention, and was approved asking for Federal concern with and support of scholarships in the production of more nurses.

Now, it seems to us in the overall that there are three phases of this problem. One of them the Congress has taken official notice of and provided for in the appropriations for the production of practical nurses. Then we have the other one where we have scholarships for trained and professional nurses. And the third one, brought out by the Veterans' Administration, was the great need for trained supervisors, administrative personnel, and teaching folks in this profession.

In the first, as mentioned, you folks have in your appropriation bill a provision for the allocation of funds for the practical nursing.

In the matter of scholarships for nursing, Mr. Chairman, I would like to put in the record that which is being done by a branch of the American Legion, the National Association of the Forty and Eight. They have an outstanding program, which is set forth in two of their magazine issues. One of them is entitled "For the Good of America—Nurses Training Program Writes Big Story of Forty and Eight Service during 1956." I wonder if that could be in the record?

Chairman HAYDEN. It may be included.

(The article referred to follows:)

FOR THE GOOD OF AMERICA

NURSES TRAINING PROGRAM WRITES BIG STORY OF FORTY AND EIGHT SERVICE DURING 1956

The year of 1957 opened with hundreds of America's finest young women in training to become registered nurses in hospitals throughout the Nation under sponsorship of the Forty and Eight. And from the plans of *voitures locales* everywhere, hundreds more will be given scholarships this year and begin training to take their places in the nursing profession, where they are so desperately needed.

Stories and pictures of new scholarships being presented and new *voitures* entering the nurses training program came in during the past year faster than the Forty and Eighter could print them. Nurses training in the Forty and Eight, its continued growth and its resulting benefits to the American people is a big story—too big to be told completely in any one issue of the Forty and Eighter. Following are some of the highlights of developments in recent months.

The Grande Voiture of Alabama swung into action in the nurses training program when its first sponsored student nurse began training at the University of Alabama Medical Center in Birmingham. She is Miss Wilma Lou Vice and she received her scholarship check from the hands of Grand Chef de Gare Carle K. Wells. Many of Alabama's *voitures locales* were reported working on plans for scholarships and the program was expected to be greatly expanded in that State during 1957.

Twin sisters were awarded twin nurses training scholarships by Voiture 1107, Monmouth County, N. J. The twins, Florence and Lois Alexander, age 19, had worked as nurses aids at Riverview Hospital, Red Bank, N. J., for 2 years. The scholarships placed them on the road to achieving their ambition to become registered nurses through training at Martland Medical Center in Newark.

Voiture 48, of Marion, Ohio, placed its fourth girl in nurses training when a scholarship check was presented to Miss Barbara Hughes by Chef de Gare W. R. Hilling. Taking part in the presentation ceremony was Miss Martha Burklew, who completed her training last year under the voiture's sponsorship. The nurses training program of the Marion voiture is under the chairmanship of Col. R. E. Copeland.

Among the many other Ohio voitures in action in the program is Miami County Voiture 420, which started its second sponsored student nurse training last year. The scholarship went to Miss Kay Thompson of Troy, Ohio, who ranked fourth in the Troy high school graduating class of 1956. Another Miami County girl will be awarded a scholarship during 1957, according to Ray Manier, voiture 420's nurses training chairman.

Two more students were started in training last September by Richland County Voiture 20 at Mansfield, Ohio, making four sponsored by this voiture. Chef de Gare Joseph Seifert made the check presentation for scholarships for Miss Goldie Gregory and Miss Marjorie Jenkins at Mansfield General Hospital School of Nursing.

It was a proud moment for Marie Krueck of South Amherst, Ohio, and for the Voyageurs of Voiture 149, Lorain County, Ohio, which sponsored her training at Elyria Memorial Hospital, when she became a graduate nurse last August 31. A group of Voyagers headed by Norman W. Smith, chief de gare, attended the graduation and presented Miss Krueck with a nurse's Forty and Eight pin with diamond.

Lucas County Voiture 141, Toledo, Ohio, sponsored a girl in nurses training in the early part of 1956, but she had to give it up because of ill health. So the nurses training committee, of which Chef de Gare Passe Kenneth Larzelere was chairman, went out to look for a replacement and found not one, but two.

The two young ladies they found, Louise Magrum and Janice Herman, both of Perrysburg, Ohio, had passed their entrance examinations in Mercy Hospital School of Nursing, Toledo, but although they had worked hard all summer, had been unable to raise sufficient money to pay their entrance fees into the school. They were recommended to the voiture by Sister Mary Caroline, director of nursing at the hospital, who stated that they had been in the top one-quarter of the 137 girls taking the examination.

On August 19 each girl was presented a check for \$100, which would enable them to enter training, with the assurance that if further assistance was necessary during their second and third years, it would be provided. The presentation was made by Nurses Training Committee member Ed Coe, in the absence of the chairman, with the assistance of Chef de Gare Passe Lloyd W. Wechtel and Grand Cheminot Passe George H. Grocott.

In the Grande Voiture d'Illinois nurses training is a top activity with voitures up and down the State sponsoring student nurses. Among the more recent scholarship awards reported from Illinois was the presentation of a scholarship to Angela Eakle, student nurse at Copley Memorial Hospital in Aurora, by DeKalb County Voiture 207. Otto Babcock, Chef de Gare Passe, and nurses training chairman, made the presentation, with John Leonard, Chef de Gare, taking part. Voiture 207 has three other student nurses under its sponsorship.

Voiture 1477, Randolph County, Ill., awarded the first nurses training scholarship of its young history during 1956. In ceremonies at post 487 in Chester, Chef de Gare Walter Y. Roberts presented the scholarship to Miss Charlotte Lee Mueller of Chester, student at Jewish School of Nursing in St. Louis. The Randolph County Voiture, organized 2 years ago, is composed of voyageurs from Chester, Evansville, Steeleville, Baldwin, Sparta and Prairie du Rocher, Ill. Meredith Conner was elected Chef de Gare to guide the voiture in its third year.

St. Clair-Monroe Voiture 926, which covers a lively hunk of Illinois across the Mississippi from St. Louis, started two more student nurses in training last September in St. Louis hospitals. Voiture 926 has now sponsored 7 student nurses, 2 have been graduated, 2 are in their third year, 1 the second year, and 2 the first year.

From Wisconsin, where nurses training is an activity of many voitures, Green County Voiture 1121 reports its third student nurse sponsored in 3 years. She

is Nancy Durtschi, of Monticello, Wis., enrolled in Evangelical Hospital in Milwaukee. Chef de Gare Alvin Riese made the scholarship presentation. Voiture 1121's nurses training program is directed by H. O. Schulz, chef de gare passe.

In Indiana, where the nurses training program started, it is growing stronger each year, with more voitures coming in, and the others enlarging their programs. An Indiana voiture sponsoring its first student nurse last year was voiture 1481 at Seymour, which gave a scholarship to Miss Erma Arleen Brewer and gave a banquet to celebrate the event. The Seymour voiture, organized in 1955, raised the money for its first scholarship by the sale of ornamental automobile plates. A feature of the banquet was an address by Dr. D. C. Schwindler, grand directeur of nurses training for Indiana.

Contra Costa Voiture 573 was one of the California voitures coming into the nurses training program during the past year. Its first scholarship went to Miss Marlene Flaherty of Antioch, who began her training at the Kaiser Foundation School of Nursing in Oakland in August. Wesley B. Farrar was voiture 573's nurses training chairman during its first year, with Chef de Gare Passe Clifton Gary backing him up as acting chairman. The voiture is planning to sponsor another girl this year.

A Florida "first" was scored by voiture 304, Jacksonville, which presented its first nursing scholarship, joining the ranks of the many Florida voitures active in the program. Miss Sylvia Pohland was the lucky girl, and she received her scholarship from the hands of Dr. C. D. Rollins, the voiture's directeur of nursing, and Elmer R. Kelley, chef de gare.

When voiture 1160, Port Royal, S. C., presented a scholarship to Miss Peggy Ann Mixon, they not only gave her the scholarship check, but also a wrist watch and fountain pen. Chef de Gare Passe J. Lawton Harper is leading the nurses training work of this voiture. Miss Mixon's scholarship was in the Roper Hospital and Medical College of South Carolina School of Nursing.

Voiture 76, Des Moines County, Iowa, presented its second nurses training scholarship to Sally Logan of Mediapolis. Robert J. Dickson is voiture 76's nurses training chairman.

The first scholarship presented by voiture 96, Spokane, Wash., added up to \$600 and went to Miss Jean Hazard, a graduate of Deer Park High School. The presentation was made by A. K. Jackson, chef de gare, at the time, and Edward M. Waye, nurses training chairman.

Oklahoma City voiture started its program of annual scholarship awards when Chef de Gare L. C. Collard signed a check to pay tuition for Miss Neta Ulmer at St. Anthony Hospital School of Nursing in Oklahoma City.

Voiture Trois of Kansas City, Mo., has two student nurses under its sponsorship in Trinity Lutheran Hospital. Carolyn Smith of Junction City, Kans., freshman student, and Orilla M. Stoaks of Archie, Mo., second year student.

The Grande Voiture of the District of Columbia got into the program during the past year, its first scholarship going to Miss Nancy Schmidt, who began training at the Lucy Webb Hayes School of Nursing in Washington, D. C., in September.

Jefferson County Voiture 1356 of Charles Town, W. Va., had the pleasure this year of seeing the first of its sponsored student nurses become a registered nurse. Miss Nancy Jean Trigg was graduated from Winchester Memorial Hospital, Winchester, Va., and received official congratulations of the voiture from Chef de Gare 1956 Mark Little, Grand Cheminot Randolph Huyett, and Correspondent Raymond Smith.

In Atlanta, Ga., voiture 217 presented a scholarship to Lawanna Burks, graduate of Marietta High School, with C. A. (Tip) Lee, chef de gare, making the presentation. She began her studies in St. Joseph's Infirmary School of Nursing in Atlanta last September. The Atlanta voiture's nurses training committee is headed by A. E. Luke, chef de gare passe.

Voiture 1409 of Idaho Falls, Idaho, presented its first nurses training awards to two student nurses at a special dinner meeting attended by wives of voyageurs, the students and representatives of the school. The two girls, Pearl Darling and Nellie Hendrickson, are first-year students in the Idaho Falls L. D. S. Hospital School of Nursing.

Voiture 534 of Jefferson County, N. Y., presented a full scholarship at Mercy Hospital in Watertown to Ann Elizabeth Gilligan. The presentation was made by Francis Norton, Jr., chef de gare, and Edwin Rogers, chef de train.

The second scholarship awarded by voiture 454, Grande Voiture of Maine, honored the memory of Guy Hanson, chef de gare passe, who was instrumental

in sending the voiture's first student nurse into training. Voyageur Hanson passed on while serving as grand cheminot. The memorial scholarship was awarded to Miss Rosalie Braley of Sangerville, Maine, an honor graduate at Piscataquis Community High School in Guilford last June. Chef de Gare Herbert G. Hanson made the presentation, along with Myron McIntire, directeur locale de nurses training.

And so it goes, all over the country—voitures locales giving scholarship aid to girls who want to train for the great profession of nursing.

LACK OF NURSES

Mr. KRAABEL. Then we have another one: "Where Are the Nurses We Need?"—a short article on the same subject.

So they are making their contribution in the matter of providing for scholarships. And there are some very interesting human-interest stories of how they have made these nurses available to the profession.

Chairman HAYDEN. The article may also be included in the record. (The article referred to follows:)

"WHERE ARE THE NURSES WE NEED?"

The Forty and Eight can claim a share of the credit for the increased interest in training for nursing careers, which last year brought some schools of nursing more applicants than they could admit. La Societe's nurses training program not only has helped hundreds of qualified young men enter nurses training, but also has encouraged many others to seek this training.

"We continue to hear of oversupply of qualified applicants at some schools," says the report of the committee on careers of the National League for Nursing. Yet, the report states, "the goal of 50,000 new students per year continues unmet, even though more schools report beginning classes filled to capacity early in the school year."

While some schools of nursing are filled, others are not, with the result that some 4,000 more students could have begun their training last year than were actually enrolled. The committee on careers has called for a system of referral be established so that applicants to schools that are filled can be referred to schools which do not have their full capacity of students.

To Voitures Locale this means that if local schools of nursing are filled to capacity, there probably is plenty of room for the Voitures' scholarship winners in equally good schools of nursing in other communities. The need for nurses continues high, with little chance in sight of ever having more than enough trained nurses to care for America's rapidly growing population and to keep up with the increasing standards of medical care.

Statistics show that the United States now has 430,000 registered professional nurses, an increase of 28,000 over the number active 2 years ago. But, says the committee's report, "Most employers of nurses and most patients will take a good long look at these figures and ask: 'Where are the nurses we need?'"

Discussing the reasons why more nurses are needed, the committee states:

"Population growth is one answer. Since the turn of the century, the American population has more than doubled—from 75 million in 1900 to a present 164 million. The population is expected to rise to 189 million by 1965.

"New babies now top 4 million annually, with a comparable rise in the number born in hospitals—up from 2.1 million in 1946 to 3.4 million in 1955.

"More people go to hospitals. Between 1946 and 1955 hospital admissions increased 34 percent. Blue Cross and other insurance plans make it possible for more people to afford hospital care.

"Health education programs are influencing people to seek medical care readily.

"Expansion of hospital facilities, needs of military services and other Government agencies, shorter working hours for nurses—all of these contribute to a need for nursing personnel which continues unmet even with the growing numbers of nurses."

NEED FOR ADMINISTRATIVE PERSONNEL

Mrs. KRAABEL. The third one has to do with what the Veterans' Administration has brought to our attention—the great need for the

supervisory, administrative and teaching personnel. And in order to expound a little bit more on that, Mr. Chairman, we have with us our senior medical consultant, Dr. H. D. Shapiro, a diplomate in psychiatry and neurology and one of long standing with the American Legion, who is available to give his views on the need for this type of nursing personnel.

Chairman HAYDEN. That would be an interesting subject. We will be glad to hear from you.

Dr. SHAPIRO. Senator Hayden, in appearing today I would like to stress that not only has the American Legion nationally asked for legislation of this type but it has received the aid and advice of the American Legion's national medical advisory board, consisting of some of the outstanding physicians of America who are behind this program.

For many years this Nation has faced a serious shortage of nursing personnel. It has resulted in closing of many wards in hospitals, both civilian and in the Veterans' Administration.

I am on the faculty of George Washington University Medical School and a visiting physician to that hospital, and we have closed much-needed wards in the hospital because of the shortage of nurses.

PRACTICAL NURSES AND NURSES' AIDS

Now, it has been found in the Veterans' Administration, even with a limited 6-months' training course for practical nurses, that about 50 percent of nursing duties can be delegated to people who are adequately trained. Twenty-six thousand of the employees in the Nursing Division of the Veterans' Administration, or about two-thirds of the entire nursing personnel, fall into this group of nurses' aids or practical nursing. They are not of as high a caliber as is proposed in the training of the practical nurse, which is a 2-year program in many places, although the bill provides that standards be set up by a committee composed of members of nursing, medical and hospital administrative staffs.

Now, many of the functions, as I have stated, of nursing can be gradually delegated to these people, many procedures which in the past were reserved solely to the graduate nurse, and we feel that that is an economy because I doubt this Nation for many, many years will be able to produce enough trained professional nurses.

Chairman HAYDEN. I have had some very limited hospital experience—not myself but members of my family—and I was impressed that the trained nurses had a lot of things to do that somebody else could do with less training and they would not be so overworked.

Dr. SHAPIRO. Now, in the past, Senator, a good many of the ancillary nursing personnel have been made up of floaters, job seekers who did not have the practical-nurse type of job opportunity in mind. In other words, these people had insufficient training, sometimes a few days' or a few weeks' course, very often by nonprofessional people. And this meant that they did not stay in the profession, and they floated from place to place, and there was no tenure in employment. There was no career. It meant a constant turnover of personnel and a waste of time. Very often these courses were given by people who actually were not trained.

PROVISION FOR ADEQUATE NURSING CARE

Now, according to the bills that have been introduced; as I understand it, there are three items involved. One was to provide for an adequate number of public-health nurses. Now, that is important because we are gradually cutting down our hospital stay—number of days per patient—as much as possible, and in order to follow up some of the people at home and reduce hospital costs you have to have adequate public-health nurses.

Second, in the nursing field itself there have been so many new techniques, so many advances to keep up with progress of medicine that nursing has become a very complex profession, and it is necessary that the graduate nurses be acquainted with the newer procedures, which means there is need for more and more graduate nurses being trained as teachers as well as administrators to teach even the graduate nurse.

RESERVOIR OF NURSING PERSONNEL ENVISIONED

And, finally, with a large reservoir of nursing personnel who will come into this practical nurse training—and we use them very effectively in civilian hospitals. Burdick Vocational School in Washington, D. C., has a course and we use many of these nurses and they are doing a fine job—they have to have adequate instructors. That means more and more nurses will have to be siphoned off from bedside nursing in order to train these people.

I think we are faced with a golden opportunity in facing some of the problems if we have an adequate number of properly trained people whose skills may advance from time to time, not meeting the level of the graduate nurse but being able to take up many procedures which in the past could not be delegated.

Nursing is not a static type of profession, and I think this can be accomplished under the guidance of these trained people.

VALUE OF NURSING TEAMS

I think that there is great need for it, and I am hoping that we will see the day that we will have a so-called nursing team in general nursing services as we do in the psychiatric services where we have these mental hygiene clinics. We know that the psychiatrist himself cannot reach all the people, but with the psychiatrist, the psychiatric social workers, and a psychologist the psychiatrist is able to render more effective service. And we hope that you will give your support to this bill for this necessary scholarship and training.

Chairman HAYDEN. Thank you for your statement.

Mr. DAVIS. Senator Hayden, we would next like to introduce Mr. Clarence Bird, director of our national economic commission, who will testify on the budget requests of the Department of Labor.

Chairman HAYDEN. We will be pleased to hear you.

Mr. BIRD. Mr. Chairman and members of your subcommittee, first of all, I am not from the great State of Texas. I represent the American Legion and come from the little State of Vermont, Senator, which probably flattened out would be as large as Texas. And it is indeed a real pleasure for me to appear here for the first time.

I wish to take this opportunity of thanking you on behalf of the American Legion for inviting us to appear before the subcommittee

to present our views with reference to the appropriation requests of the United States Department of Labor.

FUNDS FOR VETERANS' PROGRAMS

On previous occasions the American Legion has recommended to the Congress the necessity of adequate funds for the operation of the Veterans' Employment Service, the Bureau of Veterans' Reemployment Rights, and the mature-workers program. The American Legion adopted resolutions covering all of these programs during its last national convention.

VETERANS EMPLOYMENT SERVICE

The American Legion was pleased indeed that the House in H. R. 6287 approved the 1958 budget requests of the Veterans' Employment Service and the Bureau of Veterans' Reemployment Rights. We respectfully urge that this committee do likewise and favorably report the budgetary requests of these agencies in order that these vital services may be continued.

Since time is of the essence to this committee, Senator, we will not reiterate in toto our position as set forth in our prepared statement.

Regarding the Veterans' Employment Service, in the past years the American Legion has expressed its concern over the ability of the Veterans' Employment Service to carry out its responsibilities and necessary related programs because of a trend over recent years curtailing its appropriations. The programs and operations of the Veterans' Employment Service and the State employment security agencies have been carefully observed by our organization during the current year. We are appreciative of the continual strong support given our employment programs over the country by these operating agencies.

The American Legion would like to emphasize the need for constant efforts in this field of finding jobs for veterans and veterans for jobs.

OBJECTIVE OF REHABILITATION

The American Legion would like to emphasize the fact that the end product of all rehabilitation and training is gainful employment and a full-time job. The continuing record of our over 11½ million veteran placements and the receipt of over 11½ million new veteran applicants last year by the State employment services is mute evidence of the need for, as well as being a tribute to, the efforts involved.

The American Legion feels that the operation of the Veterans' Employment Service for the past year, under its revised program, has definitely brought on improved efforts on the part of the State agencies in their programs of special services to the veteran.

An examination of the budget submitted by the Department of Labor for fiscal year 1958 reveals that there was requested the sum of \$1,125,000 for the Veterans' Employment Service. This amount was embodied in H. R. 6287 as it passed the House of Representatives on April 4, 1957.

The American Legion supports the appropriation of this sum as being fair and reasonable for the purpose of carrying out this program with the same degree of satisfaction as was experienced during

the past year. Therefore, we respectfully request that the sum referred to hereinabove be approved.

BUREAU OF EMPLOYMENT SECURITY

There are two items, however, contained in House-passed H. R. 6287 with which the American Legion is very much concerned. First, we are particularly concerned with a recommended \$800,000 cut in the salary and expense item of the Bureau of Employment Security's budget requests. It is our understanding that if these reductions are sustained, the Bureau will have to seriously curtail its older-worker program.

We of the American Legion are much concerned with this most worthy program and its effect upon our fellow veterans of World War I who are fast coming to that age where they need such assistance.

We respectfully point out that service to this important segment of our population needs to be increased rather than decreased. This is true because the number of our older citizens, both veteran and non-veteran, is increasing rapidly.

EMPLOYMENT OF OLDER WORKERS

The American Legion has for a number of years exerted much effort and study upon the subject of the employment of the older worker. At our 1956 national convention we adopted Resolution No. 80, Employment of Mature Workers, which states:

* * * that a national intensified educational program be enacted, with sufficient funds to be appropriated by the Congress of the United States to enable the United States Department of Labor to carry out the purpose of this program.

Considerable progress is being made by the Bureau of Employment Security and other bureaus in regard to the older worker program. An immediate cut in the budget-request appropriations at this time would be detrimental to the progress made so far by the Department of Labor.

The Bureau of Employment Security's program needs support in the conduct of an educational program to change the views of the employers with respect to hiring the older worker. Facts need to be gathered and presented to employers so that the worker will be judged on the basis of his true employment qualities rather than upon an arbitrary age factor.

It is important that the skills and abilities of the older workers be presented to the employers, especially the fact that this segment of our labor force is needed to produce the additional goods and services required by our expanding population.

It is our understanding that the Bureau of Employment Security has requested increases in its budget for counseling and testing older workers and for the placement of older workers.

In view of the urgent need for expansion of the older worker program, the American Legion respectfully requests that this committee give serious consideration to the full restoration of the original budgetary request for the Department of Labor's Bureau of Employment Security in the amount of \$6,358,000.

CUTS IN UNEMPLOYMENT COMPENSATION AND ADMINISTRATION

Secondly, the American Legion was vitally concerned with the reduction contained in House-passed H. R. 6287 recommending a cut in grants to States for unemployment compensation and employment service administration in the amount of \$20,186,000, consisting of a \$12 million contingency fund request and \$8,186,000 from the basic request.

As you know, the Congress provides the funds to operate State employment services and State unemployment insurance programs through appropriations to the Department of Labor. These appropriations are fully financed by Federal unemployment taxes which are paid by employers in all of the various States. Thus, this appropriation is not a charge against the Federal Treasury.

Since some of the costs of operating these State programs cannot be predicted at the time the basic appropriation is made, the Congress in 1950 provided a contingency fund to be used if, and only if, certain specified contingencies arose.

Specifically, the contingency fund has been available to meet unpredictable cost increases due to (1) higher unemployment insurance workloads, (2) changes made in State salary plans, and (3) changes in State unemployment compensation laws.

The contingency fund has worked well. It has largely eliminated the budgetary uncertainties and operating delays experienced by the States and supplemental appropriation requests which the Congress had to consider. It has been a major factor in the improvement of the employment service.

HOUSE ACTION

The House in H. R. 6287 eliminated the \$12 million contingency fund request. The American Legion urges that it be restored. If not restored, the States will have to absorb the unpredictable costs previously paid out of this contingency fund.

In addition to striking out the contingency fund, the House also reduced the President's basic request by \$8,186,000. Included in this reduction were funds intended for small but needed improvements in the employment service. Such funds would be used, among other things, to improve the quality of service to the difficult-to-place groups such as the older worker, as previously stated, the disabled veterans, and other physically handicapped persons that are most deserving of adequate service.

The American Legion has for many years been most interested in these worthy programs. Thus, we are of the opinion that these groups are entitled to better service through State assistance.

ORIGINAL BUDGET FOR LABOR DEPARTMENT

In conclusion, the American Legion believes that the original budgetary requests of the Department of Labor are necessary for the proper and effective administration of the State program. We therefore recommend that this committee restore the contingency appropriation and language and the \$8,186,000 basic request.

Mr. Chairman, this completes our statement, and we again wish to thank you and the members of your committee for your consideration.

Chairman HAYDEN. Having been a member of the American Legion since shortly after it was organized, having voted when I was a Member of the House to give it a charter, I want to compliment the Legion on the representation that they sent here this morning.

Mr. DAVIS. Thank you very much, Senator.

Chairman HAYDEN. Thank you very much.

(The prepared statements submitted by Mr. Davis follow:)

STATEMENT OF T. O. KRAABEL, DIRECTOR, NATIONAL REHABILITATION COMMISSION,
THE AMERICAN LEGION

The National Rehabilitation Commission of the American Legion appreciates the opportunity of presenting this statement on the shortage of nurses for the consideration of this committee. The present situation as to nurses may have its effect upon the care and treatment of sick veterans in Veterans' Administration hospitals. Recognition of this possibility has prompted some American Legion service officers and field representatives to recommend that this organization support a legislative measure to overcome this shortage. A formal expression of this concern may be found in Resolution 200 sponsored by the Department of Pennsylvania, the American Legion, and approved at the 1956 national convention of this organization. Copy of same is attached as a part of this presentation. Therein it is urged that a concerted effort be made to secure Federal funds and/or scholarships for qualified young people who need such aid to enter approved schools of nursing.

Although the findings of the American Nursing Association and the National League for Nursing show an appreciable increase in the number of employed professional nurses in continental United States in the 2-year period from 1954 to 1956, it is recognized that the supply does not meet the increasing demands. Studies are underway as to the basic factors bearing upon the problem of meeting these demands. There are "experiments on better education and utilization of nursing personnel, studies of turnover of nursing staffs, and increasing employment of part-time workers." The Veterans' Administration comments that one of the major problems "is the critical shortage of supervisory, administrative, and teaching nurse personnel." Such personnel is absolutely essential and basic if enrollment in schools of nursing is to be increased and if appropriate utilization of personnel is to be accomplished.

It is pointed out that, under the Health Amendments Act of 1956, "traineeships were granted to 56 colleges and universities offering graduate professional nurse programs. It is estimated that between 650 and 700 graduate nurses are benefiting under the program this year. This act also provides for grants to States to extend practical nurse training under vocational education." Further, it is understood that a number of VA nurses have already been awarded traineeships under the new act and that this number may be increased during the coming year.

Financial aid to practical nurse schools also has a beneficial effect upon meeting the shortage of professional nurses.

The senior medical consultant on the staff of the National Rehabilitation Commission has given this considerable study. It is his suggestion that in addition to funds being made available as they now are for the types of personnel mentioned, consideration be given to the possibility and feasibility of grants to nursing schools to cover construction and other essentials on a matching basis.

The doctor, the nurse, the scientist, and the technician form a team in constantly probing for better methods of care, applying them to the patients of all our people and promoting the advance of this most important service to humanity. There may be more or less shortages in each of these groups. That in nursing should not be permitted to grow but should be overcome as promptly as the concerted effort of the people themselves through their associations and State and Federal Governments makes possible. The nurse, under instructions of the attending physician and in the exercise of her professional training, is the comforter, encourager, and morale booster to the sick and ailing.

RESOLUTION No. 200 (PENNSYLVANIA)

1956 NATIONAL CONVENTION OF THE AMERICAN LEGION, LOS ANGELES, CALIF.,
SEPTEMBER 3-6, 1956

Committee: Rehabilitation (M. and H.).

Subject: Federal funds and scholarships to young people to enter schools of nursing.

Whereas there is a need for more young people to enter the nursing profession in order to meet fully the nursing needs of the Nation; and

Whereas many qualified young people are being lost to nursing because they lack the money to meet the cost of a course in nursing; and

Whereas scholarship and loan facilities are now available only to a very limited extent: Therefore be it

Resolved, That the American Legion, in national convention assembled in Los Angeles, Calif., September 3-6, 1956, make a concerted effort to secure Federal funds and/or scholarships for qualified young people who need such aid to enter approved schools of nursing.

Approved.

STATEMENT OF CLARENCE W. BIRD, DIRECTOR, NATIONAL ECONOMIC COMMISSION,
THE AMERICAN LEGION

Mr. Chairman and members of the subcommittee, I want to express my appreciation on behalf of the American Legion for this opportunity to present testimony with reference to appropriations for the United States Department of Labor.

We have recommended to previous sessions of Congress the necessity of adequate funds for the operation of the Veterans' Employment Service; mature workers program, and Bureau of Veterans Reemployment Rights. In this connection the American Legion at its 1956 national convention adopted four resolutions, No. 515, No. 80, No. 371, and No. 533, respectively.

We, of the American Legion are indeed pleased that the House in H. R. 6287, approved the 1958 budget request of the Veterans' Employment Service (Veteran Placement Service) and the Bureau of Veterans Reemployment Rights. We respectfully urge that this committee also favorably report the budgetary requests of these agencies so that they may continue to render their vital services.

There are two additional items contained in House-passed H. R. 6287 with which the American Legion is very much concerned: (1) A reduction of \$800,000 representing salaries and expenses of the Bureau of Employment Security's budget request, and (2) the reduction in grants to States for unemployment compensation and employment service administration in the amount of \$20,186,000. This figure includes a \$12,000,000 contingency fund request and \$8,186,000 from the basic request. This matter is discussed in detail under the respective headings.

VETERANS' EMPLOYMENT SERVICE

When Congress enacted the Servicemen's Readjustment Act of 1944, which created the Veterans' Employment Service, it stated that its object was to provide an effective job-counseling and employment-placement service for veterans so that they would be provided with the maximum of job opportunities in the field of gainful employment. This objective, was reiterated in Public Law 550, 82d Congress, which is known as the Veterans Readjustment Assistance Act of 1952.

In past years we have expressed our concern over the ability of the Veterans' Employment Service to carry out its responsibilities and necessary related programs because of a trend over recent years curtailing its appropriations. The programs and operation of the Veterans' Employment Service and the State employment security agencies have been carefully observed by our organization during the current year. We are appreciative of the continual strong support given our employment programs over the country by these operating agencies.

The American Legion would like to emphasize the need for constant efforts in this field of finding jobs for veterans and veterans for jobs.

As you know the veteran population approximates one-third of the current labor force. According to a current report by the Veterans' Administration, 1 out of every 4 males, or a total of 473,000, in the current enrollment of our colleges and universities over the Nation are veteran students under the Korean GI bill. This group, together with veterans currently being discharged from Veterans' Administration and military hospitals, plus those completing rehabilitation and training programs, constitute a continuing challenge to the employment agencies of the Nation.

The American Legion would like to emphasize the fact that the end product of all rehabilitation and training is a job. The continuing record of over 1½ million veteran placements and receipt of over 1½ million new veteran applicants last year by the State employment services, is mute evidence of the need for, as well as being a tribute to, the efforts involved.

Resolution 515 urges Congress to appropriate sufficient funds to insure adequate service to the veterans and the Nation through the Bureau of Employment Security, its United States Employment Service, the Veterans' Employment Service and through grants to the State employment services to the end that the provisions of title IV of the Servicemen's Readjustment Act of 1944, as amended, may be carried out as contemplated in the original law.

The American Legion feels that the operation of the Veterans' Employment Service for the past year, under its revised program, has definitely brought on improved efforts on the part of the State agencies in their programs of special services to veterans.

An examination of the budget submitted by the Department of Labor for fiscal year 1958 reveals that there was requested the sum of \$1,125,000 for the Veterans' Employment Service (referred to on p. 836 of the budget as "Veterans' Employment Service"). This amount was embodied in H. R. 6287, as it passed the House of Representatives on April 4, 1957.

The American Legion supports the appropriation of this sum as being fair and reasonable, for the purpose of carrying out this program with the same degree of satisfaction as was experienced during the past year. Therefore, we respectfully request that the sum referred to hereinabove be approved.

VETERANS' REEMPLOYMENT RIGHTS

The American Legion advocated the reemployment rights benefits which the Congress first granted veterans of World War II. We appreciate the consistent legislative support and continuation of this program for those who serve their country in active military service and Reserve training. We wish assurance that veterans, reservists, and all other interested parties receive prompt service. It is for this reason that we continue our active support of the reemployment rights program and the Bureau of Veterans' Reemployment Rights.

The Bureau has a continuing responsibility to millions of veterans who returned to their former employers after World War II and the Korean conflict. Many veterans are rehired upon their return from active duty, only to find at a later date they had not been properly reinstated; consequently, this group turns to the Bureau for assistance. A substantial portion of the Bureau's caseload consists of these after reinstatement cases. Many of those which come to our attention are most complex and require extensive negotiation. I might also mention that reemployment rights are of special concern also to veterans currently coming out of the service.

The Bureau has never had a sufficient staff to give complete coverage in all States. While this may not be practicable, there are a number of things which can be done which we have heretofore recommended, such as improving the service rendered at time of separation. It is our understanding that the Department of Labor is working to improve this situation, and although the Bureau made considerable progress last year in reducing its backlog, as compared to several years ago, it has begun to rise again, and additional personnel is needed to make it more nearly current.

The American Legion has always supported a strong national defense force and an adequate Reserve. At the 1956 convention we adopted Resolution 533, calling on the Secretaries of Labor and Defense to develop a more adequate program to protect the job rights of the increasing number of reservists who must perform weekly and annual training duty under the Reserve Forces Act

of 1955. Toward this end, some forward steps are being taken, but they will impose additional work on the Bureau. There will not only be an increase in the number of problems from reservists, as the Ready Reserve grows in number and is tightened up, but there will also be a need for increased educational efforts with respect to employers and labor organizations so that reservists and members of the National Guard may perform their military duties without endangering their employment.

Rights were granted these groups in the Universal Military Training and Service Act and the Reserve Forces Act of 1955. At the last session of Congress we supported an amendment to strength the law by providing for judicial review in such cases. Because of the brief duration of training duty, speed is of the essence in handling questions which arise, if the reservist is not to lose time from his job or be compelled to seek another one.

The Department of Labor has requested the sum of \$542,000, to cover fiscal year 1958, for allocation to the Bureau of Veterans' Reemployment Rights (p. 834 of budget). The House, in H. R. 6287, approved this amount. The American Legion respectfully requests that this committee also report favorably on said amount.

SALARIES AND EXPENSES, BUREAU OF EMPLOYMENT SECURITY

We are particularly concerned with the recommended \$800,000 cut in the salary and expense item of the Bureau of Employment Security's budget request. It is our understanding that if these reductions are sustained the Bureau will have to seriously curtail its older worker program. We, of the American Legion are much concerned with this most worthy program and its effect upon our comrades of World War I. We respectfully point out that service to this important segment of our population needs to be increased rather than decreased. This is so, because the number of our older citizens, both veteran and nonveteran, are increasing yearly.

Our organization for a number of years has expended much effort and study upon the subject of employment of older workers. At our 1956 national convention, the American Legion adopted Resolution 80, Employment of Mature Workers, reading in part as follows:

"* * * that a national intensified educational program be enacted, with sufficient funds to be appropriated by the Congress of the United States to enable the United States Department of Labor to carry out the purpose of this program."

Considerable progress is being made by the Labor Department's Bureau of Employment Security, and other bureaus, in the field of the older worker program. A cut in funds at this time would be detrimental to the progress thus far accomplished.

The program of the Bureau of Employment Security needs support in the conduct of an educational program to change the views of employers with respect to hiring older workers. Facts need to be gathered and presented to employers so that they will judge the worker on the basis of his true employment qualities, rather than upon an arbitrary age factor. The importance of the skills and abilities of older workers needs to be presented to employers, especially the fact that this segment of the labor force is needed to produce the additional goods and services required by our expanding population.

We understand the Bureau of Employment Security has requested increases in its budget for counseling and testing older workers, and for the placement of older workers. In view of the urgent need for expansion of the older worker program we respectfully request that the committee give serious consideration to the full restoration of the original budgetary request for the Department of Labor's Bureau of Employment Security in the amount of \$6,358,000.

GRANTS TO STATES FOR UNEMPLOYMENT COMPENSATION AND EMPLOYMENT SERVICE ADMINISTRATION

As you know, the Congress provides the funds to operate State employment services and State unemployment insurance programs through appropriations to the Department of Labor. These appropriations are fully financed by Federal unemployment taxes, which are paid by the employers in all the States. Thus, this appropriation is not a charge against the Federal Treasury.

Because some of the costs of operating these State programs cannot be predicted at the time the basic appropriation is made, the Congress, in 1950, provided a contingency fund, to be used if, and only if, certain specified contingencies

arose. Specifically the contingency fund, has been available to meet unpredictable cost increases due to (1) higher unemployment insurance workloads, (2) changes made in State salary plans, and (3) changes in State unemployment compensation laws.

The so-called contingency fund has worked well. It has largely eliminated the budgetary uncertainties and operating delays previously experienced by the States and supplemental appropriation requests which the Congress had to consider. It has been a major factor in the improvement of the Employment Service. The House in H. R. 6287 eliminated the contingency fund in the amount of \$12 million. The American Legion urges that it be restored. If not restored, the States will have to absorb the unpredictable costs previously paid out of the contingency fund. Absorption means cutting corners elsewhere, and this in the past, has generally meant the Employment Service.

GRANTS TO STATES—BASIC REQUEST

In addition to striking out the contingency fund concerning grants to States, the House voted a reduction in the basic appropriation request by \$8,186,000 which included funds intended for small, but needed improvements in the Employment Service. These funds among other things would be used to improve the quality of service to the more difficult-to-place groups, such as the matured workers, disabled veterans and other physically handicapped persons that are most deserving of adequate service. As you know, the American Legion is most interested in these programs and is of the opinion that these groups are entitled to better treatment through State assistance.

The American Legion believes that the original budgetary request of the Department of Labor is necessary for the proper and effective administration of the grants to States program. Therefore, we recommend that this committee restore the contingency appropriation and language, and the \$8,186,000 basic request.

AMERICAN FEDERATION OF LABOR AND CONGRESS OF INDUSTRIAL ORGANIZATIONS

STATEMENT OF HYMAN H. BOOKBINDER, LEGISLATIVE REPRESENTATIVE, ACCOMPANIED BY GEORGE RILEY

RECOMMENDATIONS

Chairman HAYDEN. Mr. Hyman Bookbinder and Mr. George Riley.

Mr. BOOKBINDER. Mr. Chairman, I would like to express, first, the regret of Mr. Andrew Biemiller, whom you know, who is head of the department. He would have liked to join with us but could not because of conflicting responsibilities on the Hill today.

Chairman HAYDEN. I have high regard for Andy.

Mr. BOOKBINDER. We all do.

We have a rather extensive statement. I think even to read the page numbers would take more than the 10 minutes you want us to take, so I ask that the statement be submitted for the record.

Chairman HAYDEN. If you can highlight it, we would be much obliged.

Mr. BOOKBINDER. I would like to highlight it.

Mr. Chairman, I wonder if you would permit me to take the few minutes I do take not so much to highlight the specific recommendations, because they are listed pretty specifically here and in many ways they overlap testimony you have gotten. For example, I concur with every piece of testimony I have heard this morning. I will mention some of those highlights, but, instead, if I may, I would like to take a few minutes to discuss with you what lies behind our recommendations.

Now, of course, I know that no individual subcommittee or even the Appropriations Committee itself passes on the budget as a whole, and

it may even seem irrelevant to discuss the philosophy of the budget, but our organization, AFL-CIO, has such a general interest in this that, if you permit me, I would like to say a few words about what prompts our specific recommendations.

BUDGET DEBATE HEALTHY

We believe the debate which is going on in the country today about the budget is a healthy one. It is a disturbing debate, but it is a healthy one, because we are confident that in the final analysis the debate will help the American people understand why the United States of America has a big budget, what the nature of its responsibilities is. We hope this debate, however, in the short run, does not have dire consequences to some of our specific programs.

We are rather disturbed at the temper of some of the discussion. The thing that disturbs us most, Mr. Chairman, is that many people who really should know better and I believe do know better are suggesting that America, if it has to have a \$72 billion budget, cannot afford it and would go broke if it spent \$72 billion.

Well, the American labor movement does not join in this kind of hysteria. If, in fact, America needs to spend \$72 billion, we know we can afford to do it. We have done much more than that when necessary.

We have a growing, expanding, healthy economic system, and it is going to continue expanding if reasonable precautions are taken. Every year we should have a \$15 billion or \$20 billion increase in our national product. There is no reason why we should not expect to have it.

Now, one does not have to like a \$72 billion budget in order to understand it or to approve it. None of us likes it. Our people, just as much as anybody else, would like to see tax cuts, and we have asked for tax cuts when and wherever possible. If we could have a budget of only \$30 billion or \$40 billion, we would be a lot happier and we could do a lot more with the extra billions we have.

But all we have to know about the budget is that it goes for essential services and protection to this United States.

Now, the President of the United States, with whom we do not always agree and whose position on this budget has been something less than perfectly clear, nevertheless, I believe, summed up the whole problem rather neatly early in the year. Early in the year, when he was first asked about the budget, he had a simple one-sentence answer which I think is the basic answer. He said—and let me quote this, please: “As long as the American people demand—and, in my opinion, deserve—the kind of services this budget provides, we have got to spend this kind of money.”

PEOPLE'S DEMANDS UNDERLIE BUDGET NEEDS

I think that is all there is to it. As long as the American people demand national defense, as long as they demand friendly allies, as long as they demand minimum health and welfare and education and labor activities, we have got to support these things. And I have no doubt but that the American people do want these things, even though many people are now writing letters saying, “Cut the budget. Cut the budget,” but never telling you exactly where to cut it.

Now, if I may, Mr. Chairman, in spite of the fact I may be talking rather dogmatically, I do have a certain amount of modesty and reserve in me in spite of this, and I must say that, until about 2 days ago, I was not quite positive that I was on the right side, but yesterday somebody sent to me a copy of the Daily Worker of Monday—that is, the Communist Daily Worker of Monday—in which there is a lead article by George Morris attacking an article that I wrote on the budget only 2 months ago.

And the main point that this article makes is that the trouble with Bookbinder and the AFL-CIO is they start out with a premise that you have got to spend a lot of money on defense and keeping our allies, that if you did not do that you would have lots of money to do other things, so the trouble with the AFL-CIO, this article says, is that it does not want to cut the budget and, because it does not want to cut the budget, it cannot do the things for its people that it should be willing to do.

Well, we now have a very interesting alliance—not conscious, I am sure—of the chamber of commerce, the National Association of Manufacturers, and the Communist Party of America, all demanding cuts in the budget. [Laughter.] AFL-CIO is not joining this particular crowd.

BASIS OF HOUSE ACTION

Now let me go on to some specific observations. When the House was acting on this budget a couple of months ago, the public hysteria for budget cutting was probably at its alltime high. And with all due respect to the other House, I must say—and I would say it to them directly so I am not talking behind their backs—that in some respects they acted irresponsibly, irresponsibly even on the basis of their own criteria for cutting.

The alleged basis for cutting was that no new programs, no new moneys were to be allowed during this year 1958. But the fact is, as our statement details, in some respects they cut beyond the present level because at the moment it seemed a very attractive thing to do, something which constituents would evidently approve of.

And one of the most important areas in which they did that is one in which my colleague Mr. George Riley has a very special interest, and he probably will want to make some brief comments on this. Two parts of the Department of Labor were cut below their present levels, and, as a result, the proper enforcement of our basic labor legislation is jeopardized. These two offices are the Office of the Solicitor and the Wage-Hour Division.

OFFICE OF THE SOLICITOR

Now, the Office of the Solicitor has responsibility for carrying out the enforcement, the proper enforcement, of the Bacon-Davis law, the wage-hour law, and the public contracts law, and the Mexican farm program. Without proper enforcement, all of these important programs have no real meaning.

And we would urge most strongly—this is the one area in which we do suggest that we may have some specific competence. In other cases we are friends of the court, so to speak. But we know that labor legislation must be rigidly enforced; just like a labor contract must be rigidly enforced, so must labor legislation.

Chairman HAYDEN. Do I understand you to say that the amount of money made available for the enforcement of labor legislation is not as great as it was last year?

Mr. BOOKBINDER. That is right, sir. There is a \$204,000 cut in the Solicitor's office. This will mean an actual reduction in staff below present level. I believe the estimate is 30 or 35 solicitors, new young attorneys just trained who are beginning to be proficient, would have to be let go.

This I think in part was accidental. I cannot believe that the House did this knowingly. What they did was take an arbitrary figure and forgot I think for the moment that there were mandatory increases which had to be taken care of, an extra day's pay, and so on. A motion was offered on the floor for a substantial cut and the House approved it. And on the rollcall it was sustained.

Now, at the very, very least we would hope, at a time when the dollar minimum wage requires more enforcement, not less enforcement, when Bacon-Davis operations are at a high level, that the Office of the Solicitor should certainly not be cut below the present level but should be given every last dollar for proper enforcement.

There is not much money involved here, but there is just enough cut out to cripple the operation of the Office of the Solicitor.

BACON-DAVIS HIGHWAY PROGRAM

There is in addition an amount of money which was allowed by the House for the special operation of Bacon-Davis under the highway program. A question has come up about that as to whether it should be from one fund or another. And Mr. Riley will talk to that briefly when I am through.

WAGE-HOUR DIVISION

Wage-Hour Division had the same problem where some \$228,000 was cut from the level of appropriations recommended for the Wage-Hour Division when that level meant exactly the same level of program as the current year. There was some slight increase because of mandatory wage increases and retirement obligations. That amount was cut, and the only way to meet that cut now is to cut the program itself.

So we urge most sincerely that in this area of labor enforcement that the moneys be made available so we put some real meaning into our labor legislation.

Now let me just very quickly mention the items we are interested in, because I really do not want to impose on your time.

CUTS IN BUREAU OF LABOR STANDARDS FUNDS

We are at a loss to understand why some of this petty cutting was done in the Bureau of Labor Standards. A \$20,000 item was proposed, a pitifully small \$20,000 item for radiation-hazards work. Just enough to hire two people. But that was new money, a new program; therefore the House cut it out on the floor.

Twenty thousand dollars for the President's Conference on Occupational Safety eliminated from the budget request.

You have heard a great deal from a number of witnesses today

about the Bureau of Employment Security. All I will say is we endorse those proposals that that Bureau be put at proper operating efficiency.

MEXICAN FARM LABOR PROBLEM

Now, related to the provisions of our labor program is the Mexican farm labor program, and I want to make a very brief but a very strong statement in 1 or 2 sentences. I think the Congress has to make a basic policy decision during this next year. Let's either abolish the Mexican program or finance it so that it is a constructive program—one or the other.

We have supported this program. We thought it was good for international relations. It was good for our farm operators. It was good for the Mexican workers. If, however, it is not going to be enforced properly with the minimum funds required for it, then let's not have it, because we do not think that we ought to have a program enforced in such a way that it deprives American workers of decent farm jobs through the expedient of hiring Mexican workers at unconscionable wages and requiring them to live and be transported at almost a feudal kind of condition.

Now the House cut this amount of money to a level which will make enforcement not proper. It was done by a very large vote, unfortunately, and I think a large vote indicates dissatisfaction with the program. But the way to eliminate that dissatisfaction is not the appropriation's route. It might be just the opposite—providing enough money that it is a constructive program protecting both Mexican workers and American workers.

And so we repeat, Mr. Chairman, either abolish the program or carry it out effectively is our recommendation.

Chairman HAYDEN. There is a great deal of force to what you say. I think it was in connection with the employment-service obvious error on the part of the House in that in other instances the employment-security costs have been transferred and they forgot to do that with this agency.

Mr. BOOKBINDER. There were a few errors made like that, and we hope they can be corrected.

There are a number of recommendations we list on pages 3 and 4 for the Public Health Service, and I will not review them at this point.

SOCIAL SECURITY ADMINISTRATION

In the Social Security Administration budget we endorse the proposals which I know you have heard dozens of times now for granting of these two special projects, one for training of public-welfare personnel and the other one for cooperative research and demonstration projects.

I heard the discussion earlier this morning about the limitation on public-assistance funds. You are to be commended, Mr. Chairman, for your own work in seeing to it that the Senate protected this feature. I hope in the urgent deficiency bill and your own conferences with the House on this bill that the same result may be achieved.

Now in concluding my presentation, may I just make a simple factual statement that the entire bill which you are now considering

for the whole labor and welfare field, education field, health, and so on, comes to less than 5 percent of the total budget, less than 1 percent of the total national income. Even if there were a sound policy decision and a sound economic reason for finding somewhere in the budget where you can cut 3, 4, 5, 10 billion dollars—I do not accept that basic premise—but I say even if there were such a premise as that that was sound, that you had to cut \$5 billion, we plead with this subcommittee not to do it in a meat-ax way or a uniform way so that every program gets cut, because you have to cut somewhere.

PARTS OF BUDGET THAT CANNOT BE REDUCED

This is, in our very sincere judgment, an uncuttable part of the budget. There are many things in this budget which are inadequate and I have not even begun to discuss them with you. They are contained in our statement. We should have liked to have seen more money for hospital construction, for library services, for many other things. It is contained here.

But we are somewhat realistic too, Mr. Chairman. You may up some of the things but we do not think we should up it to the kind of limits we think sound American economic system makes possible.

If I have taken more than the time allotted to me I am sorry, but we have a lot of interest in many parts of this budget.

Mr. George Riley is here. I hope you will hear from him.

ADMINISTRATIVE COSTS, WAGE-HOUR SECTION

Chairman HAYDEN. We will be pleased to hear from him.

Mr. RILEY. Very briefly, Mr. Chairman, you will recall last year you gave us a hand when we were up against the clock and adjournment and so forth to get the \$300,000 in the third supplemental I believe it was for administrative costs in the prevailing wage-rate section for the highway legislation.

We consider that legislation as a floor under the national economy, and we believe that there will be more and more and bigger programs as we go along.

For the first time in that type of construction we now have a standardization on the Federal level which will bring up wages to a decent standard.

This should not be confused, of course, with minimum wages. It does not have to do with that at all. Simply to pay prevailing rates for similar work in the community, it is just that simple.

Now there may be some discussion later on what source that money, \$365,000 in the budget, may come from. We have not associated ourselves with any crossfire connected with that sort of thing. Congress we believe is amply equipped to decide what the source shall be. But we do feel that it is absolutely essential to have that money from some source, because, simplifying it further, we do not believe there can be a highway program unless there is this predetermination of wage rates on the State level by the Department of Labor.

That is the really devout plea that we are making on this particular item.

BUREAU OF APPRENTICESHIP TRAINING FUNDS

Mr. BOOKBINDER. May I just say the last page of this statement is an appended statement from James Brownlow, the president of our metal trades department, relating specifically to the training funds in the Bureau of Apprenticeship.

We have studied this program and it is our recommendation training funds be granted to the Bureau of Apprenticeship and Training.

Chairman HAYDEN. Thank you.

(Mr. Bookbinder's prepared statement follows:)

STATEMENT OF HYMAN H. BOOKBINDER, LEGISLATIVE REPRESENTATIVE, AMERICAN
FEDERATION OF LABOR AND CONGRESS OF INDUSTRIAL ORGANIZATIONS

We appreciate the opportunity to appear before this subcommittee to present the views of the AFL-CIO on the budget proposals for the Departments of Labor and Health, Education, and Welfare.

In our study of the President's budget requests, we have naturally thought of the needs of the 15 million members of the AFL-CIO and their families. But our concern has not been limited to these 50 or 60 million Americans. The departments of Government whose budget it is your duty to scrutinize represent more directly than any other branches of our government, the obligation "to promote the general welfare" of all 170 million Americans. The moneys which you will provide for education, for health research, for public assistance, for enforcement of labor laws, for child welfare, for protecting veterans' reemployment rights, for all the other vital purposes—these moneys represent the soundest possible investment in a healthy, happy, and productive people.

In the months since the President's budget was submitted to the Congress, the entire Nation has been involved in a great national debate about the size of that budget. In the long run, this debate will do the Nation much good. But we trust that in the short run there will not be great harm done to the many vital programs for which Federal appropriations are required.

The AFL-CIO is disturbed at the great hue and cry which has been raised about the huge budget which the President has submitted. Of course, it is huge. But so are our responsibilities—and so are our capabilities. Those who have tried to scare America on this matter have done a disservice to the President, to the Congress and to the people at large.

Let those who are ready to sell America short wail and moan and predict hair-curling depressions. The AFL-CIO will not join the hysterical cut-the-budget-at-any-price crowd. We have confidence in America's ability to meet its tremendous responsibilities both here and abroad.

One does not have to like a \$71.8 billion budget in order to support it. One just has to understand why it is so big. The President made an important contribution to the national debate on April 18 in his letter to House Speaker Sam Rayburn. He pointed out that the greatest portion of the proposed budget is just not cuttable—either because of fixed obligations or because of considerations of national survival. Fixed obligations for such things as veterans' pensions, public assistance, and interest on the national debt aggregate about \$17.6 billions, or 24 percent of the budget. Moreover, about 63 percent of the entire budget will support programs related to the protection of the country.

The AFL-CIO does not presume to have any expert judgment about the proper size of the Military Establishment. It does share the general apprehension, however, that we may be erring on the low side rather than the high side. As far as foreign aid is concerned, labor has oftentimes been critical about specific aspects of this program but it has never swerved from its conviction that we have made no better investment in world understanding and world peace than our mutual security program. We cannot permit budget-balancing preoccupation to weaken our efforts for peace and against world communism.

Where then shall the billions in budget cuts come from? Shall we stop our payments to veterans? Shall we stop our interest payments on the public debt? Shall we stop making soil-bank payments? Shall we cut the wages of our underpaid civil servants? Or shall we just nibble away at every regular program of the Federal Government—an arbitrary 5- 10- or 20-percent cut right across the board?

Public demands have been made for substantial cuts in the budget. Some talk about 2 billions, others about 3 or 5 billions—some even more than that. But, as this subcommittee well knows, the Congress cannot cut in the abstract; it can cut only by cutting specific programs in specific terms. Although we regret to note that the President himself has not consistently supported his own budget, he provided perhaps the most meaningful and direct answer to all the clamor for cutting when he told a press conference early this year:

"As long as the American people demand—and in my opinion, deserve—the kind of services this budget provides, we have got to spend this kind of money."

It is the firm conviction of the AFL-CIO that the American people most definitely support the services which the Labor-HEW budget provides. This subcommittee has for years shown its own great support for these services, and has never hesitated even to improve upon the Executive recommendations when it felt that such were not adequate enough. It is well to keep in mind the fact that the entire Labor-HEW budget comes to only 5 percent of the entire budget, and represents less than 1 percent of the Nation's gross national product.

Unfortunately, the so-called economy wave was at such high fever point last month, that the House of Representatives permitted serious crippling of the President's budget recommendations. It is the earnest hope of the AFL-CIO that the Senate will agree to restoration of all the cuts made by the House, and will in addition make other improvements.

We have carefully studied the statements made before this subcommittee by the Secretary of Labor and the Secretary of HEW. They have both made an impressive case for the restoration of the House cuts. These two Cabinet members are directly responsible for carrying out the obligations under existing legislation under the general responsibility of the President. Their advice to the Congress should carry much weight.

Starting on page 5 of this statement, we are presenting our reactions to the President's recommendations as presented last January. Before coming to that detailed analysis, we should like to present first our appraisal of some of the major cuts made by the House and summarize briefly our recommendations to the Senate.

1. *Cuts in the Office of the Solicitor and Wage-Hour Division seriously threaten enforcement of labor laws.*—The \$204,000 cut in the Solicitor's Office and the \$288,000 cut in the Wage-Hour Division are both difficult to understand. Even by the House's own standards of disallowing new money, these cuts are unjustified.

The cut in the Solicitor's Office will mean a 10-percent cut in requested staff—at a time when the workload for the Office is increased because of the higher minimum wage, expanded Mexican farm program and the needs of the employees' compensation activity. All basic labor laws of the land—wage-hour, Walsh-Healey, and Bacon-Davis—are seriously threatened by the House action.

The cut in the Wage-Hour Division will mean a reduction of 43 positions over the present level at a time when violations are being discovered at the highest rate in the act's history. (See below for general comments on Division).

The AFL-CIO trusts that the Senate will support the proper enforcement of our labor laws by restoring the cuts in these offices of the Labor Department.

In addition to the funds for the Solicitor's Office out of general revenue funds, H. R. 6287 provides for \$365,000 out of the highway trust fund for the purpose of Bacon-Davis determinations for the new highway program. This amount must be made available if the highway program is to proceed on schedule.

2. *Cuts in Bureau of Labor Standards will affect several vital programs.*—Starting on page 5, we have detailed our interest in the several parts of this Bureau's program. At this time, we wish merely to express our deep disappointment at the slashes made by the House. It is extremely difficult to understand the penny-pinching actions which save insignificant amounts like \$20,000 intended for work in the area of radiation hazards, or a similar amount of \$20,000 for the President's Conference on Occupational Safety. The AFL-CIO considers work in these areas so important that we have a permanent standing committee of officials, the committee on safety and occupational health.

3. *The Bureau of Employment Security was cut when expansion was clearly justified.*—We concur completely with the Secretary of Labor that this Bureau requires additional help, not less help. For years, the Bureau has failed to receive the kind of help which repeated expansion of its duties required. Now the House has actually made a cut in its budget which will require a decrease of 69 positions. This would be inexcusable. We call upon the Senate to grant the full request made by the President.

4. *House cuts in the Bureau of Labor Statistics will damage or prevent much needed programs.*—As detailed on pages 7 through 9, even the full request of the President failed to provide adequately for work in housing and construction statistics, wage surveys, automation, and other important areas. If the cuts made by the House Appropriations Committee and the still larger cuts made by the House itself stand, the damage will be most significant. Importantly affected will be programs relating to labor turnover, the revision of the S. I. C., the study of effects of tariff changes upon employment, characteristics of the unemployed, and older workers' studies.

5. *The Mexican farm labor program will be a farce if the House cuts are sustained.*—The President's request for \$2,683,000 represents the minimum amount absolutely required for this program. Yet the House, through a lopsided vote of 342 to 77, cut the appropriation down to \$2,236,200. The only explanation for this is that there must be widespread dissatisfaction in program itself. But the appropriations route is precisely the wrong one to correct the abuses in the program. It is improper enforcement of the agreements which is the major source of dissatisfaction.

The Congress, we must frankly state, has to make a basic policy decision. If the Mexican program is not worth proper enforcement, then it should be legislated out of existence. Ironically, however, many of those who refuse to appropriate adequate funds for the program are stanch champions of the program itself. But the American people generally do not favor retaining a program enforced in such a way that it deprives American workers of decent farm jobs through the expedient of hiring Mexican workers at sweatshop wages and transporting and housing them under almost feudal conditions.

6. *The Bureau of Apprenticeship and Training should be permitted to expand its training function.*—The House disallowed \$340,000 for work in training on the basis that the question of possible overlapping with HEW had not been fully answered. Since it is our understanding that this question has now been fully resolved through a joint statement by Secretaries Mitchell and Folsom, we trust the Senate will restore the funds.

A brief statement on this matter by James A. Brownlow, president of the metal trades department of the AFL-CIO, is appended to this statement.

7. *Public Health Service appropriations are deficient in several respects.*—In addition to recommendations included in our detailed discussion of the Public Health Service on pages 13 through 15, we wish here to highlight several specific items:

(a) The \$5 million reduction in assistance to States would hurt such important projects as health of the aging and chronically ill, accident prevention, and occupational health.

(b) The cut of \$213,000 in sanitary engineering activities will prevent needed increase in radiological health activities.

(c) The AFL-CIO endorses the request of the Amalgamated Meat Cutters and Butcher Workmen of North America for support of the \$30,000 requested by the President for field and laboratory studies in poultry sanitation.

(d) The AFL-CIO joins with the American Social Hygiene Association in urging a minimum appropriation of \$5 million for work in venereal diseases. The alarming increase in these diseases, especially among teen-agers, calls for a maximum effort.

(e) The National Tuberculosis Association, on whose national board an AFL-CIO representative sits, has expressed concern about the House cut in the funds for Indian health activities. We share this concern and ask for restoration of the \$3,900,000 cut.

(f) Before reversing itself on rollcall, the House cut \$50 million for water-pollution grants authorized in the 84th Congress. It is the hope of the AFL-CIO that the Senate will concur in the final action of the House and approve this vital program.

8. *Two important projects of the Social Security Administration should be restored by the Senate.*—We concur most strongly with the request of the Secretary of Health, Education, and Welfare for the restoration of these funds:

(a) \$2,500,000 for grants to States to initiate a program of professional training of public welfare personnel. This program was specifically authorized in the 1956 amendments to the Social Security Act.

(b) \$2,080,000 for cooperative research or demonstration projects in social security. Authorized in the 1956 Social Security Amendments, these studies would cover causes of dependency and methods of preventing or overcoming them.

9. *Congress should impose no limit on public assistance administrative funds.*—As indicated on page 17 below, we believe that the law properly requires open-end appropriations for matching funds. We therefore urge the Senate to eliminate the provision for such limitation which the House inserted in H. R. 6287.

10. *Construction of a new OASI building in Baltimore would result in economy.*—From our own examination of the situation, we are persuaded that the tight ban on Government construction should be modified in this case. A modern, efficient building could save the program over a million dollars a year, it has been estimated.

In the foregoing pages, we have summarized our major concern with the Labor-HEW budget as the situation stands following adoption of H. R. 6287 by the House. In the following pages, we present a more detailed appraisal of the budget proposals as initially submitted by the President.

Needless to say, our concern for those items in the budget which were not cut by the House is just as great as those which were. We earnestly request your sympathetic consideration of all of our requests.

LABOR DEPARTMENT—OFFICE OF THE SOLICITOR

Appropriations for the Solicitor's Office must be adequate to carry out the several laws for which the Labor Department has responsibility. As has already been indicated to this subcommittee, increased enforcement activities have meant greater restitution to workers who otherwise would have to suffer from violations of the law. Greater enforcement activities, moreover, have undoubtedly led to a higher degree of voluntary compliance.

One of the principal activities of the Solicitor's Office is one in which organized labor has a clear and understandable interest—the prompt and adequate enforcement of the Davis-Bacon provisions now incorporated in several major Federal construction activities. Last year's passage of the Federal-Aid Highway Act has added substantially to this activity. (Funds for this particular cost come from the highway trust fund.) The President's request for fiscal 1958 would merely continue on an annual basis the level of operations previously approved by the Congress.

Among other programs for which the Solicitor must be assured adequate funds are the litigations under the Fair Labor Standards and Walsh-Healey Acts, the Mexican farm labor program, and the Longshoremen's and Harbor Workers' Compensation Act.

BUREAU OF LABOR STANDARDS

The President's budget calls for a small increase in the appropriation for the work of the Bureau of Labor Standards, from \$911,500 to \$1,167,000. The additional amount has been requested for improvement of the conditions of domestic migrants, for an extended youth employment program, for the promotion of safety and for the employment of the physically handicapped.

Legislative standards and State services

We regret to see that no increase is proposed for the State's services and legislative standards work of the Bureau. The Bureau is the only place in the Federal Government that serves as a center of information and technical assistance in the broad field of labor legislation and administration. It is where State labor commissioners, workmen's compensation commissioners, labor and employers' organizations, and citizens groups turn for information and help in planning and supporting legislative programs for the improvement of working conditions. We count on the Bureau for information on all types of labor legislation.

One area in which the Bureau's services are particularly important is in workmen's compensation. State workmen's compensation benefits have lagged far behind increased wages and rising costs of living. New hazards arising from changing industrial processes, such as the use of atomic energy for peaceful purposes, means a new look needs to be taken at occupational disease provisions and the limitations on time of filing claims, if workers are to be protected. In many other areas—broad coverage, second-injury funds, and administrative procedures that speed up claims procedures—the Bureau's information on what has been done in these States and what needs to be done in a specific State is invaluable. The same kind of assistance is given in other fields such as child labor, occupational safety, minimum wage, and wage payment. These services of the Bureau should not only be continued but they should be greatly expanded.

Migratory labor

We welcome the small increase of \$40,000 provided for the Bureau's migratory labor program but here, too, for the size of the problem and the work to be done, the amount is far too small. There is no group of workers in this country that are more in need of Government help. The domestic migrant worker is pretty much our forgotten man. With increased staff the Bureau can help States get migratory labor committees organized; they can give them assistance in meeting such problems as registration of crew leaders, improving camp housing and insuring safe transportation. By working with all groups in the communities—farmers, church, labor, and civic organizations—an awareness of the need for action in behalf of the domestic migrant will be developed. The \$40,000 increase will help—but not nearly enough. We urge the Congress to increase this figure substantially.

Radiation hazards

We note that the Bureau's budget calls for an appropriation of only \$20,000 for services to the States and to management and labor in the control of radiation hazards. This is an area of great concern to organized labor and one in which the Department of Labor should be equipped to give leadership. It is essential to the development of the peacetime use of atomic energy that effective health and safety standards be developed and applied to control the special hazards of radiation. There must be uniformity in these standards and in their administration if the workers are to secure the necessary protection. The amounts allotted to the Bureau for this activity seem most inadequate in relation to its responsibilities. If this work is to go forward, and we are convinced it should, then the Congress should appropriate many times the proposed amount, and we so recommend.

The AFL-CIO considers this problem one of the most urgent in the country. This very week, we are conducting a 2-day conference on atomic radiation hazards. We have brought to Washington more than 125 delegates from all over the country—including officers and safety and compensation specialists from many of our affiliated unions. Speakers will include some of the leading authorities in the country.

Youth employment

Last year the President's budget called for a small sum for the Bureau of Labor Standards to carry out certain of the recommendations of the Senate Committee on Juvenile Delinquency. The Bureau proposed to examine the employment problems of school dropouts and the impact of child-labor laws on these problems and to develop community program for their solution. For some unexplained reason, this appropriation was disallowed. We are glad that a similar project is included in this year's budget and warmly recommend that you allow the full amount requested.

What are we going to do about the quarter of a million boys and girls who are both out of school and out of work? We know it is useless to tell these children to go back to school. They left school because somewhere along the line it seemed to have no more meaning for them. The Bureau's program for demonstration projects to deal with this problem would give sound leadership to communities everywhere to enable them to help the young people who need it.

All kinds of shortsighted proposals are now being made. Some people tell us these problem children should be released from school at even younger ages and that child-labor laws should be changed to permit them to work. We reject such solutions. We know that many now out of school need special kinds of help if they are to become employable in a labor market with increasingly exacting demands. The Bureau proposes to show communities how they can provide this help. The \$75,000 they ask for this purpose will be an investment to improve the futures of the quarter of a million boys and girls now idle. With the minute staff they have at present no new programs can be taken on. If we put this off, it will mean lost years in the lives of hundreds of thousands of our children. We are very much interested in seeing this appropriation approved.

Physically handicapped

We welcome the President's request for an increase of about \$37,000 for the work of the President's Committee on Employment of the Physically Handicapped. But even this increase will leave the appropriation about \$28,000 shy of the amount authorized by the act.

The work of this committee is so obvious that we will not burden the record with any argument or documentation. We wish merely to urge the Congress to approve the sum of \$225,000, the maximum allowable under the law.

BUREAU OF LABOR STATISTICS

Facts about wages, practices and developments in collective bargaining, employment and prices as well as many other types of statistical and economic information have become essential to both labor and management for intelligent collective bargaining.

For fiscal year 1958, the President has requested an appropriation of \$7,768,000 for the Bureau of Labor Statistics. The actual increase for regular BLS programs is only about \$400,000. As we shall indicate in detail, this is an extremely modest increase which will actually leave the Bureau with insufficient funds to provide much needed information in a number of important areas.

Wage statistics and data on collective bargaining developments

The President has requested an additional \$145,200 for the Bureau's work involving collection and analysis of wage and collective bargaining information. Continuing the work begun with its survey of wages in retail trade now being completed, this amount will be used primarily for collection of wage data for other nonmanufacturing industries. We strongly support this request. With the increased importance of trade, services, transportation and other nonmanufacturing industries in our economy, we can no longer afford to ignore the importance of having up-to-date wage information for this sector of our economy.

Unfortunately, the existing BLS program of wage surveys for manufacturing industries is far too limited. The funds the Bureau has had available in this area are so small that surveys made for particular industries have been conducted at such infrequent intervals that they have seldom provided comprehensive up-to-date information for collective bargaining purposes.

The Bureau prepares occasional reports on the prevalence and details of different collective bargaining agreement provisions. These reports deal with such important and rapidly changing practices as pensions, vacations, hours, welfare funds, and other bargaining subjects. But the Bureau's resources have been inadequate to permit such surveys to cover all major provisions or to be made on a regular basis, with the result that information sought by labor and management usually is either not available or is some years out of date.

Productivity data

The Bureau has requested an additional \$83,700 for its work in the field of productivity and technological developments. This amount would be used for extension of its program of studies of the impact of automation and for studies of the effects of changing technology upon older workers.

We consider the Bureau's investigations of the impact of automation especially important and urge that they be expanded. The Bureau has requested a small amount of funds to study the impact of the electronic computer. This should provide worthwhile information, but there are many other revolutionary developments in the field of automation which are affecting employment, skill requirements, wage structures, prices, and many other aspects of our economy. With adequate appropriations, the Bureau could undertake more comprehensive investigation of the overall effects of the introduction of automation which would add immeasurably to our understanding of this important development.

In addition, increased funds should be assigned to the Bureau to permit it to expand its work in the development and measures of productivity in individual industries and in various sectors of the economy.

Price statistics

The President has requested \$114,200 for initiation of a limited piecemeal program of consumer expenditure surveys. With the increasing spread of long-term collective-bargaining contracts containing escalator clauses providing for periodic wage adjustment based on the Consumer Price Index, the Bureau's work in this area has become increasingly important. It is particularly essential that the Consumer Price Index be kept up to date so that it will truly reflect the actual trends in prices of the items which workers and their families purchase. However, merely checking consumer expenditures in a limited number of communities is not sufficient and may even be misleading. In view of the tremendous change in buying patterns in recent years, what is needed now is a comprehensive

survey of consumer expenditures which would lay the foundation for a full-scale revision of the Consumer Price Index at an early date.

Such a survey of consumer expenditures would also provide a good deal of the information the Bureau would need to revise the city workers' family budget which is now sadly out of date. This budget is the only satisfactory measure for determining what is an adequate standard of living and for measuring differences in living costs among various cities throughout the country. Such family budget data are extremely useful for collective bargaining, but can only be utilized if the budget is kept reasonably up to date. We therefore recommend that additional funds be provided to permit revision of this budget which has not been revised since 1950.

Manpower and employment statistics

The President has requested an increase of \$116,300 for the Bureau's work in the field of manpower and employment statistics. More than half of this amount, however, is needed to shift the Bureau's series on employment, hours and earnings to the new standard industrial classification system adopted by all Government statistical agencies and for transfer to the States of sufficient funds to provide for increased salary rates of State personnel engaged in collecting employment statistics published by the Bureau. The only actual increase therefore is some \$50,000 which will be used to permit the Bureau to extend its collection of labor turnover information to States and metropolitan areas which has thus far not participated in this program.

We recommend that the entire amount recommended by the Bureau for manpower and employment statistics be appropriated.

Foreign trade and employment

The President has requested \$119,750 in order for the Bureau to study effects of foreign trade on employment. Measurement of the impact of foreign trade—both exports and imports—has been hampered by the lack of information concerning both the number of workers displaced by imports and the number of workers whose jobs are dependent upon exports. Such information is vitally necessary for development of tariff and trade policy.

Housing and construction

No additional funds have been requested for the Bureau's program in the area of housing and construction statistics. The failure to expand this phase of the Bureau's work is particularly regrettable. The impact of construction on the Nation's economy has been emphasized during the past year by the drastic decline in residential construction on the one hand and the impressive increase in industrial, commercial and other types of nonresidential construction on the other. With the prospect of large-scale highway, school, and other public construction programs, it is especially important that accurate information be obtained regarding manpower requirements for such projects. Labor has a particular need for this information in order to determine prospective employment opportunities for workers in the building and construction industry. We, therefore, recommend that sufficient funds should be allocated to the Bureau to obtain information on labor requirements for construction as well as other types of data needed to provide an adequate analysis of developments in housing and construction.

WAGE AND HOUR AND PUBLIC CONTRACTS DIVISIONS

The President has requested an appropriation of \$19,888,000 for the Wage and Hour and Public Contracts Divisions. The amount requested would actually do no more than permit the Divisions to maintain their present level of operations.

We note with satisfaction that with increased funds provided in last year's appropriation, the Divisions have been able to increase their rate of investigations of violations of the Fair Labor Standards and Public Contracts Acts. This has resulted in restitution of unpaid back wages to a considerable number of low-wage employees who otherwise would have been denied compensation to which they were legally entitled. We strongly approve the proposed random sample survey the Divisions are planning to conduct in connection with their investigation program as well as other efforts the Divisions are making to improve their enforcement procedures.

Appropriation of the necessary funds has permitted the Wage and Hour Division to carry out the job assigned by the Congress of conducting through the tripartite industry committee procedure annual review of minimum wages in

Puerto Rico, Virgin Islands, and American Samoa. Unfortunately, the important program of determinations of the prevailing minimum rate under the Walsh-Healey Public Contracts Act has been sharply limited by inadequate funds. Even the increase in the number of determinations from 5 to 7 a year planned for fiscal 1958 would mean that there would continue to be no minimum wage determinations at all in many industries in which there are Government contractors and a high proportion of obsolete determinations even for those industries for which determinations have been made. We therefore urge that sufficient funds be appropriated to permit a minimum rate of 10 determinations a year. It is our understanding that this would be possible with an additional appropriation of less than \$60,000.

The Wage and Hour Division, with the assistance of the Bureau of Labor Statistics has launched a series of studies of the economic effects of the Fair Labor Standards Act. These studies should provide significant information which will be of great value in consideration of future legislative proposals with regard to the minimum wage. Sufficient funds should be assured for completion of this important project.

We strongly urge that at the very least the entire amount requested by the President for the Wage and Hour and Public Contracts Divisions be appropriated. We also recommend that the committee give sympathetic consideration to appropriation of additional funds to expand and improve the program of prevailing minimum wage determinations required by the Walsh-Healey Public Contracts Act.

BUREAU OF EMPLOYMENT SECURITY

Salaries and expenses

At its recent meeting, the AFL-CIO executive council adopted the report of its social security committee which included the following reference:

"Our (social security) committee has observed that in the past the program designed to provide protection for the unemployed has suffered from a lack of funds for administration. The AFL-CIO has supported efforts to secure more adequate appropriations and our committee recommends continued active support. This includes appropriations sufficient for the salary increases approved by the State agencies and for the adequate operation of the Bureau of Employment Security in the United States Department of Labor."

The Bureau's request for an increase in its staff and its budget should receive the very sympathetic consideration of the Congress. Year after year, the Bureau's responsibilities have been increased through new legislation and through demands placed upon it by other departments of government. Much of this added responsibility, however, has not been matched with comparable budget recognition. It is essential that proper recognition be made now of these great responsibilities.

Interstate Conference of Employment Security Agencies

We have frequently questioned the propriety of using Federal granted funds for travel, telegrams, and other expenses arising from efforts, particularly on the part of the Interstate Conference of Employment Security Agencies to influence the course of legislation. We have felt that while it is difficult to draw the line between constructive consultation between Members of Congress and administrators of State programs, and, what can only be accurately described as lobbying activity paid for out of the Public Treasury, it is necessary to try to draw that line.

We believe that this effort was materially advanced by the actions of this committee by its references to the problem in its reports for appropriations for the years 1956 and 1957, and by the committee's calling on the Department of Labor to clarify its policy in this respect. We believe that the requirement that the State agencies submit an accounting of all out-of-State travel by State officials, except for official conferences called by the Bureau, also has had a salutary effect.

In this connection we are pleased to note also that the interstate conference, itself, became aware of the problems involved and took constructive and remedial action. The executive committee, at its meeting in March 1956, adopted changes in the conference code designed to prohibit lobbying.

Unfortunately, however, in one respect efforts toward the solution of this problem experienced a setback during the past year. After an extensive study of this problem by a subcommittee of the Federal Advisory Council, the Council itself, by unanimous action made certain recommendations to the Secretary of Labor. These included the recommendation that he establish a clear-cut policy governing the use of granted funds for Federal legislative activity. The policy as issued by the Secretary on December 21, contained the provisions recommended by

the Federal Advisory Council, but added a qualifying paragraph which, to some extent at least, nullifies the recommendations of the Advisory Council.

As we interpret the modification of the proposed standards by the Secretary of Labor, it will now be possible again for State administrators to expend granted funds, not only for the legitimate purpose of giving requested information to Members of Congress, but for stirring up activity among interested groups in support of, or in opposition to, legislative proposals. This results from the right granted to "prepare and distribute" analysis of pending legislation. For this reason, we are prompted again to suggest to the committee that it continue its request for full information of the use of granted funds, including travel funds, by State administrators, as has been done during the past two fiscal periods.

Mexican farm labor program

The President's budget request for the Mexican farm labor program is \$2,683,000 and constitutes an increase of \$471,300 in actual program operations. This increase is most urgently needed to meet the increased number of workers expected in 1958 and to provide for better enforcement of wage and housing conditions.

Last year, we submitted to the subcommittee the recommendation of organized labor that proper enforcement of our agreement with Mexico would require a full-time compliance officer for every 2,000 Mexican workers. Even with the higher appropriations requested, it will still be necessary for each Foreign Labor Service representative to service almost 4,000 workers. During the present fiscal year, each must serve over 5,600 workers. Small wonder, therefore, that the Mexican program has resulted in so many complaints.

A major source of complaint this year has been the horrible housing situation which exists in many areas where Mexican nationals are employed. The Director of the Bureau of Employment Security has reported that he has seen camps "that I would consider unfit for human habitation." A stepped-up program of housing inspections is imperative.

It is a shocking thing that in the face of the awful housing situation, farm employers have launched a nationwide campaign to cripple and perhaps destroy the efforts of the Labor Department to improve the housing situation in line with our agreements with Mexico. These unconscionable employers must not be permitted to use the appropriations route to carry out their objectives. The AFL-CIO respectfully urges the House subcommittee to spurn all efforts to kill the housing program by drying up the funds needed.

The Congress can demonstrate its rejection of this unsavory campaign by voting the Mexican farm labor program at least the funds requested by the President.

BUREAU OF APPRENTICESHIP AND TRAINING

The modest increase proposed for the Bureau will go only a small way toward making up for the deterioration of its services in recent years. It is our hope that the Congress will approve no less than the President has requested.

The bulk of the proposed increase—about \$300,000—will be used in the launching of a major effort by the Bureau for the encouragement of better and broader training for all types of occupations. It is our understanding that this training program will in no way diminish the Bureau's work in the formal apprenticeship program, but will add training operations wherever immediate action is needed to prepare workers for efficient production.

There is now very broad understanding of the basic economic truth that in the final analysis the economic health of the Nation and the standard of living of our people reflect the productivity of America's workers. There must be every help given—by management, by labor, and by Government—to further this productivity. This is especially true during a period of revolutionary technological changes, such as we are experiencing today.

BUREAU OF VETERANS' REEMPLOYMENT RIGHTS

The budget request for this Bureau would permit an increase in 18 positions over the present level. There is much evidence that this increase is necessary if we are to accord our veterans the kind of consideration they so richly deserve.

Reemployment rights now constitute perhaps the most important guaranty which the Federal Government provides for successful readjustment to civilian life. The elimination of other benefits will undoubtedly increase the number of

veterans desiring to return to their former civilian jobs. They deserve quick and efficient service.

The work of the Bureau is bound to increase as the size of our Ready Reserve increases in fiscal 1958. The current backlog, moreover, is reported as increasing.

The AFL-CIO trusts that the Congress will permit this important service to operate at the level necessary for efficient operation.

BUREAU OF EMPLOYEES COMPENSATION

We wish to endorse the proposal that there be some decentralization of the activities of the Bureau. By locating operations in Chicago, New York, and Boston roughly half of all Federal employees will be able to obtain more efficient handling of their claims under the Federal Employees' Compensation Act.

The Congress is urged to approve the small increase in funds needed to carry out this decentralization.

INTERNATIONAL LABOR ACTIVITIES

Last year, the AFL-CIO indicated to this subcommittee its strong support for the international labor activities of the Department of Labor. We will not repeat that statement again, except to point out that the last 12 months have only strengthened the conviction of organized labor that world peace and the defeat of world communism requires an understanding of the problems of workers all over the world. The Department of Labor's work in the International Labor Organization and in the labor attaché program of the United States Foreign Service has been of inestimable value.

The President's budget request for fiscal 1958 includes an increase to make possible the addition of several area specialists and to expand the Department's activities in connection with the ILO. Both of these objectives, it is our deep conviction, are very much to be desired. We urge the Congress to support the request.

FEDERAL MEDIATION AND CONCILIATION SERVICE

The Federal Mediation and Conciliation Service has been playing an ever-increasing role in the reduction of industrial conflicts. Year after year, its workload has increased as its usefulness has been demonstrated over and over again.

Recent technological and collective-bargaining trends have added considerably to the complication of collective bargaining. This has called for highly trained mediators, as it has for highly trained representatives of both labor and management. The Service's training activities represent a sound investment.

The President's request represents only a slight increase over the present budget—an increase of only \$119,000 in operating funds. These would be used for in-service training for mediators, improvement of facilities for field mediators, and for just a few more man-years of mediation activity.

The AFL-CIO urges the Congress to approve the President's request for this very useful function.

PUBLIC HEALTH SERVICE

National institutes of health

The AFL-CIO was highly gratified that its proposals last year for substantial increases in the President's proposals for medical research were in fact carried out by the Congress. The subcommittee deserves the heartfelt thanks of all America for the part it has played in strengthening this program. The work of the National Institutes of Health and of the federally supported projects continues to live up to all of the hopes ever expressed for this activity. We cannot afford to let down for one moment in medical research.

The President's proposals for fiscal 1958 would, in aggregate, allow for actual research projects at a rate equal to those for the present fiscal year. We cannot understand why the cancer budget is actually about \$1,500,000 less than the present year, or why the amount for mental health, where the need is so great, is no higher than at present. As we indicated last year, the only ceiling that should be placed upon this activity is the ability of the professions intelligently to use the funds. With facilities increasing, albeit at much too slow a rate, it should be possible profitably to spend even more money than last year. We urge the Congress to ascertain the adequacy of the President's proposal and to increase it if it finds that it is below the country's potential.

Health research and training facilities

Experience has already indicated that the level of grants for the construction of health research facilities is inadequate. More than \$25 million for 80 grants has already been awarded for fiscal 1957, out of a total appropriation of \$30 million. The Department of Health, Education, and Welfare has stated that applications totaling \$48 million are now pending, and more applications are still being received.

In light of the above situation, the President's request for another \$30 million appropriation for fiscal 1958 is very disappointing. There should simply be no ceiling at all on the funds we must be willing to spend to develop every possible research facility. Unless such facilities are available, it will be pointless and futile to make appropriations for research projects as such.

The same observation, of course, applies to the construction of training facilities, both in the medical and the dental fields. This is perhaps the most seriously neglected area of all in the entire health field. It is to be hoped that the Congress will pass the enabling legislation at this session and make the appropriate funds available. The AFL-CIO agrees with those Members of the Congress who have expressed shock at the ridiculously low level of support which the President has suggested in the budget message. Recommended was obligatory authority of only \$15 million for the first year, with expected expenditures of only about \$3 million. It is to be hoped that the Congress will approach this matter with much more imagination and daring.

Hospital construction

It is a disappointing and disturbing fact that we do not support hospital construction to at least the level authorized by the Hill-Burton Act. The two parts of this program have a ceiling of \$210 million. The Congress has failed to appropriate sums anywhere near this amount, and even these appropriations have not actually been fully used. This is a situation we find it very difficult to understand. The tremendous need for hospital beds—of all kinds—is beyond dispute. Why, then, are these hospitals not being built?

A recent report by Dr. Vane M. Hoge, Assistant Surgeon General, reveals that the country now has 1,100,000 acceptable hospital beds. This is only 57 percent of the total beds needed—indicating a current shortage of 800,000 beds. Mental hospital shortage alone is estimated at 360,000. More than 2,500,000 Americans still live in areas where there are absolutely no hospital facilities at all accessible to them.

The Hill-Burton Act is now 10 years old. Even though much more could have, and should have, been accomplished under this act, everybody associated with this wonderful program can take great pride in the fact that under it more than 3,100 projects have been approved amounting to \$2.5 billion. Of this amount, the Federal contribution amounts to about \$800 million.

It is a matter of clear and impressive record that our hospital situation would today be substantially worse than it is if it had not been for the Hill-Burton Act. The AFL-CIO hopes that new life can be breathed into it by realistic appropriations and by raising the present ceiling as soon as possible. We cannot afford to waste America's most precious asset—its people.

Hospitals and medical care

The President's request for this activity shows a slight increase over the 1957 appropriations, after allowing for the \$1 million for addition to nurse training grants and \$1,076,000 for medical care of dependents of military personnel. The increase for the regular activities would just be enough to meet increased costs of medical care and would thus provide for no more than the present rate of activity. Principal beneficiaries of this service are American seamen.

Affiliates of the AFL-CIO with responsibility for the seamen have expressed concern about the possibility of cuts by Congress in this important program. It is the hope of the AFL-CIO that the Congress will approve at least the level proposed by the President.

Health of the aged and chronic disease

After all the grand talk about the needs in this important area, we are deeply disappointed at the very nominal budget request which has come from the President. Only \$1,500,000 is requested for grants for special projects in health of the aged and chronic disease and only \$1,200,000 for direct Federal operations in this field.

We call upon the Congress to add substantially to these requests and direct that work be expanded forthwith. We are sure that this subcommittee needs no documentation from us about the growing dimensions of this problem. Its repeated expressions of concern about this problem are greatly appreciated by the labor movement.

There are 14 million people in this country aged 65 or over, and the number is increasing by 300,000 a year. Certainly we cannot delay any longer to institute a meaningful program of study, demonstration, and promotion of new developments.

Occupational health

The President's request constitutes an increase from \$656,900 to \$791,000, but this is still far below the level of \$1,300,000 recommended by the Public Advisory Committee. Even this full amount would mean an expenditure of less than 2 cents for each member of the labor force for the safeguarding of workers against occupational disease.

Although other units in the Labor Department and HEW will have some responsibility for inquiring into the hazards flowing from radiology, we believe that the occupational health activity should have adequate funds to pursue this great threat in the area of its own responsibilities.

Earlier this month, the executive council of the AFL-CIO, based upon a report from its committee on safety and occupational health, called specifically upon the Congress to add substantially to this budget request.

Sanitary engineering activities

We welcome the increased budget proposed for the sanitary engineering activities of the Public Health Service. Especially important is the greater allowance for radiological health work. The potential public-health problems involved in exposure to radiation must be given every possible consideration. The AFL-CIO, as indicated earlier, is very much interested in all aspects of the radiation hazard problem and therefore welcomes every assist which the Federal Government gives to maximum enlightenment in this area.

The \$608,000 appropriation is certainly a small enough price to pay for protection against the frightening prospect of radiation hazards.

OFFICE OF EDUCATION

Vocational education

We urge the Congress to agree to the President's request for the full authorization, \$33,575,081, permitted under the George-Barden Act.

The vocational educational program has been one of the most successful programs ever conducted and deserves maximum support. The AFL-CIO hopes that the Congress will raise the authorization as the need for the program grows.

Educational research

Among the most important projects of the Office of Education is that of educational research. Designed to develop new knowledge and to make better use of existing knowledge, this program operates through contracts in support of research projects in cooperation with universities and colleges and State educational agencies. During fiscal 1957, Congress appropriated \$1,020,190 for initiation of research projects. Of this, two-thirds was earmarked for work on the educational problems of the mentally retarded which, as highly meritorious as is this work, leaves little for the overall program.

At the beginning of 1957, the Office of Education identified major problem areas in education, on which research is need. In addition to other basic questions which should be considered, the Office identified the following 10 important areas for special consideration:

1. Education of the mentally retarded.
2. Development of special abilities of students (identification and development of unusual talent).
3. Educational aspects of juvenile delinquency.
4. Retention and continuation of students (those who drop out of school before they have reached their maximum level of development, capable students who never enter college or who leave before finishing).
5. Staffing the Nation's schools and colleges (getting and keeping qualified teachers; career motivation in the teaching field).

6. Planning and costs of school construction (restricted to "college buildings—present status and future needs" during fiscal year 1957).
7. Implications of expanding technology for vocational education.
8. Educational problems resulting from population mobility.
9. Educational needs of low-income, rural families.
10. Educational uses of television.

The vital nature of each of these subjects is self-evident. However, the administration has asked, for all of this, only \$2,300,000 for fiscal 1958. We believe this is not nearly enough.

Of particularly crucial importance to the Nation is No. 7—the implications of expanding technology for vocational education. Advances in electronics proceed at an unprecedented rate. The revolutionary changes of automated production are already with us. Before long we will have the large-scale industrial use of atomic energy. We will shortly have to retrain in varying degrees millions of workers both in new safety procedures and in new production methods. The implications for vocational education, in our expanding technology, are serious indeed. Immediate and thorough research is required on this fundamental problem. Yet, to date, no contracts have been entered on this vital subject.

No request for study funds is made with respect to the most difficult problem facing our public schools today. That problem is the desegregation of our public schools, in conformity with the decisions of the Supreme Court of the United States.

As experiences are compiled, in accordance with Federal court orders or on a voluntary basis in the desegregation of the schools, the American people and all school systems should be kept fully informed. We urge the Congress to appropriate sufficient funds and to direct the Office of Education to undertake a continuing study of this problem. We urge the most serious consideration of this request.

Library services

In this, the richest country on earth, approximately 27 million persons are without access to any public library service. Some 90 percent of these people live in rural areas. In addition to these, another 53 million Americans, in villages and small towns have only a library service which competent authorities have declared to be wholly inadequate. The request for \$3 million for grants to the States, which must be matched by the States on the basis of their ratio of the total per capita income, seems to us to be inadequate. The American Library Association has indicated that only the full authorization, \$7.5 million, can begin to do the job needed. We urge the Congress to give sympathetic consideration to this request.

SOCIAL SECURITY ADMINISTRATION

More than half of the entire increase in the Labor-HEW budget for fiscal 1958 is to be found in the sums required to meet our responsibilities under the Social Security Act for grants to states for public assistance. These responsibilities were increased as a result of the amendments to the Social Security Act adopted by the Congress in 1956. These improvements were approved by overwhelming bipartisan majorities in both Houses, and certainly the Congress cannot fail now to support the program.

When the urgent deficiency appropriation of \$275 million just voted by the Congress is added to the last year's appropriation, it will be found that the increase proposed for the entire fiscal year 1958 is only about \$100 million.

The AFL-CIO wishes to express its hope that the Congress will not place any limitation upon the funds which may be used for administrative costs. Naturally, we are all concerned about keeping such costs down so that every possible dollar can go for the actual payment of benefits. Our obligations under the law are clear, however, and we must be prepared to match any and all State funds which are found by the Department of Health, Education, and Welfare to be necessary for the administration of the public assistance program.

We are pleased to see modest improvements in the level of grants proposed for maternal and child health services, and also for child welfare services. The ceiling for child welfare services was raised in the 84th Congress from \$10 million to \$12 million. We believe that the urgency of the situation which prompted this increase in the authorization applies equally to the needs for fiscal 1958, and we urge the full appropriation of \$12 million instead of the proposed \$10 million.

VOCATIONAL REHABILITATION

The goal of our State-Federal program of vocational rehabilitation should be a total of at least 200,000 disabled men and women restored to employment and satisfying life each year. In 1956, however, we achieved only 65,640 completed rehabilitations. During the current year, the total is expected to reach about 76,000.

Although the President's recommended budget for fiscal 1957 represents a very welcome increase from \$43,610,000 to \$50,945,000, the number of completed rehabilitations will increase to only 90,000. In other words, we will have met less than half of what our experts tell us is a realistic and attainable goal.

Especially welcome are the proposed increases for "training and traineeships" and for "unique special projects." Every possible support must be given to the development of new techniques and solution of difficult rehabilitation problems.

FOOD AND DRUG

We are pleased to note an increase in the budget for the Food and Drug Administration from \$7,979,000 to \$10,554,500. This increase represents the second phase of a program of improvement in the work of the administration as recommended in 1955 by a Citizens' Advisory Committee. The health and welfare of all of America's families demands proper enforcement of our food and drug laws.

STATEMENT OF JAMES A. BROWNLOW, PRESIDENT OF THE METAL TRADES DEPARTMENT, AMERICAN FEDERATION OF LABOR AND CONGRESS OF INDUSTRIAL ORGANIZATIONS, ON APPROPRIATION FOR FEDERAL BUREAU OF APPRENTICESHIP AND TRAINING

The \$340,000 deducted by the House from the requested appropriation for the Federal Bureau of Apprenticeship and Training should be restored. The criticisms which have been directed toward the training activity of the Bureau of Apprenticeship are without fact or justification. Concern is evidenced by advocates of appropriations for vocational training that the Department of Labor, through its Bureau of Apprenticeship, will encroach upon a field now recognized as properly coming within the scope of vocational training. Nothing could be further from the truth.

The Federal Bureau of Apprenticeship does not train but promotes training. It is the function of industry to carry on training programs either through joint action between labor and industry, industry on a unilateral basis, or both in conjunction with the vocational schools.

"Training" as defined in the name, "Bureau of Apprenticeship and Training" specifically refers to the training of those employees not apprenticeable, but who make up a large part of the semiskilled and skilled work force in American industry. The Bureau's function, with industry, is one of promotion and technical assistance in determining the training needs of these employees. The actual training becomes a responsibility of labor and management, or of management in the specific industry involved. Any related technical instruction required in connection with industry training programs would become the responsibility of vocational schools or education.

Vocational education would also be called upon to provide much of the required training, depending upon the needs of a specific industry.

This is simple in itself, and does not call for the supposition that the Bureau of Apprenticeship in its program is attempting to usurp or engage in any of the activities provided for by the vocational school. The process has been in effect for many years by certain industries which have, upon employment of workers, taught the use of the tools the employee will be called upon to use during his employment. Adding training to apprenticeship will lend the use of a Federal Bureau, accustomed to the training procedures of skilled mechanics, to those large numbers of employees where some skill is required but not apprenticeable.

In addition, there will be a determination of national skilled manpower needs on short- and long-range projection, skilled manpower needs by specific industries on short- and long-range projection basis and the promotion within the communities of the skilled manpower requirements on short- and long-range basis.

I would ask what is wrong with this program, and where does it conflict with any existing agency? In fact, it will direct more manpower to the use of the vocational school than any other program now existent to increase the skill of the nonapprenticeable worker.

NATIONAL JOINT PAPERHANGER TRAINING COMMITTEE

STATEMENT OF L. E. BRIGHAM, DIRECTOR OF PAPERHANGER TRAINING

NEED FOR TRAINING PROGRAM

Chairman HAYDEN. Mr. Brigham, director of paperhanger training, National Joint Paperhanger Training Committee.

Mr. BRIGHAM. Mr. Chairman and members of the committee, I represent, I would say, a rather specialized group in the training field. However, that group is, I believe, typical.

I am director of paperhanger training for the National Joint Paperhangers Committee. That committee is unique in that it represents all facets of the industry. We have in that committee the International Union of Painters, Decorators, and Paperhangers, the Painting and Decorating Contractors Association, the Retail Paint and Wallpaper Dealers Association, the Wallpaper Wholesalers Association, and the Wallpaper Council who represent the manufacturers. It is entirely a private industry group.

This committee has been interested in raising the standards in the industry as particularly applied to the skills involved in the trade. My job has been to promote training programs to train journeyman painters and apprentices to become competent paperhangers.

Now, I feel that—and my experience has been throughout the country—there is a tremendous need for training of all types due to our general technological age and to increase the skills of the employed adult workers who comprise the work force of our country.

The increase of these skills, of course, also increases the economic potential of these people, which is highly desirable.

In the past year I have traveled throughout 20 States from Maine to Colorado, from Wisconsin to Louisiana. I have held about 60 separate meetings with local groups to consider the training needs and potential and possibilities in these 60 localities.

I am here primarily because of my understanding that there has been a cut in the appropriation for the Bureau of Apprenticeship of the Department of Labor.

HOUSE REPORT

Chairman HAYDEN. The House report says:

The bill includes \$3,600,000, a reduction of \$340,000 from the request, and an increase of \$201,000 over the appropriation for 1957.

And then this paragraph appears to me significant, and I would like to have you comment on it:

Many Members of Congress have expressed concern that this proposed program was getting into the field of vocational education. The committee has, therefore, deferred the possible extension of the program until it has more conclusive evidence of whether or not this concern is well founded.

Mr. BRIGHAM. May I say offhand for a minute there are two approaches to training, whether it is in paperhanging or whether it is in ironworking or what-have-you. One is, shall we say, the administrative and supervisory approach, which is top down. That originates, of course, primarily through the Federal Smith-Hughes Act. Certain

Federal funds are provided which are allotted, it is my understanding, by the Trade and Industrial Branch of the Office of Education. They in turn have supervisory functions in coordinating the training in various States.

STATE ORGANIZATION OF PROGRAM

In each State there is a State board for vocational education who in turn have an office in each State of trade and industrial education. They in turn supervise and administer the training for employed adults, which is what I am speaking on, in that State and allotted funds to the local schools for training that meets the specific standards and qualifications that may be set up.

Now, then, that group—the top-down group, you might say—has a primary function from a practical standpoint of administrative and supervisory. They do not feel it apropos to in turn go out and promote training classes to meet even obvious training needs for the reason that, well, that means that they are spending more State and Federal funds and they cannot on one hand promote a profession at the same time.

Now, we have, say, a bottom-up viewpoint, which is largely represented through the Bureau of Apprenticeship and Training. They are very close to the training needs of the localities. They are very well acquainted with both management and labor in the locality. They work with various trades and industries in trying to develop the needs—not to develop the needs perhaps, but to crystallize the needs that exist as to training in any particular trade or industry.

These Bureau of Apprenticeship representatives work very closely with these groups, and where they find a need they attempt to crystallize it, bring it to the attention of local public schools so training classes may be started and there may be a sufficient number of trainees.

Well, in my travels throughout the country I have found excellent cooperation from all groups. Our meetings that I spoke of locally are usually comprised of 3 representatives from a local union, 3 representatives from the contractors, 3 representatives from the dealers, which are the 3 facets of the national committee locally, plus the representatives from the local public schools, plus in many cases a representative from a State office of trade and industrial education. And the meetings are organized by the representatives of the Bureau of Apprenticeship. I go in and present a program, and usually they set up what we call a local paperhanger training committee, and pretty soon the program is started in training journeymen or apprentices to become competent paperhangers in that locality.

NO OVERLAPPING FUNCTIONS

In my travels I have not found one single instance where there seemed to be an overstepping of functions on the part of either group. The educational group coming down from the Federal office to the State offices to the local schools are very willing to provide training to meet local demand. In other words, that is more or less their basic policy: "We will provide training as may be necessary to meet local demand."

That willingness, however, is meaningless unless there is somebody who is going to crystallize the situation at the bottom level, which is done by the Bureau of Apprenticeship.

Now, I am advised that there have been perhaps throughout the country a dozen instances where the Bureau of Apprenticeship representatives have got into the field of training at least to an extent that the educators in respective States feel it is not desirable. But considering the tremendous problem of training, considering the tremendous number of training classes throughout the country, I do not think that is a matter of importance at all. Actually, the two must work together if we are to meet the training needs of the country. It is a cooperative setup.

Chairman HAYDEN. I see.

Mr. BRIGHAM. Each has his basic function which they are best adapted to. The school people have their offices and so on. In the States they have to travel all around the State. They are usually undermanned. The local school officials have usually a big institution that they are operating in; they do not have time. They could promote but they do not have time to.

On the other hand, the Bureau of Apprenticeship representatives deal exclusively with trades and industries and labor and management in those trades, and that is their job, and they devote long hours, both day and evening, to the job.

Now, I filed a report. And I might say that we only have one State—would you have, Mr. Downey, a copy that you could show to the chairman here? Do you have it right there?

Chairman HAYDEN. I have it here.

NEED FOR PROMOTIONAL PROGRAM

Mr. BRIGHAM. Those pictures on top, Senator, indicate to me a typical example of what can be done by an active promotional program. The first one shows 51 classes as of November 1, 1956, and the spread of those classes. The second one shows, I believe, 119 classes as of January 10, 1957, and the third one shows 174 classes as of April 11, 1957.

Now, I have only found one State in the entire group that I visited where there has been any feeling of animosity, you might say, or strangeness between the trade and industrial group and the Bureau of Apprenticeship group, and in that one State we have not had the cooperation and we have not got the classes started, which illustrates the point, I think, very aptly, that it must be a cooperative setup.

Senator HILL. Yes.

Mr. BRIGHAM. So, if the Senate can return this appropriation which was deleted by the House, it will help in the primary cause of training and will help the objectives, the overall objectives, of both the trade and industrial group and the Bureau of Apprenticeship group.

Senator HILL. Thank you.

(Mr. Brigham's prepared statement follows:)

NATIONAL JOINT PAPERHANGER TRAINING COMMITTEE.

New York, N. Y., May 8, 1957.

Senator LISTER HILL,

*Chairman, Subcommittee on Labor-Health, Education,
and Welfare, Senate Appropriations Committee,
Senate Office Building, Washington, D. C.*

DEAR SENATOR HILL: My name is L. E. Brigham, and my position is that of director of paperhanger training for the National Joint Paperhanger Training Committee. This committee is unique in that it represents all divisions of the

industry; namely, the Brotherhood of Painters, Decorators, and Paperhangers of America, Painting and Decorating Contractors of America, Retail Paint and Wallpaper Distributors of America, Inc., Wallpaper Wholesalers Association, and Wallpaper Council, Inc., representing the wallpaper manufacturers.

In my capacity of representing all facets of the industry, it is my responsibility to promote the establishment of classes to train journeymen painters and apprentices to become competent paperhangers on a national basis. In doing this, I work with and through the Bureau of Apprenticeship and Training, trade and industrial education officials, the public schools, and trade groups, as explained later in this report.

I appreciate the opportunity you have given me to appear before your committee in support of returning to the appropriation for the Bureau of Apprenticeship and Training that portion which was deleted by action of the House of Representatives from the appropriation bill for the Departments of Labor, and Health, Education, and Welfare.

Your committee is, no doubt, in accord with the objectives of the Bureau of Apprenticeship and Training of the Department of Labor and the Trade and Industrial Education Branch of the Division of Vocational Education, Department of Health, Education, and Welfare.

These objectives are to increase the skill and competency of the employed work force of our Nation and thereby to increase the economic potential of those persons taking advantage of this training opportunity. The accomplishment of these objectives is highly desirable in time of peace and a must in time of war.

In accomplishing the preceding objectives, the Federal, State, and local representatives of the Bureau of Apprenticeship and Training and the Offices of Trade and Industrial Education both have a separate and distinct part to play in establishing training classes for employed adults. These functions must be cooperative to attain the most effective results.

In carrying out the provisions of the Federal Smith-Hughes Act and other similar acts, the United States Office of Education allots certain funds to the States—generally on a matching basis—for approved training classes. Each State has established a State board for vocational education which in turn allots the Federal funds received, plus any State funds available, to the local schools on a proportionate basis to cover the teaching cost for approved training classes.

The general function of officials of the Trade and Industrial Education Branch of the United States Office of Education is to coordinate, inspect, and approve training programs in the various States which meet Federal standards. In a like manner, each State has established an office of trade and industrial education with the same inspection and approving functions as applied to training classes conducted in the local public schools.

While either the Federal or State offices of trade and industrial education may undertake the promotion of training classes, this is not generally considered to be in harmony with their inspection and approval functions. These offices feel it improper to allot and approve reimbursable expenditures on one hand, and at the same time promote training classes to justify additional expenditures. A statement often made by State offices of trade and industrial education and officials of local public schools is to the effect that they will provide such training as may be justified by public demand.

It can be seen from the above that the functions of the Federal and State offices of trade and industrial education are largely supervisory in nature as to training classes in the local public schools. Local public-school officials are generally very busy with the normal functions of their school establishment. While these officials are very willing to cooperate with local groups to meet training needs, they have little time and energy to devote to the necessary promotional aspects.

Thus, while the public schools are willing and generally able to set up training classes to meet public demand, this cooperative attitude is, in effect, meaningless by itself in accomplishing the objective of training the employed adult to be more skillful and competent, and increasing his economic potential. To accomplish the objective there must be an agency close to the individual to be trained, who understands his needs and working conditions and who can promote and crystallize these training needs so that a sufficient number may be grouped to start training classes.

The function of the Bureau of Apprenticeship and Training is to fill this gap in the promotion and crystallization of training needs so that classes for employed adults may be started. The field representatives of the Bureau of Apprenticeship and Training work very closely with both management and labor in the

various trades and industries in meeting these training needs through the establishment of classes in the public schools. This is their full-time job and they devote both daytime and many evening hours toward its accomplishment.

During the past year in my capacity as director for paperhanger training for the National Joint Paperhanger Training Committee I have met with local groups in some 60 key cities through 20 States from Maine to Colorado and Wisconsin to Louisiana. These local meetings normally included representatives from management (contractors), labor, dealers, or distributors, the local public schools, a representative from the Bureau of Apprenticeship and Training, and, in many cases, a representative from the State office of trade and industrial education.

The meetings were generally called through the efforts of the local representative of the Bureau of Apprenticeship and Training whose close knowledge of local individuals and conditions made this service of the greatest value.

In almost every instance, cooperation and enthusiasm were found to exist between representatives from all groups in the promotion and crystallization of training classes. In evidence of the results of this wholehearted cooperation in the paperhanger-training program, I submit map photos herewith which show the growth of paperhanger classes reported during the 1956-57 school year—51 being reported November 1, 1956; 119 on January 10, 1957; and 174 by April 11, 1957.

It is evident that from a practical standpoint there are two clearly defined functions by public agencies in meeting the objectives of a training program as follows:

1. Bureau of Apprenticeship and Training to promote and crystallize training classes needed by employed adults.

2. Trade and industrial education offices to provide and conduct training classes to meet these needs.

It has been reported to me that field representatives of the Bureau of Apprenticeship and Training have been active in the educational field in possibly a dozen instances throughout the country. This, in my opinion, resulted from the zeal of these individuals in providing training needed by the workers of the community and cannot be considered a disservice. Considering the tremendous number of training classes for employed adults throughout the country, this alleged overstepping of bounds is of no magnitude.

In the meetings I have attended and contacts with hundreds of individuals throughout the country I have found the finest cooperation between the officials of the various Office of Trade and Industrial Education and the Bureau of Apprenticeship and Training. In not one instance have I personally known of either group overstepping their functions.

In conclusion, may I strongly recommend that funds requested by the Bureau of Apprenticeship and Training be allowed, as these funds will be of mutual assistance to the trade and industrial education offices and will be of material aid in providing the much-needed training of the work force of the Nation.

Respectfully submitted.

L. E. BRIGHAM,
Director Paperhanger Training.

LETTER FROM SENATOR MAGNUSON

Senator HILL. Senator Magnuson, a member of our subcommittee, was unable to join us today in this hearing, having to conduct a meeting of his own subcommittee, but he sent over to me a letter to him from Mr. Peter R. Giovine, commissioner of the employment security department of the State of Washington, protesting the cut in appropriations for the grants to States for unemployment compensation and employment service administration, and urging restoration of the funds sought by the Department of Labor for this purpose. The com-

missioner's letter will be placed in the record for the information of the committee and of the Senate.

(The letter referred to follows:)

STATE OF WASHINGTON,
EMPLOYMENT SECURITY DEPARTMENT,
Olympia, Wash., April 9, 1957.

HON. WARREN G. MAGNUSON,
United States Senate, Washington, D. C.

MY DEAR SENATOR MAGNUSON: We have been advised that the "Labor-HEW" appropriation bill (H. R. 6287) was finally passed by the House, cutting the grants to States for employment security administration to \$249,814,000, and also abolished the contingency fund of \$12 million, which has been a basic part of financing the States for unforeseen areas of administration since fiscal year 1950. The table below summarizes developments affecting the appropriations:

	1957 approp- riation	President's request	House Approp- riations Committee	Tentative House action
Basic.....	\$238,000,000	\$258,000,000	\$250,000,000	\$249,814,000
Contingency.....	12,000,000	12,000,000	12,000,000	-----
Total.....	250,000,000	270,000,000	262,000,000	249,814,000

Before discussing the impact of the tentative House action on employment security operations, we believe we should point out that State agencies' budgets are of the performance type and that on all direct operations the amount of funds allocated are on a workload and unit time basis. The unit time factors have been carefully developed over a period of years and in the case of unemployment insurance operations are adjusted to the particular type of operation used in each State. To the best of our knowledge, we are the only governmental agency whose budgetary requirements are calculated on a performance basis.

Since 1950, Congress has wisely provided a basic appropriation and a contingency fund to be used for certain specified purposes if, and when, needed. Insofar as unemployment operations have been concerned, the basic budget was based upon the most recent annual workload and provided a sufficient number of positions to process this amount of workload at standard time factors. This basic appropriation did not provide for any unforeseen high claims load, nor did it provide for salary increases or increased costs due to changes in State legislation. For these three contingencies which neither Congress or the State agencies could anticipate, a contingency fund was appropriated. This method of financing has geared the funds available to the actual workload and has tended to preserve claimstaking time factors to the scientifically determined standards for adequate performance. Without a contingency fund to provide additional staff during unforeseen high claims loads, a State agency has no other alternatives than to transfer employment service staff to claimstaking or to an enforced speedup of claimstaking processes or both. The time presently allowed for processing UI claims is the minimum to insure proper payment of benefits. Because of congressional cuts, we may be forced to weaken the controls we now maintain. It is possible to lose a great deal more money through improper UI payments than could ever be saved through these budget reductions. Mandatory pay increases or added costs due to changes in State laws act similarly to decrease the time available below established standards of adequacy.

1300 LABOR-HEALTH, EDUCATION, WELFARE APPROPRIATIONS

Shown below is a table covering contingency allotments to this agency for the past 6 years by reason of increased claims load, revised compensation plans or changes in State laws:

Fiscal year	Contingency allotment due to—			Contingency total
	Increased claims load	Revised compensation plans	Changes in law	
1957-----	¹ \$70,000	\$220,698	-----	\$290,698
1956-----	None	78,509	{ \$49,023 27,306	154,838
1955-----	36,730	-----	9,707	46,437
1954-----	150,178	-----	-----	150,178
1953-----	153,644	53,767	-----	207,411
1952-----	20,659	226,096	-----	246,755

¹ Estimated.

You will note from the above table that if the State of Washington agency had been forced to operate on its basic budget during the current 1957 fiscal year, it would have involved a reduction in income of almost \$300,000 or approximately 75 positions. Although nearly two-thirds of the contingency allotment represented a revised compensation plan, this was in fact a long delayed adjustment for cost-of-living increases and to bring salaries in line with those in other State departments.

With reference to added costs due to changes in State laws, State legislatures have been or still are in session and their actions with respect to individual State laws will undoubtedly increase States' cost of operations by millions of dollars during fiscal 1958. In the State of Washington the new mandatory retirement laws will add approximately \$50,000 to our costs of operation during fiscal 1958. During this same session our legislature considered changes in the State unemployment insurance law which would have increased our costs of administration by a quarter of a million dollars. Even though this particular legislation did not pass, we know that many other State legislatures will change their unemployment insurance laws and that many millions of increased costs will inevitably result.

Looking at the provision which a contingency fund makes for unforeseen claims workloads, I am certain that you are aware of the tremendous fluctuations experienced in this State from summer to winter and from year to year. During the summer months, for example, our weekly claims load may average only 10,000 to 12,000 claims per week whereas during the winter months the load may jump to 50,000 to 60,000 claims per week. Normally about 15 percent of our claims load falls during July-September, 25 percent during October-December, 35 percent during January-March, and 25 percent during April-June. If, because of weather conditions, economic factors, or both, the claims load peaks extremely heavy during the winter, and if contingency funds are not available, our position will become unrealistic and untenable.

You may be interested in knowing that this agency has available a standby trained crew of hourly paid workers who are called to work as the claims load increases and are released when the workload declines. This means that our permanent base staff is a hard core minimum of well-trained and experienced personnel which is far below maximum requirements. During the winter months this agency may employ as high as 150 temporary staff during the peak winter months on unemployment compensation activities and practically none during the low workload summer months.

Although we have discussed unemployment compensation activities at considerable length, it is because added requirements in this field are normally taken care of out of the contingency fund. If there is no contingency fund for temporary staff as the workload requires, these additional staffing requirements must be taken care of from the staff allocated for employment service and farm activities and by a speedup in claims taking which is an invitation to overpayments and to fraud.

This State through the years has established what we know to be badly needed programs for the handicapped worker, service to youth and older workers, service

to veterans and a well-developed farm program to guarantee this State will never experience a serious crop loss due to any lack of adequate farm labor.

We are also seriously aware of our responsibilities in the field of civil defense. We are the agency responsible for manpower controls in the event of disaster or national emergency.

The above-mentioned programs are an integral part of an effective employment security program and if the House action stands, these programs will be seriously curtailed.

The amount of \$249,814,000 approved by the House represents approximately the amount of funds which all State agencies will require for fiscal year 1957 operations. This amount fails to take into account the fact that the States will have to absorb approximately \$7,700,000 to pay for the salary rates approved in fiscal year 1957 and not reflected in that fiscal period.

In addition, the tentative appropriations must absorb an undetermined amount to cover added costs attributable to changes in State laws, mandatory salary rates, increased costs due to higher rental costs and the cost of equipment, supplies, as well as all nonpersonal service expenses.

It is inescapable that after absorbing these costs the amount available to the States for administration will be considerably less than was needed during fiscal year 1957. Therefore, we are asking your support to increase the base appropriations from \$249,814,000 to \$258 million which was recommended by the President, and restoration of the \$12 million contingency appropriation.

Congressional cuts actually make no net savings to United States Treasury since all moneys collected under the provisions of the Federal Unemployment Tax Act are earmarked for employment security programs. The excess (over and above what Congress appropriates to States) is given back to each State and accrues to their respective unemployment insurance trust funds.

Very truly yours,

PETER R. GIOVINE, *Commissioner.*

STATEMENT OF SENATOR M'NAMARA

Senator HILL. The subcommittee had a request from Senator McNamara, of Michigan, for an opportunity to appear in opposition to the proposed transfer of funds from the highway trust fund for the administrative expenses of the Solicitor of the Department of Labor in making wage determinations in accordance with the Davis-Bacon Act under provisions of the Federal-Aid Highway Act of 1956, but he has been unable to free himself from other duties at such times as our subcommittee is in session.

The Senator has handed me his prepared statement expressing his attitude on the matter and the statement will be included in the record at this point.

(The statement referred to follows:)

STATEMENT OF SENATOR PAT McNAMARA OF MICHIGAN

Mr. Chairman, as you know H. R. 6287 making appropriations for the Departments of Labor and Health, Education, and Welfare for the fiscal year ending June 30, 1958, provides (lines 9 through 12, p. 3) for an appropriation out of the highway trust fund of \$365,000 for the office of the Solicitor of the Labor Department, to defray expenses incurred in carrying out the Department of Labor's functions under section 115 of the Federal-Aid Highway Act of 1956. This provision is of particular interest to me.

I am opposed to this portion of H. R. 6287. This does not mean, however, that I am in any way opposed to the Davis-Bacon provisions of the Federal-Aid Highway Act. I feel very strongly that public funds should be appropriated to administer the Davis-Bacon provisions of the law, but I do not feel that these funds should be provided at the expense of roadbuilding.

I am aware of the conclusions reached by the Solicitor of Department of Labor in his memorandum of law appearing on page 4205 of the record for March 29, 1957, wherein he attempts to justify the legality of using portions of highway trust funds for this purpose.

I am also aware of the opinion of April 16, 1957, rendered by the Comptroller General at the request of the Acting Secretary of Labor. Examination of this opinion indicates that the Comptroller General declined to rule specifically on the question of the legality of the use of highway trust funds by the Office of the Solicitor of the Department of Labor to administer the Davis-Bacon provisions of the Federal Highway Act of 1956. Instead he, in effect, ruled that while the language of H. R. 10660 which later became the Highway Revenue Act of 1956 "may have been intended to operate as a restriction on its authorized uses, such explanation may not be construed as precluding the Congress from utilizing the fund for other or more extended purposes if it chooses to do so." The Comptroller declined to rule on another point raised by the Acting Secretary as to whether a question on the use of the proposed appropriation was subject to a point of order under the rules of the respective Houses of Congress and in my opinion the Comptroller General's ruling is of little comfort to those who seek to use highway trust funds for the above-stated purpose.

I fear that if we start to hack away at funds primarily intended for the construction of highways, eventually very few roads will be built. Conceivably, other agencies will also seek to utilize these funds for some other purpose. For example, if we open the door for the Solicitor for the Department of Labor, the Corps of Engineers might come to us with a request that we authorize the corps to use some of these highway funds for corps administrative purposes in connection with the preparation of plans and programs involving its approval of bridges and approaches over navigable waters and there is the possibility that the Department of the Interior might come up with a similar request for funds in connection with the acquisition of right-of-way over public domain under the jurisdiction of that agency.

I feel that these Federal agencies should run their respective departments with funds specifically appropriated for them by the Congress.

I might add that I cosponsored S. 1048 in the 84th Congress, 1st session, introduced by my colleague Senator Gore, which became the Federal Highway Act of 1956 and it was not my feeling at the time I cosponsored this bill or at any time since then that highway trust funds for building roads as provided in the bill, could or should be used by the Office of the Solicitor of the Department of Labor to administer the Davis-Bacon provisions of the Federal Highway Act of 1956. Moreover, it is interesting to note that although extensive hearings were held on several highway bills prior to the enactment of the Federal Highway Act of 1956, there was no discussion whatsoever at any of these hearings on the proposed use of these trust funds by the Department of Labor in connection with the Davis-Bacon provisions of the act. It was not even suggested.

I urge that the lines 9 through 12 of H. R. 6287, providing for an appropriation of \$365,000 for the Office of the Solicitor of the Labor Department be stricken from the bill.

LETTER FROM SENATOR JACKSON

Senator HILL. I have a letter from Senator Jackson, of Washington, expressing concern over the reduction effected by the House in allowance for the Bureau of Employment Security for salaries and expenses, for grants to States, and for the Mexican labor program. I shall place his letter in the hearings for the information of the committee and of the Senate.

(The letter referred to follows:)

UNITED STATES SENATE,
COMMITTEE ON ARMED SERVICES,
May 3, 1957.

HON. LISTER HILL,

Chairman, Labor-Welfare Subcommittee, Senate Appropriations Committee, Senate Office Building, Washington, D. C.

MY DEAR COLLEAGUE: I should like to call to your attention the special significance to the Pacific Northwest of the appropriations bill for the United States Department of Labor Bureau of Employment Security which I understand is now before your committee.

There are three items which make up the bulk of the employment security appropriations: (1) The salaries and expenses item for the Bureau of Employ-

ment Security itself, (2) the grants to the State employment security agencies for administration, and (3) a special appropriation under Public Law 78 to finance the administration of the international agreement with Mexico under which Mexican nationals are imported to work on American farms.

The President requested approximately three-quarters of a million dollars more for fiscal year 1958 than was appropriated in fiscal year 1957. A good part of the increase was requested for new mandatory items such as civil service retirement fund contributions. The House cut this item back to this year's cash amounts. The result will be that instead of 48 additional positions, which the President's request would have provided, 69 positions will be eliminated from this year's operating level if the House cuts stand. I fear that these cuts will seriously affect the Bureau's operations.

The House also cut, rather substantially, the grants for administration to the States. Particularly serious is the elimination of the \$12 million contingency fund. It was knocked out on a technical point of order which I am advised can be corrected by the deletion of a few words in the appropriations language. The purpose of the contingency fund is to make available money for payment of unemployment claims loads which increase beyond what was anticipated, and also to provide funds for changes in State laws or increases in State salaries which are beyond the control of the Bureau.

A contingency fund is of particular concern to the Pacific Northwest States because, due to seasonal factors, the region's claim load always goes up 5 to 6 times in the winter months. Moreover, the economic trends in the Pacific Northwest do not always follow the national pattern—as witness the current lumber-plywood recession during a period of general prosperity in the Nation as a whole. As a consequence, our States, including Washington, have dipped heavily into the contingency fund every year. The elimination of the contingency fund will create major financial and administrative problems for the States of the Pacific Northwest.

The appropriations for the above two categories come out of an earmarked fund, I understand, which is raised by three-tenths of 1 percent tax on employers of 4 or more workers throughout the United States and the Territories. Any surplus resulting from cutbacks in appropriation requests are, in effect, distributed back to the States where the legislatures can appropriate them to meet administrative expenses, if they so desire. Consequently, the failure of Congress to provide adequately for the administrative expenses of the Bureau and the States may not constitute any saving to the Federal budget.

The third item in the employment security budget request which was cut in the House is the special Public Law 78 appropriation. While some of the reduced appropriation (about a quarter of a million dollars) might come out of the program in the Pacific Northwest, that is not the major reason for my concern. My concern stems from the fact that we in the Pacific Northwest have substantially cleaned up the abuses in the farm-labor program and in the use of Mexican labor. As a consequence, our wage rates and working conditions are the highest and best in agriculture anywhere in the United States. My main concern now is to see that the other parts of the country get adequate funds to police the Mexican national program so that our growers are not placed at a disadvantage because they comply with the law and other growers do not.

Senator Magnuson is conversant with this problem and may already have discussed it with you. However, I wanted to make my views on these matters known to you and I would appreciate your sympathetic consideration of the problem.

Warmest personal regards.

HENRY M. JACKSON,
United States Senator.

TELEGRAM FROM GOVERNOR HARRIMAN

Senator HILL. Gov. Averell Harriman, of New York, wired me protesting the reduction in allowances in the appropriation for grants to States for unemployment compensation and employment service administration and urging restoration of the sums sought. His telegram will be placed in the record for the benefit and guidance of the committee and of the Senate.

(The message referred to follows:)

ALBANY, N. Y., April 9, 1957.

HON. LISTER HILL,

United States Senate, Washington, D. C.:

New York State is vitally interested in the United States Labor Department's request for appropriations for the fiscal year beginning July 1, 1958, which contains funds for grants to States for Unemployment Compensation and Employment Service Administration. I urge your committee's approval of the full amount of the President's request for these grants of \$270 million including the \$12 million contingency fund. House action reducing the basic amount by \$8 million and deleting the contingency fund entirely will be most harmful to us. New York's important and successful programs for the placement and counseling of older workers, the handicapped, and youth will be particularly hurt and our services to unemployment insurance claimants will fall below what we consider to be adequate standards. The deletion of the contingency fund is particularly serious. Since 1950 this method of financing unforeseen increases in the amount of unemployment or changes in State unemployment insurance laws has been approved by the Congress and has been most effective. It gives the United States Department of Labor the ability to act immediately to meet the needs of the States and has prevented delays in service to applicants and employers. It has also relieved the Congress of the necessity of dealing with supplemental appropriations for this program each year. For a program which must be instantly responsive to variations in unemployment, seasonal or otherwise, and which is maintained by Federal law to make prompt payments of unemployment insurance benefits due, a contingency fund is a must. With warm regards.

AVERELL HARRIMAN.

LETTER FROM SENATOR MANSFIELD

Senator HILL. I have a letter from Senator Mansfield, of Montana, enclosing a message to him from Mr. Chadwick H. Smith, chairman of Unemployment Compensation Commission of Montana, urging restoration of funds for grants for States for unemployment compensation and employment service administration with particular reference to the contingency item of \$12 million. These letters will be placed in the record for the information of the committee and of the Senate.

(The letters referred to follow:)

UNITED STATES SENATE,
COMMITTEE ON FOREIGN RELATIONS,

May 16, 1957.

HON. LISTER HILL,

*Chairman, Senate Labor and Public Welfare Committee,
United States Senate, Washington, D. C.*

DEAR MR. CHAIRMAN: It is my understanding that your subcommittee has not as yet started its markup of the Labor, Health, Education, and Welfare appropriations bill. Therefore, I am taking this opportunity to direct your attention to the enclosed copy of a letter which I have received from Mr. Chadwick H. Smith, chairman of Unemployment Compensation Commission of Montana, Helena, Mont.

Mr. Smith is concerned about the possibility that contingency funds will not be granted in fiscal year 1958 for the administration of the unemployment insurance and employment service programs. As you realize, these State unemployment insurance programs are of great benefit to the people of this country and I would appreciate your giving consideration to Mr. Smith's views.

Thanking you and with best personal wishes, I am

Sincerely yours,

MIKE MANSFIELD.

STATE OF MONTANA,
UNEMPLOYMENT COMPENSATION COMMISSION OF MONTANA,
Helena, May 14, 1957.

HON. MIKE MANSFIELD,
United States Senator,
Senate Office Building, Washington, D. C.

MY DEAR SENATOR MANSFIELD: I am taking this opportunity to pass on to you certain information that I think will be helpful to you in considering action which should be taken on H. R. 6287 which appropriates money which will in part be allotted to the States for administration of the unemployment insurance and employment service programs. These programs are State-administered, but financed entirely from funds appropriated by Congress to the Department of Labor for further distribution to the individual States as their workloads require.

For several years, the administration of these programs has been operated on a basic budget with full recognition that it is rather difficult to determine in advance the number of individuals who will be out of work, and who will file claims for unemployment insurance during the next fiscal year. In order to meet this unknown factor, Congress has provided what has been known as a contingency appropriation. Under this provision, each State is expected to carry out its budgeted operations within its granted funds from the basic appropriation; however, if such a State experiences unemployment beyond its reasonable expectation, funds are made available to such State from the contingency appropriation, thereby allowing it to take claims and pay unemployment insurance checks promptly to the individuals who file for benefits. Unexpected workload can also result from an increased labor force or migration of the labor force which places additional workload on the State Employment Service to find jobs for individuals so affected.

I believe you can readily appreciate the need for such contingency funds. Because of the high seasonal nature of industry in Montana, and the unusual problems resulting from annual industrial expansion in this State, it is extremely difficult to forecast the exact number of individuals who will file for unemployment insurance or appear in Montana looking for work. In years past, all States have been required to budget on a minimum basis. The actual experience of several States has exceeded their conservative estimates, and they have had to obtain additional money from the contingency fund in order for them to process the claims filed. Although we do not foresee any such emergency in Montana, such a situation could develop in Montana at some future time.

At the present time, the Department of Labor is financing the employment security program under an appropriation which allows an additional \$12 million of contingency funds for expenditure if workload demands. However, if this money is not needed, it will not be expended. Recently the House of Representatives took action to cut the \$12 million contingency provision from the appropriation bill which was originally set up to provide such an emergency fund for use if increased workload justified it. This contingency money has been provided for many years past.

I hope that this information will be of assistance to you; and, should there be an opportunity to restore the contingency appropriation provision to the bill presently in the United States Senate, I hope you will act with full knowledge of the importance of this provision to the State of Montana.

Sincerely,

CHADWICK H. SMITH, *Chairman.*

LETTER FROM MR. KENNETH WILLIAMSON

Senator HILL. I have received a letter from Mr. Kenneth Williamson, associate director of the American Hospital Association, expressing the association's concern over the House limitation on the amount of funds available for State and local administration of the public assistance programs, and urging the deletion of the limitation. Mr. Williamson's letter will be placed in the record for the benefit of the committee and of the Senate.

(The letter referred to follows:)

AMERICAN HOSPITAL ASSOCIATION,
WASHINGTON SERVICE BUREAU,
Washington, D. C., May 14, 1957.

HON. LISTER HILL,

*Chairman, Subcommittee on Labor and HEW,
Senate Appropriations Committee, Washington, D. C.*

DEAR SENATOR HILL: Our attention has been called to a provision of H. R. 6287, now pending before your subcommittee, which may have the effect of undoing or postponing, at least in part, one of the important achievements of the Social Security Amendments of 1956. I refer to the limitation on Federal grants for State and local administration of the public assistance programs, which I believe is likely to discourage the initiation of "vendor payments" in States which have not in the past provided health care on that basis.

The American Hospital Association, as you know, is deeply interested in the provision of adequate hospital and medical care to needy persons, including those on the public assistance rolls. We are convinced that adequate care can best be provided by a system of vendor payments—that is, payments directly from the public agency to the hospitals, physicians, and other providers of the needed services. The Social Security Amendments of 1956 for the first time earmarked separate Federal grant funds for this purpose. We believe that this provision, though inadequate in amount, is an important step in the right direction, because it will tend to stimulate the development of vendor payment programs in the States which have not yet undertaken provision of health care on that basis.

By limiting the sum available for grants for administration, H. R. 6287 would, at the least, inject an element of uncertainty into the financing of administration of state and local welfare agencies. Inability to count upon the full Federal matching provided by the basic law we believe would necessarily be discouraging to States contemplating the inauguration of vendor payment programs for providing health care to public assistance recipients. The purpose of the congressional action in providing Federal funds for the purchase of such care could be defeated if money to administer the new programs were to be unavailable.

The development of adequate health care for the needy in the less affluent States faces so many obstacles that progress has been disappointingly slow. I hope that your committee will not permit the problem to be made still more difficult by a restriction upon the availability of administrative funds.

Sincerely yours,

KENNETH WILLIAMSON,
Associate Director, American Hospital Association.

LETTER FROM MR. F. F. FAURI

Senator HILL. I have received a letter from Mr. F. F. Fauri, dean of the School of Social Work, University of Michigan, Ann Arbor, Mich., informing the subcommittee of the views of the Federal Advisory Council on Employment Security of the United States Department of Labor in connection with the reductions in appropriations by the House for certain Bureau of Employment Security items. Dean Fauri's letter will be placed in the record for the benefit of the committee and of the Senate.

(The letter referred to follows:)

UNIVERSITY OF MICHIGAN,
School of Social Work,
Ann Arbor, Mich., April 6, 1957.

HON. LISTER HILL,

Chairman of the Subcommittee on Labor and Health, Education, and Welfare, Senate Office Building, Washington, D. C.

DEAR SENATOR HILL: The Federal Advisory Council on Employment Security of the United States Department of Labor held its spring meeting in Washington on April 4, 1957. The Council is made up of men and women representing employers, employees, and the public and was established under the Wagner-Peyser Act "for the purpose of formulating policies and discussing problems

relating to employment and insuring impartiality, neutrality, and freedom from political influence in the solution of such problems."

The Council at its meeting on April 4, discussed the cuts made by the House of Representatives in the appropriation requests relating to the Federal-State employment programs, and adopted the following resolution.

"The Council believes that it is imperative that the Bureau of Employment Security and the States be granted appropriations adequate to permit them to carry out the responsibilities laid upon them by Congress or by international agreements or by State laws.

"The Council is particularly concerned about the probable effects on the employment security program of reductions in appropriation requests currently voted by the House of Representatives in three specific areas: Grants to State agencies for unemployment insurance and the employment service; appropriations for the Bureau of Employment Security and appropriations for the administration of Public Law 78 (the Mexican labor program)."

As chairman of the Federal Advisory Council on Employment Security, I wanted you to have this resolution so that you could take it into consideration at the time you were holding hearings on appropriations relating to the Labor Department.

I was first appointed Chairman of the Federal Advisory Council on Employment Security in 1954 by Secretary Mitchell. In the 2½ years I have served in this capacity, I have been impressed by the expanding responsibilities and duties that have been given to the Bureau of Employment Security. I also know that this year the Secretary and the Bureau of the Budget closely scrutinized the Bureau of Employment Security's appropriation requests. Knowing of this scrutiny and adding to it my personal observations concerning these requests, I have been led to the conclusion that the House of Representatives' cuts are false economy. In the field of unemployment insurance alone the States expended approximately \$1.4 billion in 1956. Inadequate staffing in this field in the Federal Bureau of Employment Security and in the State agencies means that there will be an increase in improper payments to employees and a failure to police tax delinquencies on the part of employers at a level that has been deemed necessary by the Secretary and the Bureau of the Budget. Inadequate staffing, in my opinion, means that we are likely to have a less efficient operation of the unemployment insurance system with the result of overall higher costs.

I especially hope that in the three areas mentioned in the aforementioned resolution the cuts made by the House of Representatives in the appropriation requests can be restored in the Senate.

I am enclosing a list of the membership of the Federal Advisory Council on Employment Security.

Very truly yours,

F. F. FAURL

Chairman, Federal Advisory Council on Employment Security.

LETTER FROM MR. J. A. BROWNLOW

Senator HILL. The committee has received in support of the budget request of the Bureau of Apprenticeship a letter from Mr. J. A. Brownlow, president of the metal trades department of the AFL-CIO.

Mr. Brownlow urges that the House cut be restored and that the budget estimate of the Department for this item be approved in its entirety. His letter will be made a part of the record for the benefit of the committee and of the Senate.

(The letter referred to follows:)

METAL TRADES DEPARTMENT,
AMERICAN FEDERATION OF LABOR AND
CONGRESS OF INDUSTRIAL ORGANIZATIONS.

Washington, D. C., April 5, 1957.

Hon. LISTER HILL,

United States Senator.

Senate Office Building, Washington, D. C.

DEAR SENATOR HILL: I am writing to you as president of the metal trades department of the American Federation of Labor and Congress of Industrial Organizations. This is a cooperating department, composed of 21 international

unions, representing approximately 4 million workers. I also write as a long-time member of the Federal Committee on Apprenticeship. This is a management-labor advisory committee which advises the Secretary of Labor on apprenticeship and training policies.

The purpose of this letter is to urge, both as the president of the metal trades department, AFL-CIO, and as a member of the Federal Committee on Apprenticeship, that the appropriations request of the Bureau of Apprenticeship and Training be restored to the form and amount of the original request. In support of this position I would like to call to your attention some of the major reasons for urging this restoration.

The craft unions in our organization are primarily concerned with the proper training of apprentices, but they are very aware of the fact that a large percentage of our skilled labor force was not trained through apprenticeship. We consider it to be essential that every effort be made to provide adequate training for these workers. We know that training will prolong their working lives, increase their productivity and opportunities for advancement, and be most helpful in supplying apprentices in sufficient numbers.

The Bureau of Apprenticeship and Training has been most effective in helping our unions and their employers to recognize the need for training, and in assisting them to organize their programs in accordance with the need. This may take place either at the place of employment or in the vocational school.

Now, there is another area of concern to us, and that is automation or mechanization. We are not fighting progress, nor are we complacent about this. Progress means change. Jobs change, and the skill content of jobs changes. This means that our employers and local unions must prepare the workers in advance so that there will be a minimum of worker dislocation as mechanization is introduced. The Bureau of Apprenticeship and Training is helping us with this problem, but under the bill passed by the House, we would be barred from this assistance from our Government.

I am enclosing herewith, for your record, a copy of the proceedings of the 1956 convention of the metal trades department. You will note in my report to this convention, the section marked, "dealing with apprenticeship." This gives our attitude on various matters affecting training, including atomic energy, automation, progress in the apprenticeship program, the danger of the partly skilled mechanic, and the importance of encouraging young people to obtain an education.

There are many unions in the AFL-CIO which have a broader interest in worker training than apprenticeship and journeyman training. They have craftsmen and a wide variety of other classifications. Some of these unions place reliance on a seniority system for worker advancement. They recognize a need not only for assistance in organizing training for apprentices, but also for assistance in making their seniority systems work. The Department of Labor is the proper Government agency to assist them.

This whole matter has been thoroughly discussed in our committee meetings with the Secretary of Labor, and by a group of union officials with the Secretary.

The Secretary has made it clear that the Bureau of Apprenticeship and Training will not engage in training workers. It will not prepare or give courses. On the positive side it will promote training and try to cause employers, labor, and State agencies, including school authorities, to recognize the problems of our expanding economy and rapidly growing population. It will assemble information on methods and techniques used in industry in employee training and make them available to other people who can use them.

An examination of the Congressional Record of March 26 discloses that the whole issue concerning this budget was raised by certain persons in vocational education. There was no evidence at all that either management or labor opposed this expanded activity in the Department of Labor.

On the contrary, management and labor want both services. We want both to be constantly alert to improve their services with the objective of improving the overall competency, productivity, and earning power of the workers.

I know that the Congress is concerned with problems of older workers, the younger workers, and with juvenile delinquents, but as I see it, the best answer to these problems is proper training.

In view of the importance of this work, I trust that the appropriation request of the Bureau of Apprenticeship and Training may be restored.

Very sincerely yours,

J. A. BROWNLOW, *President.*

STATEMENT FROM E. R. CHAPPELL

Senator HILL. A request had been received from Mr. E. R. Chappell, manager of the employee relations department of the Esso Standard Oil Co., New York City, for an opportunity to testify in behalf of the budget estimate for the Bureau of Apprenticeship and Training of the Department of Labor. The opportunity was afforded but the gentleman was unable to come down today and has forwarded his statement for inclusion in the record.

(The statement referred to follows:)

STATEMENT OF E. R. CHAPPELL, MANAGER OF THE EMPLOYEE RELATIONS DEPARTMENT OF ESSO STANDARD OIL CO., WITH RELATION TO THE BUDGET OF THE DEPARTMENT OF LABOR

Ideas and suggestions for a national manpower program were obtained from many people in industry, education, and organized labor in different sections of our country. The serious nature of our manpower problems was readily recognized by these people who have wide variations in experience and interests. Most of those contacted individually or in groups felt that new approaches with the use of modern promotional techniques would be required to avoid critical shortages in quantity and quality of manpower which would be available in the years ahead. The consensus of opinion for one important objective of a national manpower program (formerly the skills of the work force program) was to promote adequate and effective training in accordance with actual needs by—

1. Encouraging individual companies, plants, or business establishments to study their manpower requirements and training-educational needs.
2. Encouraging communities to study their manpower requirements and training-educational needs.
3. Providing an outstanding advisory service on effective training techniques, practices, aids, and materials.

The importance of utilizing these modern concepts for promoting adequate and effective training is very apparent from the following facts:

1. There has been a rapid increase in the number of craftsmen in apprenticeable occupations during the past few years, but the number of apprentice graduates has declined from the wartime peak.
2. The number of apprentice graduates each year has been far below the annual increase in the number of craftsmen in apprenticeable occupations.
3. Unfilled job openings have been increasing for various types of occupations requiring high levels of knowledge and skill.
4. Projections on the future composition of the Nation's work force show marked increases in occupations requiring high levels of knowledge and skill.

The ineffectiveness of the old traditional methods for promoting training under present-day conditions had become evident to most of the people contacted in the manpower study for the Department of Labor. The old methods should be abandoned for ones in keeping with the times.

The adoption of modern promotional methods does not involve the risks of following unexplored paths. New methods have been tested and the results have shown that they will effectively promote required training in industry.

Encouraging individual companies, plants, or business establishments to study their manpower requirements and training-educational needs

One of the most productive methods for promoting adequate and effective training in accordance with actual needs is based on stimulating the management of each company, plant, or business establishment to study its manpower requirements and training-educational needs. The basic ideas for such a study have been used by forward-looking companies with tangible results.

A plan for conducting such studies has been developed by the Department of Labor. It is a simple and easy-to-use plan. It is of value to large or small organizations. It has sufficient flexibility so that only minor modifications are involved in desired adaptations to meet wide variety of conditions. The plan is covered in a publication, *How Do You Stand?*

The plan is based on the fact that management will become concerned and take effective action when a study shows serious manpower problems. Some industry training directors have seen results from manpower studies. What the

Nation needs is wider use of this sound plan for studying manpower requirements and training-educational needs.

A publication, by itself, will do little to promote adequate and effective training. Something more will be needed for the publication, *How Do You Stand?* to be productive.

A presentation at a meeting could help to stimulate interest in the publication, *How Do You Stand?* so that members of the audience would tend to glance through it after the meeting. More would be needed to promote use of the plan covered in this publication. Experience has shown that actions are best stimulated by personal contacts.

The Labor Department's publications, *Our Manpower Future, 1955-65*, and *How Do You Stand?* are twin tools that could be productively utilized by selected representatives of the Bureau of Apprenticeship and Training to promote adequate and effective training during personal contacts with individual companies, plants, or business establishments. The publication, *Our Manpower Future, 1955-65*, could be used as an aid to help convince industry of the serious national manpower situation which may have local implications. The publication, *How Do You Stand?* would be an excellent aid in following through to help show the advantages of individual organizations knowing how they stand. The latter also would be helpful in getting a manpower study underway.

One major point should be noted. The approach being advocated provides for the promotion of all training rather than just the apprenticeship system. In any sound approach to the promotion of adequate and effective training, the apprenticeship system cannot be singled out for separate treatment.

Today in many industries training, through the apprenticeship system, represents only a small part of the total training effort, even though the apprenticeship system is utilized to the maximum extent. Representatives in these industries are not susceptible to separate apprenticeship promotional efforts because their major concern is in other types of training. They could be stimulated to increase training through the apprenticeship system, if this was needed, providing the promotional effort was directed at their total training needs.

To promote adequate and effective training, including the required increase in the number of apprentice graduates, it is essential to have a Bureau of Apprenticeship and Training which could encourage individual companies, plants, or business establishments to study their manpower requirements and training-educational needs.

Encouraging communities to study their manpower requirements and training-educational needs

The Department of Labor has been successful in stimulating several communities to study their manpower requirements and training-educational needs as pilot programs to test out the basic idea and to develop the know-how for such studies. These pilot programs are rapidly reaching the stage where they could be used as cases to help stimulate many communities to conduct their own studies and to furnish the basis for the preparation of guides to assist communities in planning and conducting their studies.

The best results will be obtained from community studies when individual companies, plants, or business establishments have conducted their own studies of manpower requirements and training-educational needs. This is another important reason for a Bureau of Apprenticeship and Training to promote such studies.

The community studies bring together all segments of the community in a co-operative and coordinated effort in the best interest of the entire community. The desire to work together by management, labor, Government agencies, educational representatives, etc., is an important aspect of these studies.

This community approach to our manpower problems offers great possibilities. It helps to narrow down the tremendous national problem to a size that may be visualized and dealt with effectively.

Many communities throughout the Nation should be interested in conducting studies because their investments in effort and money will be returned to them manifold. This attitude has been reflected by the community groups which have been contacted.

Extensive community studies across the nation would require stimulation and technical assistance. Selected representatives of a Bureau of Apprenticeship and Training would have important roles in providing some of the required services for successful community studies. This would involve the Bureau in all types of training.

Providing an outstanding advisory service on effective training techniques, practices, aids, and materials

Many of the people contacted in the manpower study for the Department of Labor had definite ideas on the quantity and quality of services that should be available to them. They expect tax-supported organizations to provide very cooperative and well-coordinated services. In their own best interests and for the welfare of the Nation, many trade and industrial educators and representatives of the Labor Department have gotten together so that each might supplement the services of the other. This should be encouraged rather than placing restrictions on either or both groups.

Most of the industry people indicated that they select an individual or organization best equipped and qualified to supply needed and desired services. In general, they prefer to deal with one person or organization for advisory services on all types of training for all their operations at each of their locations. This sometimes results in their utilizing the advisory services of different organizations at their various geographical locations. Many felt that the ideal situation would be to deal with one organization for all locations.

Many people expressed a preference for a well-equipped and qualified person to provide advisory services on all types of training because this helped to conserve time and to avoid confusion. They felt that considerable time would be wasted and the possibilities for confusion would be multiplied if one organization furnished advisory training services for the crafts, a second for process, a third for production lines, a fourth for clerical, a fifth for technical, etc. Most of the industry people would be well satisfied if one organization was fully equipped and well qualified to provide most of the normal advisory services for all types of training and if other organizations could supply outstanding instructional services and highly specialized advisory services.

Training through the use of the apprenticeship system represents only a fraction of the total training effort in many manufacturing plants, business establishments, or companies. Managements and their training people have their strongest interest in their major training problems where they are placing their main emphasis and putting their greatest effort. Field representatives of a Bureau of Apprenticeship and Training would gain the best opportunities to present and discuss ideas on effective apprenticeship training by first assisting organizations in their main fields of interest in training.

The fundamentals in effective training through the apprenticeship system are identical with those involved in other training activities. Training techniques, style of materials, types of training aids, etc., are basic for all types of training. A Bureau of Apprenticeship and Training should be qualified to provide advisory services on various types of training. This would help to avoid duplication of effort, to provide better services at the lowest cost, and to avoid wasting the time of industry people.

During the past 25 years, industry has had rapid and extensive changes in processes, production methods, control devices, employee policies, plant equipment, quality of products, etc. Many apprenticeship training programs have not kept pace with these changes or with the advances in training know-how. Encouraging the modernization of such programs is one phase of promoting adequate and effective training.

Registration of an apprenticeship training program does not assure effectiveness. The provisions of registration are in part: "An effective apprenticeship program * * * should contain provisions for * * * a schedule of work processes in which an apprentice is to be given training and experience on the job." In an apprenticeship program for automotive mechanics, this provision was fulfilled by giving such general work processes as: A. Engines: (1) Two cycle (diesel); (2) four cycle (diesel); (3) four cycle (gasoline) * * *. I. Tires: * * *. J. Lubrication: * * *. This is far short of requirements for effectiveness. Experience has shown that thorough instructional guides, training materials, instructional aids, etc., are required for fully effective training. Better planning offers real opportunities for improving many apprenticeship programs.

A modest start has been made by the Department of Labor to equip representatives of a Bureau of Apprenticeship and Training with quality tools required to promote effective training. Additional tools or promotional devices should be developed and the field representatives trained in their use so that they would be fully qualified to provide outstanding services. These tools would be of value in promoting effective training of all types. The cost of developing the tools and

training the field representatives could be justified on the basis of complete advisory services on all types of training.

The promotion of effective training is of considerable importance in order to stimulate adequate training. Some organizations have become discouraged because training failed to produce results. They will be reluctant to start any new training until they can be shown that effective training will produce worthwhile results. More and still more organizations will be receptive to training as effective training produces desirable results in lower costs, higher quality products, fewer accidents and fires, happier employees, etc.

Endorsement of the proposed Bureau of Apprenticeship and Training is important for initiating sound promotion of adequate and effective training to help provide an adequate, skilled, and versatile work force to meet current needs and the needs of future economic conditions, technological developments, and national security.

Cooperation—the key to success for the full development of our human relations

In the early stages of the manpower study for the Department of Labor, one major conclusion was that a real cooperative effort was essential for the maximum development of the ability of our people and for the maximum use of people's ability.

In a speech at the New York School of Labor and Industrial Relations during June 1953, I said:

"Success in meeting our challenges will require the combined efforts of industry, labor, educational institutions, foundations, and Federal, State, and local governmental agencies * * *. There is ample work and glory for everyone * * *. Instead of becoming too much involved in the proper division of activities, we might better concern ourselves with a real cooperative effort * * *. Much heat could be generated in arguing over prerogatives * * *. Much time could be spent in worrying about interference * * *. Much effort could be wasted in fighting for spoils * * *. But unless all join hands in working together, we will fail to meet the challenges of trained manpower."

The Department of Labor has initiated actions for a real cooperative and well-coordinated national manpower program.

First, in developing maximum cooperation between people in the bureaus of the Labor Department.

A committee of representatives from the bureaus was established to serve as the mechanism for a well-coordinated and cooperative effort so that the entire resources of the Department would be brought to bear on manpower problems.

Second, in establishing a sound basis for cooperation between the Department of Labor and other Federal agencies such as the Department of Health, Education, and Welfare and the Defense Department.

A representative from Health, Education, and Welfare and another from Defense have served as informal advisers to a representative of Labor to assist in establishing a sound national manpower program.

A representative of the Labor Department has had frequent contacts with one from Health, Education, and Welfare to discuss how each department could best make valuable contributions to the Nation's manpower program, to coordinate activities for the most productive results, and to discuss any conflicts that might arise between trade and industrial education people of the State and field representatives of the Bureau of Apprenticeship and Training so that they could be resolved as they arose and so that mutual understanding would be developed to help prevent any conflicts from arising in the future.

Several representatives of the Labor Department, at the request of Health, Education, and Welfare, assisted in training a group of trade and industrial educators from the States.

Representatives of the Labor and Defense Departments have had frequent contacts so that outstanding training programs of the Armed Forces could be made available to help promote adequate and effective training.

Third, in starting to build real cooperation between the Labor Department and colleges, vocational schools, and the Trade and Industrial Education Division of the Department of Education in the United States.

Several educational people have served as informal advisers to a representative of the Labor Department to assist in formulating a national manpower program.

Training material reference centers have been mentioned in the statements of the Labor Department. There have been several exploratory discussions to determine the possibilities of colleges and trade and industrial education divi-

sions in the States providing facilities and services for the proposed reference centers. This is an illustration of how educational groups and the Labor Department could work together for their mutual benefit and for the welfare of the Nation.

The pilot programs for community studies of manpower requirements and training-educational needs which have been initiated by the Labor Department help to illustrate how the Department has promoted cooperation not only between its field representatives and the educational people but also with all segments of the communities.

A great deal of effort will still be required for a fully cooperative and well-coordinated national manpower program which will succeed in avoiding critical manpower shortages that would jeopardize economic progress, technological development, and national security. Only a relatively few people across the country have resisted cooperation so that the success of the programs seems assured if there is a continuing effort along the paths that have been charted.

On the basis of the facts in this statement and those presented by the Department of Labor, I hope that the Senate Subcommittee on Appropriations will endorse the establishment of a Bureau of Apprenticeship and Training for the effective promotion of needed increases and improvements in all types of training, including apprenticeship training.

E. R. CHAPPELL.

LETTER FROM SENATOR KEFAUVER

Senator HILL. I have a letter from Senator Kefauver of Tennessee, urging adequate allowances for the Bureau of Labor Statistics, pointing to his own reliance upon the Bureau's figures for some investigative work his Subcommittee on Antitrust and Monopoly of the Committee on the Judiciary is embarking upon. The Senator's letter will be included in the record for the information and guidance of the committee and of the Senate.

(The letter referred to follows:)

UNITED STATES SENATE.
ANTITRUST AND MONOPOLY SUBCOMMITTEE.
COMMITTEE ON THE JUDICIARY.
April 10, 1957.

HON. LISTER HILL,

United States Senate, Washington, D. C.

DEAR LISTER: On March 11, 1957, as chairman of the Senate Antitrust and Monopoly Subcommittee, I announced that an investigation would be made of price changes in administered price industries. While we anticipate utilizing a wide variety of different types of data, pivotal to the investigation will be statistical information on prices.

As you know, the Government's fact-gathering agency for prices is the Bureau of Labor Statistics. It is our hope that we will be able to secure from the Bureau its cooperation in developing various series and measures to be used in connection with our investigation. Obviously, any substantial reduction in the Bureau's budget would limit the extent to which it could provide assistance to this as well as to other committees of Congress.

I do hope, therefore, that, as chairman of the Subcommittee of the Senate Appropriations Committee handling the Labor Department's budget, you will keep in mind the importance of its work on prices to congressional committees as well as to industry, labor, and the general public.

Sincerely,

ESTES KEFAUVER, *Chairman.*

STATEMENT FROM KENNETH WILLIAMSON

Senator HILL. The American Hospital Association had requested an opportunity to present testimony in behalf of adequate funds for the hospital-construction program, but circumstances did not permit their representative to be present today.

I have been furnished the statement of Mr. Kenneth Williamson, associate director of the association, and have read it with a great deal of interest. He presents a ready analysis of the problem confronting America today in attempting to make available to its citizens adequate hospital beds.

I am personally disappointed that Mr. Williamson is unable to be present today to present his testimony in person. The statement will be printed in full in the hearings at this point.

(The statement referred to follows:)

STATEMENT OF KENNETH WILLIAMSON, ASSOCIATE DIRECTOR, AMERICAN HOSPITAL ASSOCIATION

The American Hospital Association welcomes the opportunity to present its views on the vitally important 1958 fiscal appropriations for the Hill-Burton program. The accomplishments of that program have received such widespread recognition that they speak for themselves, hence our recital of some significant facts about it is done only for the purpose of providing a framework for our statement.

Since the inception of the Hill-Burton program, this Nation is the richer by some 143,000 new hospital beds and more than 650 public health centers. About 600 new general hospitals have been built in communities which never before had a hospital of any kind; such construction has brought the miracles of modern medicine to these communities. Fifty-four percent of these were built in communities of less than 5,000 people. The level of beds per 1,000 population has risen in every State. This has been accomplished by an expenditure of some \$828 million in Federal funds, matched by almost \$1.8 billion raised within the States and local communities.

Under this vital and necessary program, the responsibility for meeting shortages in hospitals and other health facilities is primarily that of the citizenry in the States and local communities. The function reserved for the Federal Government is to assist and stimulate State and local action. This function, as we see, is a proper one for Federal Government. It encourages and promotes State and local incentive; it doesn't stifle or kill it. The strength and vitality of the Hill-Burton program lie in the concert of action that it brings into being to build hospitals. It creates a partnership requiring the joint efforts of all partners—the Federal Government, the States, and the local communities, and between government and voluntary enterprise—working together to do the job.

The Hill-Burton program has another, and perhaps not too fully realized, impact on hospital construction. It has created a greater awareness among all the States and local communities of their hospital and health needs. It has, in fact, enabled the States, through surveys, to determine what their needs are. And even in cases where Federal funds have not assisted hospital construction, the guidance and counsel of the Hill-Burton agencies, Federal and State, have been available. In all, since 1948 some 290,000 new beds have been added in this way.

But, in spite of the important progress made, we still have a long way to go before all of our hospital needs are met. During a crushing depression and a Second World War we built few hospitals. This left us with a tremendous shortage. Through this program we have made up some of the backlog. Not much, it is true, but some. But, with this start, we have an opportunity to make real progress, if we only choose to do so. We wish we could say the amount requested for this year's appropriation will make such progress, but we can't. The fact of the matter is the funds are too little. Deferred construction won't save money; it will cost more money in the long run, and, even more importantly, lives. Experience has proven this time and again.

Hospital construction has a continuing need for Federal assistance. The States and communities can't go it alone. Today the Nation's total need for hospital beds is estimated to exceed 1.9 million. With our rapidly expanding population, this need will soon reach 2 million beds. State surveys establish that our civilian hospitals have 1.1 million acceptable beds. Within the United States there are still many areas which either have no acceptable beds or none at all. Many other areas, including some in our so-called wealthier States, have less than 50 percent of the beds needed.

Two factors, however, are reducing the gains that would otherwise result from new hospital construction. These are plant obsolescence (physical and functional) and population growth.

Concerning the first, a total of about 430,000 new beds have been added (143,000 under Hill-Burton and about 290,000 outside Hill-Burton), but despite this there has only been a net total gain of about 200,000 beds. This figure is arrived at in this way: Fifty percent of the hospitals in this Nation are 50 years old, and 50 years is the average life expectancy of a hospital building. This means that the total hospital plant depreciates at about 2 percent annually, so that, while we constructed some 430,000 new beds, about one-quarter of a million of our hospital beds were being lost through obsolescence and other causes. Obsolescence is estimated to be about 9,500 general-hospital beds annually. The second factor, the yearly increase of population, alone requires about 30,000 additional general-hospital beds annually. Just to keep pace with these 2 factors alone, an average of 40,000 new beds must be built annually. More than 40,000 new beds a year must be built to cut into the backlog of unmet needs.

We find it exceedingly difficult, as did the distinguished chairman of the House Appropriations Subcommittee, Representative John E. Fogarty, to understand the justification of the administration's position in asking for almost \$13 million less for the coming year for part C construction than was available last year. Annual obsolescence of 9,500 general hospital beds, the accepted estimate, would at \$16,000 per bed, cost over \$150 million. Hence, what is lost annually through obsolescence alone exceeds the total Hill-Burton authorization for part C construction. Beds to keep up with the population increase factor would cost another \$480 million and when combined with obsolescence the total cost is \$640 million. Of this sum the Federal share, under Hill-Burton, would be about \$295 million, or almost twice the full part C authorization.

We have been unable to understand how the amounts asked for parts C and G were determined. For the latter, comprising the four categories, the amount is \$30 million. In justification the administration has observed that if there were no limits on Federal funds the States would be able to use for fiscal year 1958 about \$71 million for such projects. This is a ratio of about 40 percent of funds requested to amounts usable. For the former, part C, the amount asked is \$90 million. Again without limits on Federal assistance for these projects (the basic Hill-Burton program) we are given to understand the States could use for fiscal year 1958 about \$370 million in Federal funds. This is in a ratio of about 24 percent of funds requested to amounts the States could use. But if the ratio used for part G was followed for part C, the amount needed would exceed \$150 million or the full statutory authorization for the basic Hill-Burton program.

The distribution of part C funds is another matter of concern to us. This part relates to the Nation's need for general hospital facilities. Currently, and for at least the past 5 years, these funds have been divided almost equally between voluntary nonprofit projects and those of units of local and State governments. Based on such distribution about \$45 million of the \$90 million requested for 1958 will be spent for governmental projects. Hence, it can be said that the total amount of the Federal Government's contribution going to meet the need for hospital facilities is being reduced by the amount expended for the construction of hospital facilities which are the responsibilities of State and local governments. The net effect of this approach is a moving away from meeting the need for community hospitals through the voluntary system.

In considering the funds needed this year for part C projects (the basic Hill-Burton program) we respectfully urge the Congress to take the following factors into consideration:

1. Hospital construction projects submitted by State agencies meeting all requisite criteria could, if there were no limits on Federal assistance, be able to use somewhat over \$370 million in Federal funds.
2. A comprehensive nationwide study undertaken by this association jointly with the Public Health Service reveals that there is well in excess of \$1 billion needed to renovate and modernize existing hospitals in order to make them efficient, functional facilities in light of current practices of modern medicine.
3. Obsolescence of existing general hospital plants, it is estimated, develops at a rate of 2 percent of the existing beds per year. This represents approximately 9,500 general hospital beds. At present construction averages of \$16,000 per bed this represents a need for over \$150 million per annum to keep up with the obsolescence factor.
4. The population growth of the country is such that it will require an additional 30,000 general hospital beds every year just to keep up with the increase

in population. Based on the same average cost per bed, this represents an annual figure of \$480 million.

5. The use of hospital facilities, and therefore the need for them, has grown tremendously. One startling example of the benefits of such increased utilization of such facilities may be demonstrated in the fact that at the present time approximately 95 percent of all babies born are born in hospitals. It was only a very few years ago that 37 to 40 percent of them were born in hospitals. This single instance of increased use of hospitals has contributed immeasurably to the fact that the infant mortality rate has been reduced by 75 percent in a 40-year span. It also means, as was recently pointed out by Health Information Foundation in their studies of this question, that "300,000 American babies will have a first birthday who would have died in infancy, if they had been born 40 years ago."

In 1946 the total number of patients admitted to the community hospitals in the Nation was 15.6 million. In 1955 this total had increased to over 21 million. By 1965 over 17.3 million persons in this country will be 65 years of age and over. By 1975 this number will rise to 20.6 million. Further, we know that the use of health facilities by the aged population is $2\frac{1}{2}$ to 3 times that of the younger groups.

A thousand persons a day in our population are reaching the age of 65 years.

6. At the time the Hill-Burton program was first enacted, we knew that there was a backlog in the Nation's need of 800,000 hospital beds. At that time the average cost per bed was \$12,000 or a total cost for needed beds of \$9 billion. The cost of construction has now gone up to \$16,000 a bed. Each year, therefore, that we delay the construction of needed facilities, the cost of providing these facilities increases.

The budget requested by the administration this year is \$60 million less than the amount provided in the enabling legislation. The \$90 million requested is a pitifully small sum when it is seen in relation to all of the needs enumerated above. Year after year we have seen the backlog in funds needed grow. We believe it is false economy to jeopardize the health and welfare of the Nation in favor of the continued reduction in the amount of the sums appropriated for this program.

During the course of the House hearings, Representative Fogarty raised the same question that we do; namely, why is the part C program being cut down in view of the need that was proven? As he did, we also observe that the sum requested for this part would be insufficient to do anything to reduce the backlog of some 800,000 beds which has been established by the surveys of State agencies.

We urge, therefore, that your committee increase the amount appropriated by the House from \$90 million to the full \$150 million provided for in the enabling legislation.

In conclusion, we wish to commend the farsightedness of Congress for including a provision within the Hill-Burton program authorizing the expenditure of up to \$1.2 million for research activities. Any program of the significance that this one has to the Nation's health requires an ongoing research program to determine how to apply the results of the many governmental financed medical and clinical research programs to benefit patients in hospitals. The research studies made possible through these funds should provide the information which will enable us to utilize administrative advances necessary to insure the best possible patient care within the patient's ability to pay. The importance of the Hill-Burton program to the Nation, and the whole matter of the development of health facilities is such that we believe that Congress should enact appropriate legislation to increase the authorized expenditures for these research purposes to at least \$3 million.

STATEMENT FROM SENATOR NEUBERGER

Senator HILL. We had expected Senator Neuberger, of Oregon, to join us today to testify in support of the appropriation request of the Bureau of Apprenticeship, Department of Labor, but he found it impossible to get over and has sent his statement for inclusion in the record, urging the committee to allow the budget estimate for this item. His statement will be printed in full in the record at this point.

(The statement referred to follows:)

STATEMENT OF SENATOR RICHARD L. NEUBERGER, ON BUREAU OF APPRENTICESHIP AND TRAINING APPROPRIATION

Mr. Chairman, I appreciate the opportunity to submit a report for your record. For many years the State of Oregon has utilized advantageously the services of the Bureau of Apprenticeship of the United States Department of Labor. My only criticism of the Bureau is that it does not have more representatives to carry on this work.

The pattern of cooperation between the Vocational Education Department of the State of Oregon and the Bureau of Apprenticeship is one that I believe is worthy of wide emulation. The work of each is complementary to the other. There is no duplication of effort.

In addition to the activity of promoting apprenticeship programs the Bureau has, for many years, emphasized the need and assisted management and labor in setting up programs for the training of other types of workers. For example, in such trades as electrician, printer, and plumber, new methods, new materials and new processes have made it necessary for journeymen to obtain further training. I am informed the Bureau is frequently called on to give assistance in the matter of establishing programs for the training of occupations which are not listed as apprenticeable trades.

While the Bureau does no actual training or teaching they have provided services to management and labor in helping organize programs for these various kinds of training. More often such training is carried on in the vocational schools, although sometimes it might be done in the plant itself.

I understand now that there has been some misunderstanding regarding the role of the Bureau with reference to those occupations which are not listed as apprenticeable trades. I have assured myself, through contacts with the Director of the Bureau of Apprenticeship and indirectly with the Secretary of Labor that the Bureau does not do any actual training; that it does not intend to do such training; and, pointing to its comparatively small budget, that it could not possibly have the facilities to engage in such activities. I understand that the Department of HEW recognizes the Bureau of Apprenticeship and Training's activities in promoting various types of programs, including apprenticeship.

I understand the concern of the vocational people who have voiced to me their opposition to any duplication of their own training function by the Bureau of Apprenticeship. I am very relieved to learn that nothing like that is envisaged by the Bureau. Were it otherwise, I would question, also, the wisdom of their budget request.

The pressure on the skilled worker supply in the next 10 years will be so great, according to all calculations, that tremendous promotional efforts will have to be made in order to assure the Nation of an adequate supply. All of us are aware of the compelling need to keep abreast of, preferably to surpass, the Soviet Union in the production of aircraft, missiles, and other such military items. Some are not so well aware of the equally vital need for keeping our skilled work force equal to, and if possible surpassing, that of the Communists.

The Bureau of Apprenticeship and Training has asked for the modest sum of \$3,940,000 for its operations in fiscal year 1958. This involves a \$300,000 increase for the purpose of systematizing its activities, especially in the area of promotion of other types of training than apprenticeship especially journeyman training. The House has seen fit to cut this figure to \$3,600,000, and the Appropriations Committee report referred to its wish to have "clarification of the role of the Bureau with relation to the functions of vocational education." Statements made by the Director of the Bureau of Apprenticeship, the Secretary of HEW and by the Secretary of Labor appear to me to make clear what the Bureau does, what it proposes to do and what it does not propose to do. And since the Department of Health, Education, and Welfare has recognized the role of the Bureau of Apprenticeship and Training in the promotion of training generally, I urge that the Senate Appropriations Committee authorize the funds and approve the functions described in the original budget request to the House Appropriations Committee.

Let me just say that if Oregon's need is any indication of the general need, the Bureau request would seem modest in comparison to the size of the job there is to do. I know that in Oregon a restricted budget has resulted in a serious reduction in the Bureau of Apprenticeship force. Several vacancies occurring in recent years remain unfilled. Areas where the need today is greater than ever acutely suffer by this unfortunate reduction of staff. I submit for the record, Mr. Chairman, letters which substantiate that need.

(Letters follow from N. O. Nilsen, William G. Kurtz, Norman H. Doving, George H. Peters, Volney Martin, and Ivor T. Jones.)

STATE OF OREGON, BUREAU OF LABOR,

March 22, 1957.

HON. RICHARD L. NEUBERGER,

United States Senate, Washington, D. C.

DEAR SENATOR NEUBERGER: This is an urgent appeal to you as a member of our congressional delegation to use your efforts to prevent any cuts or curtailments in the budget and services of the Bureau of Apprenticeship and Training, United States Department of Labor. It has been called to my attention that Congress is considering a reduction in the budget submitted.

Since the early 1940's, the Oregon Apprenticeship Council and the citizens of Oregon have been dependent upon the services of the Bureau of Apprenticeship and naturally we wish that the services be continued. Oregon is experiencing a serious lack of properly skilled journeymen due to an insufficient number of field representatives.

Because of mass migration to this State, our proportionate share of skilled persons is not reflected in the type of people moving to Oregon. A skilled person living in the Midwest is not prone to leave for a new location when he is secure and no doubt working steadily.

Our concern as to the future of this program is related to several significant problems which face our State and Nation. These matters are listed as follows:

1. We are faced with a proportionately greater increase each year in the number of high school graduates. Some 20 percent of these complete college. The remaining majority of these are not college bound and must have jobs and training opportunities in learning skilled trades.

2. The selective admissions program, now contemplated by the Oregon State system of higher education, will further compound this necessity for local training in the skilled trades for our youth.

3. Certainly we are all cognizant of the nationwide need for skilled craftsmen. Apprenticeship for centuries has been the proven method of meeting the needs and is our only means of meeting the situation.

As a former apprentice, journeyman, superintendent, employer, and presently chairman of the Oregon Apprenticeship Council, I feel qualified to recommend to you that any cuts be restored so that the Bureau of Apprenticeship and Training can fulfill its requirements under the Fitzgerald Act of 1938 and live up to its cooperative agreement.

The Oregon State Apprenticeship Council, at its regular meeting October 3, 1956, at St. Helens, Oreg., passed a motion that the Bureau of Apprenticeship and Training live up to its cooperative agreement and fill the vacancies on the Federal staff, and also that the Oregon congressional delegation be urged to follow up this request. The motion was passed unanimously.

I am sure you will be pleased to know that the relationship between the Federal Bureau of Apprenticeship and the Oregon State Apprenticeship Council and its staff has been very gratifying to me. I can assure you that there has been no duplication of effort and that there is a definite need to increase the field staff of the Bureau of Apprenticeship. At the present time there are three vacancies in the Oregon Bureau of Apprenticeship staff. Some time ago, during a reduction in force, the services of Field Representative Donald Vance were terminated, and shortly after, Field Representative Coffinberry passed away and has not been replaced. About a year ago Field Representative Burt was assigned and transferred to El Salvador. These vacancies have continued for a long period of time and have not been filled. As a consequence, the promotion of the very important apprenticeship program has been severely handicapped. There is much justification which could be said or written in favor of the apprenticeship program.

It is of the utmost importance that the apprenticeship program be expanded to meet the needs of industry, labor, and the consumer public, as well as the welfare of our junior citizens. Therefore, may I urge you to take immediate appropriate action so that the budget reductions be restored, and the vacant positions existing, particularly in the Pendleton and Medford areas, be filled as quickly as competent persons can be interviewed, trained, and assigned to their respective duties.

Please consider this request favorably as this low-cost training has many compensations.

Very sincerely yours,

N. O. NILSEN,
Commissioner of Bureau of Labor.

FEBRUARY 26, 1957.

HON. JAMES MITCHELL,
Secretary of Labor, Washington, D. C.

DEAR SIR: In behalf of the Oregon Machinists' Council and its affiliated local unions, I respectfully request that you fill the vacancies that now exist in the United States Bureau of Apprenticeship in Medford and Pendleton, Ore.

We feel that these two vacancies are a considerable detriment to the apprenticeship plan in this State furthering the much needed skills that are needed for our democracy to exist.

Very truly yours,

OREGON MACHINISTS' COUNCIL,
WILLIAM G. KURTZ, *President.*

WEST COAST TELEPHONE CO.,
Coos Bay, Ore., March 22, 1957.

Senator RICHARD L. NEUBERGER,
Senate Building, Washington, D. C.

DEAR SIR: We would strongly urge the reentry into the Department of Labor budget of the proposed \$300,000 cut from the Bureau of Apprenticeship.

We feel the proper training and supervision of apprentices is very essential to industry as a whole and we in particular. It has proven out that the apprenticeship training program is a vital need, and has been rewarding in the results obtained.

Would you please contact others in the Oregon delegation to enlist their support for reentering the needed \$300,000.

Respectfully yours,

NORMAN H. DOVING,
District Plant Superintendent.

PAINTING & DECORATING CONTRACTORS OF AMERICA,
SPOKANE CHAPTER, INC.,
April 15, 1957.

HON. RICHARD NEUBERGER,
United States Senate, Washington, D. C.

DEAR SENATOR: Last Saturday we held a meeting of the Western Conference of Councils, Painting and Decorating Contractors of America at Boise, Idaho, with council representatives present from Arizona, Nevada, Utah, Oregon, and Washington.

We were informed that the House made a considerable reduction in the budget of the Bureau of Apprenticeship and Training, and also removed the "Training" from the department. We understand the matter is now being considered by the Senate and action was taken in our meeting to advise the respective Senators that our group ask for a restoration of the full budget and also wish this department to continue handling "Apprenticeship and training."

The painting industry is woefully lacking in apprenticeship training and our national association, together with the Brotherhood of Painters have just launched an expanded program toward training apprentices in the trade, and also an expanded journeymen training program built around the new materials and equipment necessary to our industry.

We wish to advise you of our views and sincerely trust that there will be no curtailment in the program of the Bureau of Apprenticeship and Training.

Sincerely yours,

GEORGE H. PETERS, *Acting Secretary.*

OREGON STATE BUILDING AND CONSTRUCTION TRADES COUNCIL,

Portland, Oreg., May 1, 1957.

Secretary JAMES P. MITCHELL,
Department of Labor, Washington, D. C.

DEAR SECRETARY: There exists in the State of Oregon two vacancies in the staff of the Federal Bureau of Apprenticeship. One of these vacancies, existing in Pendleton, Oreg., was caused by the death of Field Representative Walter Coffinberry, and the second is in Medford, Oreg., caused by the transfer of Field Representative Roscoe Burt to South America.

These vacancies have existed for a long period of time and in our requests to the Director of Apprenticeship in Oregon and likewise to Regional Supervisor Griffin in Seattle, we have been informed that the vacancies have not been filled due to insufficient funds.

I believe it is unnecessary to argue with you the desirability of apprenticeship and the necessity for the training of apprentices, but we are requesting you at this time to authorize the filling of these vacancies.

Thanking you for your consideration, we are

Sincerely,

VOLNEY MARTIN, *Secretary.*

OREGON STATE COUNCIL OF THE UNITED BROTHERHOOD OF
CARPENTERS AND JOINERS OF AMERICA, AFL-CIO,

Salem, Oreg., May 6, 1957.

HON. RICHARD L. NEUBERGER,
Senate Office Building,
Washington, D. C.

DEAR MR. NEUBERGER: It is our understanding that consideration of appropriations affecting the Federal Bureau of Apprenticeship Training is now before the United States Senate. In this connection, we should like to acquaint you with the provision of a resolution adopted by the recent annual convention of Oregon State Council of Carpenters:

"*Resolved*, That the Oregon State Council of the Brotherhood of Carpenters of America, district councils and affiliated local unions, in this their 32d annual convention assembled in Ontario, Oreg., April 25, 1957, endorse the intent and purpose of the national standards for carpentry apprenticeship; and be it further

"*Resolved*, That the council use all efforts possible to see that sufficient moneys are appropriated and adequate staffs are maintained in both the State apprenticeship council, Oregon State Bureau of Labor, and the Bureau of Apprenticeship and Training, United States Department of Labor, to promote and assist the Oregon State Council of the Brotherhood of Carpenters and Joiners of America, the district councils and local unions to maintain an adequate supply of skilled workers in the carpentry trade through apprenticeship and other on the job training."

We sincerely urge that you support a high level of appropriation for the apprenticeship program in order that industry may be properly serviced in this field to assure an adequate supply of skilled workers.

With best personal regards, we remain,

Cordially yours,

IVOR T. JONES, *Executive Secretary.*

LETTER FROM DIRECTOR, OFFICE OF DEFENSE MOBILIZATION

Senator HILL. No funds were allowed by the House for the work contemplated by the Department of Labor in connection with civil-defense and defense mobilization activities. The House report repeated comment from an earlier report indicating that it felt that the requests for all work contemplated under these activities should be budgeted for by the Civil Defense Administration and the Office of Defense Mobilization.

I have received a letter from Mr. Gordon Gray, Director of the Office of Defense Mobilization, commenting upon the action of the House in disallowing the Department of Labor's budget item for mobilization readiness.

I shall place Mr. Gray's letter in the hearings for the information of the Senate and the committee.

(The letter referred to follows:)

EXECUTIVE OFFICE OF THE PRESIDENT,
OFFICE OF DEFENSE MOBILIZATION,
Washington, D. C., April 9, 1957.

HON. LISTER HILL,

*Chairman, Subcommittee on Labor, and Health, Education, and Welfare,
and Related Agencies, Committee on Appropriations, United States
Senate, Washington, D. C.*

DEAR SENATOR HILL: This has reference to the appropriation of funds to the various departments and agencies for the performance of mobilization readiness functions. In particular, the question has been presented to your subcommittee whether funds should be appropriated to the Department of Labor to provide for the expenses of that Department incurred in defense preparedness work. The action of the House of Representative in rejecting items for such work appears to have been based upon the belief that defense mobilization funds should be requested, and the need for them demonstrated, by the Office of Defense Mobilization.

I think it is readily demonstrable that the form of the President's budget submission in this respect was proper, and that it is in the interest of the Government as a whole for the departments and agencies to submit and explain their own mobilization preparedness cost items. My conviction is based on two major points which I shall try to explain briefly. They are:

(1) Preparedness work should be done in the regular departments and agencies of the Government.

(2) The Congress should have from the departments and agencies details of their projected costs and the necessity therefor.

Turning first to point (1), I submit that to "provide for the common defense" is not the sole responsibility of any branch or officer or department of the Government, but is rather a purpose of Government itself which invades its every major function. Examples could be cited endlessly from the maintenance of our foreign relations to the conservation of our natural resources—from the development of a national transportation system to financial aid for the construction of schools. Nearly every agency has some responsibility in the discharge of which it is necessary and proper to consider the national defense interests of the country.

The Office of Defense Mobilization was created to assist the President in the coordination of national-defense functions, but the Congress was explicit in section 103 (c) of the National Security Act of 1947, as amended, in requiring the utilization "to the maximum extent" of the facilities and resources of the existing departments and agencies. This mandate in law has been supplemented by Presidential command in a series of Executive orders which assign specific mobilization functions to various agencies and direct ODM to coordinate their performance. Not the least of the merits of this procedure is the fact that in most cases the personnel taxed with the preparedness work will form the nucleus of the organization that performs the wartime function if the necessity arises.

The alternative course of action, whereby a single agency would take all readiness steps, would be wasteful and less effective. The creation of technical and professional staffs duplicating in substantial part the staffs of existing agencies, would increase the budget. And the transfer of preparedness responsibility from personnel conducting current operations in a particular area to an isolated planning group which is not exposed to day by day contacts with the affected industry or population segment, would to my mind put in danger the realism of our preparation.

It is perhaps worth while to restate the essential concept that these defense activities are not ODM functions, but proper parts of the overall responsibilities of the departments and agencies. ODM's function is that of coordinating these activities—a function of which it cannot divest itself. The necessity for such coordination is fairly obvious, when it is considered that as many as 3 or 4 agencies of Government may have functions in a single area of economic activity such as transportation or communications, but the work to be done, once it is identified and apportioned, is best and most economically done in the existing agencies.

On the second point—that the departments and agencies should submit and justify their preparedness costs—it seems to me that the Congress might well protest any other procedure. It might be said of appropriation procedures generally that from the standpoint of the Congress attainment of the ideal in budget review is limited by the lack of time to examine each expenditure in detail. Policy and program determinations are relatively quickly stated, but determining the cost of their execution requires moving down the chain of command to the point where contracts are let and personnel supervised. This is the process that makes for effective “control of the purse strings.” To the extent possible the appropriation committees want to see the need for expenditures in terms of goods and services rather than program goals.

If I am correct in believing that appropriation review is most effective at the point where the greatest detail practicable for review is obtainable, it follows that the departments and agencies should include their national defense costs in their own submissions. The officials of the departments and agencies know what resources they need to perform their preparedness tasks. What is almost equally important, they know the extent to which national defense end products can come off the same assembly line used for nondefense work.

It is not likely that a single worker engaged in peacetime activities can also do a defense readiness job that would require a second employee in a separate agency. I do not suggest that. But it is entirely possible, even probable, that a staff of, say, 15 technicians could do 2 closely related jobs which would require 2 staffs of 8 or 9 persons each, working independently. Realistic appraisal of the total requirement can be made only by the management responsible for both products.

Concerning the particular item which has prompted my writing you—the Department of Labor's budget item for mobilization readiness—I want to assure you of my very real concern. It appears that, far more than in previous emergencies, manpower problems will be crucial in a new emergency. We must be prepared to deal with them much more effectively than we have in previous wars, and the only agency that the President can look to to discharge wartime manpower functions is the Government's peacetime manpower agency, the Department of Labor. While I am not in a position to assess the specific amounts requested by the Department for this work, I am confident that the Secretary of Labor and the Director of the Bureau of the Budget have arrived at dollar amounts which are necessary and sufficient. I am in a position to assure you of the importance of the work to be done.

If you wish it, I should be glad to appear before the committee to state this position orally.

Sincerely yours,

GORDON GRAY, *Director.*

Senator HILL. If there is no further testimony to be taken, the committee will stand in recess until 10 o'clock tomorrow morning.

(Whereupon, at 11:45 a. m., Wednesday, May 8, 1957, the subcommittee was recessed, to reconvene at 10 a. m., Thursday, May 9, 1957.)

LABOR-HEALTH, EDUCATION, AND WELFARE APPROPRIATIONS, 1958

THURSDAY, MAY 9, 1957

UNITED STATES SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, D. C.

The subcommittee met, pursuant to recess, at 10 a. m., in room F-82, the Capitol, Hon. Lister Hill presiding.

Present: Senators Hill, Thye, Pastore, and Potter.

HEALTH, EDUCATION, AND WELFARE

PUBLIC HEALTH SERVICE

STATEMENTS OF DR. IRVING S. WRIGHT, PROFESSOR OF CLINICAL MEDICINE, CORNELL UNIVERSITY MEDICAL COLLEGE; AND DR. E. COWLES ANDRUS, PHYSICIAN IN CHARGE OF ADULT CARDIAC CLINIC, JOHNS HOPKINS SCHOOL OF MEDICINE

CARDIOVASCULAR DISEASES

Senator HILL. The committee will kindly come to order. We are delighted to have with us this morning Dr. E. Cowles Andrus and Dr. Irving S. Wright.

Which one of you gentlemen wishes to testify first?

Dr. WRIGHT. I will.

Senator HILL. Fine. You may proceed then in your own way. Doctor, you are professor of clinical medicine at Cornell University Medical College, past president of the American Heart Association, and a member of the National Advisory Heart Council? Is that correct?

Dr. WRIGHT. Yes, sir.

Senator HILL. Fine. You have been with us before. You have always been a very fine and helpful witness, and we certainly welcome you back this morning.

Dr. WRIGHT. I appreciate that, Senator Hill and members of the committee. I will testify, however, as a private citizen rather than as a designated representative of any of these groups.

STATUS OF CARDIOVASCULAR RESEARCH

Senator HILL. Yes, I appreciate that, of course.

Dr. WRIGHT. It is a privilege to appear once more before this committee to discuss certain aspects of the present status of cardiovascular

research, the needs of future development, and the budgetary requirements for the future operations of the National Heart Institute, and for the furtherance of research in this field as it should be supported by act of Congress through this agency.

We are confronted with the fact that despite remarkable discoveries and advances which have recently been made in the field of diseases of the heart and blood vessels, which I shall hereafter refer to as heart diseases, these diseases still constitute the greatest cause of death for the American people.

Senator HILL. The truth is, Doctor, not to interrupt you, your heart and cardiovascular diseases altogether cause about half of your deaths, do they not?

Dr. WRIGHT. About 52 percent.

Senator HILL. About 52 percent?

Dr. WRIGHT. Of the American people.

Senator HILL. I thought I recalled that.

ATHEROSCLEROSIS MOST FREQUENT TYPE OF HEART AILMENT

Dr. WRIGHT. Yes, sir. There are many diseases in this category, but a few account for most of the deaths and disabilities. Of these, atherosclerosis is the greatest foe of mankind. Approximately 52 percent of all persons who die are victims of heart disease, and of these by far the greatest majority die as a result of atherosclerosis. It begins early in life, which is contrary to the conception of many people. Seventy percent of men in their twenties show some changes of this nature in their arteries, as revealed by careful autopsy studies. Clinical signs in terms of heart attacks or strokes begin to appear shortly thereafter in a few patients and in increasing frequency during the forties and thereafter. While it is true that the greatest number of deaths from this cause occur after the age of 65—for example, 77 percent of the deaths from strokes—a large number occur under that age—for example, 23 percent of deaths from strokes—and this is during the highly productive period of life.

The tragedy produced by the sudden death of the head of a family when he is most needed for financial support and psychological and moral stability is well known to all of you. Unhappily, the tragedy and the frustration are often even greater if he lives but does not recover sufficiently to reassume his responsibilities. Often his care requires the services of one or more additional persons, and the stress which this places upon the family, the community and the individual is so great that it can never be truly evaluated.

CORONARY THROMBOSIS

It has been estimated that there are more than 1 million attacks of coronary thrombosis, otherwise known as myocardial infarction, each year in this country with a death rate which ranges from 25 percent down to 12 percent or perhaps lower. The differences in the death rate in different individuals or groups are dependent on several factors. The first is the severity of the initial attack, the second the general condition of the patient to tolerate the attack, and the third is the treatment used.

The first we cannot affect at present. The second may depend in some measure on whether the patient has been under medical supervision, but often this has not been the case. The question of treatment has many facets, but probably the greatest single advance which has been made in this century was greatly aided by funds granted by the National Heart Institute. I am referring to the use of anticoagulant drugs.

ANTICOAGULANT DRUGS

While early workers, including our own team, came to the conclusion that these drugs appeared to have merit in reducing the complications due to additional clotting of the blood, known as thrombosis and embolism, and hence reducing the death rate, it was necessary to put this to the acid test, namely, a large cooperative study using some patients as controls who did not receive the drug and others of a similar group who did receive it.

As most of you know, 1,031 cases were thus studied in 16 hospitals, by the committee on anticoagulants of the American Heart Association, of which I served as chairman. The collection of cases and their statistical analysis took more than 8 years, but within 2 years the trend was clear and the medical profession informed so that they could use the information quickly in the care of their patients. The death rate was reduced one-third, and the complications rate four-fifths. The more severe the case, the greater the need; but some die too quickly to be affected by the anticoagulant drugs.

All of this could not have happened except through the sizable support made available by Congress. At least the results would have been delayed by some years.

Today this treatment is utilized wherever modern medicine is being practiced—even in Russia, as I learned during a visit to Moscow in October 1956. And so far as I could determine, the Russians have not yet claimed to have discovered or developed the original drugs, both of which were discovered in the United States, heparin by Dr. Jay McLean and dicumarol by Prof. Karl Paul Link.

These and many new compounds—

Senator HILL. Excuse me one minute, Doctor. Where does Dr. McLean do his work?

Dr. WRIGHT. Originally at Johns Hopkins Hospital.

Senator HILL. That is what I thought.

Dr. WRIGHT. Yes.

Senator HILL. Where is he now? Do you know?

Dr. WRIGHT. He practices medicine in Savannah, Ga.

Senator HILL. That is what I thought.

Dr. WRIGHT. He made this discovery as a student working in Professor Howe's laboratory.

Senator HILL. At Johns Hopkins?

Dr. WRIGHT. Yes.

Senator HILL. And Professor Link?

Dr. WRIGHT. Professor Link is professor of biological chemistry in the College of Agriculture of the University of Wisconsin and is still there.

COOPERATION OF AGRICULTURAL COLLEGES

Senator HILL. It is tremendously interesting how the work in agricultural colleges ties in with a lot of your research work here. I had occasion here about a couple of years ago to make a speech to the county agents association, and I took as my text the subject of how your agriculture, your animal research tied in with your human research.

They use the antibiotics with animals to get them to the market sooner and thereby save a lot of the cost of feeding, you see. We have not found yet any corollary in the human field.

Not to get away from the subject of heart, but you can feed a hog, for instance, a small amount of what they call supplements of antibiotics, and you will get him to the weight you want when he goes to the market and get him there maybe a month sooner than you otherwise would. Therefore, you save the cost of feeding that hog for an additional month.

Dr. WRIGHT. That is right.

Senator HILL. I should not have gotten off on that.

Dr. WRIGHT. I subscribe to what you say.

Senator HILL. Of course, when Dr. Florey and Dr. Fleming came over here working on penicillin to bring it into production where we might really have the benefit of it, they went out to Peoria, Ill., to the agricultural college there and did their great work so far as real production where we could have penicillin for our Armed Forces and our civilians. They did it there in that college. Is that not right?

Dr. WRIGHT. Yes, sir.

To further elaborate along the line we are discussing now, the first recognition of dicumarol was a result of observations of two sets of veterinarians many years before who observed that cattle bled to death when they were cut by barbed wire fences and in the process of being dehorned, if they had eaten spoiled sweetclover. This eventually led to the discovery of dicumarol as an anticlotting drug.

Senator PASTORE. They are doing something along that line at Brookhaven with relation to radioactivity and atomic energy—testing mutations of plant life in order to determine what effect it might have—I mean that is the link they are trying to connect there—on human beings in exposure to radioactivity.

Dr. WRIGHT. I think we must be constantly alert to the findings that are developed in agricultural and veterinarian and other schools to see how they can be applied to man.

Senator PASTORE. Yes.

Dr. WRIGHT. Shall I proceed?

Senator HILL. Yes.

REMEDIES FOR OTHER CLOTTING DISEASES

Dr. WRIGHT. These any many new compounds are now used in the treatment of other clotting (thromboembolic) diseases such as phlebitis (inflammation of the veins) and pulmonary embolism (a clot which breaks off into the blood stream and lodges in the lungs). Of major interest has been the discovery that they are also of great value in the treatment of certain types of strokes—those which are due to clotting in the blood vessels of the brain (cerebral thrombosis) or of embol-

ism to the brain. Most of these thromboses have atherosclerosis as the underlying background upon which the clot forms.

Senator HILL. Let me ask you this, Doctor: Do you find these compounds pretty effective now in this clotting such as your thromboembolic disease and phlebitis?

Dr. WRIGHT. Yes, sir. Very.

Senator HILL. Well, that is really quite an advance.

Dr. WRIGHT. Yes, it is.

Senator HILL. Because in the old days they did not know what to do; did they?

Dr. WRIGHT. No, sir. When I had thrombophlebitis, I was in bed 5 months because there was no way to treat it. Today it is practically unheard of for a patient to be in bed for more than 10 days to 3 weeks from thrombophlebitis.

Senator HILL. You just had to wait and pray Mother Nature would take care of it—

Dr. WRIGHT. That is right.

Senator HILL. Without being able to run to any assistance? Is that right?

Dr. WRIGHT. This was almost 20 years ago. And we had nothing to—

Senator HILL. You had nothing at that time.

Dr. WRIGHT. That is right.

DEATH RATE FROM STROKES

In 1955, 175,120 United States citizens died of strokes. This is more than four times the number who died of diabetes and tuberculosis combined in the same year. There are nearly 2 million who have suffered strokes alive today. About four-fifths of these were thrombotic in nature—that is, due to clots rather than hemorrhages.

We made the preliminary observations in this area about 10 years ago, and our data gradually accumulated to the point where it seemed clear that the time was ripe for more comprehensive studies by numerous workers. Therefore, a conference was held in Princeton by leaders in this field in 1954. All aspects of the problems of cerebral vascular diseases were reviewed, and the transactions published for worldwide distribution.

RESULTS OF PRINCETON CONFERENCE ON CEREBRAL VASCULAR DISEASES

This conference was again made possible by a grant from the National Heart Institute.

The following tangible results can already be listed:

1. A great awakening of interest in the previously neglected field of strokes. This is manifested by many reports and meetings and new studies being inaugurated in many medical centers.

2. The setting up of a comprehensive long-term study of the whole problem under the joint control of Cornell, New York University, and Bellevue Hospital. In this, patients will be studied by internists, neurologists, psychologists, psychiatrists, rehabilitation experts, social workers, and others, from the onset of their illness through a long followup. Careful controls set up by random sampling will determine

the effectiveness of anticoagulants and of rehabilitation. This is being supported by the grants from the National Institutes of Health.

REASON FOR CONTINUED USE OF ANTICOAGULANTS

Evidence is strong that once a person has had a stroke due to a clot his chances of having subsequent strokes of this type over the next few years is reduced to about one-fifth if he continues on anticoagulants. This follows the pattern observed after coronary thrombosis which is the reason President Eisenhower is on long-term anticoagulant therapy. In this study we are also concentrating on the effect of anticoagulants on the acute stroke, which so far is not as clear.

3. A cooperative project is being set up providing for joint studies to be carried on in numerous hospitals with the data to be pooled for analysis. This is made possible by support from the National Institutes of Health.

4. A national committee has been working for several years and has about completed the development of a standard nomenclature for cerebral vascular diseases, a most important step toward the development of orderly communication out of chaos.

In other words, for years physicians have been using different words for the same thing, and it has been very confusing to students and to people reading the literature. Now we will hope to have a standard nomenclature developed, and this, while it may not seem like much of a step to a lay person, is extremely important in terms of communication.

MEANING OF ATHEROSCLEROSIS

Senator HILL. Let me ask a question if I may in that connection. The word "atherosclerosis" seems to me a little new. I do not know. Maybe it is not. Because I am just a layman, not a scientist. In the old days we talked so much about "arteriosclerosis." What is the difference in those words?

Dr. WRIGHT. Arteriosclerosis includes atherosclerosis and several other variations, but atherosclerosis is the one of these variations that is most common by far. It is the one that constricts the passage through which the blood has to go so that it finally narrows the blood-vessel opening down to the point where it is very easy for a clot to form because there is a sludge accumulation, and the first thing you know the blood adheres to this roughened wall and you have the development of a clot.

The other forms of arteriosclerosis, some of which invade the medial or the middle muscle there, do not impinge on the opening of the blood vessel and are therefore not in general as dangerous to man.

So we are concentrating on atherosclerosis as being the real killer.

Senator PASTORE. Is that congenital?

NOT A CONGENITAL DISEASE

Dr. WRIGHT. No; it is not congenital. It is produced by various things which we get into here in another few minutes, but—

Senator PASTORE. I was interested in that. I do not want to anticipate at all.

Dr. WRIGHT. There are some families that have a predilection for it, so in a sense it may be familial in some individuals, but there are others that seem to react differently than other members of their families.

Senator PASTORE. But is it a condition that develops early in life?

Dr. WRIGHT. Yes; it may start as early as in the twenties, as I mentioned, but in a very major way for most people, although occasionally individuals die of it in their twenties.

Senator PASTORE. And is there a way of detecting it before some serious harm is done, or is that part of the research now?

Dr. WRIGHT. Frequently this is impossible. It is part of our research to be able to try to detect it, but so far the methods are not very accurate. If a person shows signs in terms of having one or two attacks through which he survives, we then know that he has a predilection and go to work to try to prevent other attacks.

This is our main approach now. And it is true that a man may have an attack, let us say, of a coronary occlusion or thrombosis and may not have another attack for 20 years.

Senator PASTORE. Is the profession optimistic in its research in this regard?

Dr. WRIGHT. I think so. I think it is. I think we feel——

Senator PASTORE. I think it is wonderful.

Dr. WRIGHT. That real progress is being made already and that it is quite possible a breakthrough may come at any time, but it may take 10 years or more.

CONTRIBUTIONS OF NATIONAL HEART INSTITUTE

Senator HILL. Now, you speak about the progress that has been made. What contributions, if any, have the funds which the Congress has given for the National Heart Institute made to this progress?

Dr. WRIGHT. Well, they contributed——

Senator HILL. That is what Senator Pastore and I must advise the committee and the Senate.

Dr. WRIGHT. Yes. Well, I have tried to outline this in some degree as it applied to the problem of anticoagulants.

Senator HILL. I see. Then the same would apply to this?

Dr. WRIGHT. Yes: this is just one example, and you could use many examples.

Senator HILL. Of course.

Dr. WRIGHT. But I am using this as an example of how the funds can be applied and have been applied——

Senator HILL. I see.

Dr. WRIGHT. With very productive results.

Senator HILL. Good.

Dr. WRIGHT. The last definite step was taken when a second conference, also supported by the National Heart Institute, was held in January 1957 at Princeton, at which were many of the same scientists and some others, including several from abroad, Sir Russell Brain from London and Prof. Gustav Nylin from Stockholm, and others, who came together to discuss the interim advances and point out new directions for future research.

RESEARCH FUNDS AID FRONTAL ATTACK ON PROBLEM

And thus it goes. I have elaborated on these steps to illustrate the really concrete long-range developments which are made possible through the type of funds which we are discussing today. They represent one example of the launching of a frontal attack on a specific problem for the benefit of the American people and a strong justification for support to continue such attacks along other fronts.

Although the developments of anticoagulants have constituted one major step, it should not be implied that they are an ultimate answer to the problems of atherosclerosis. We must continue to drive toward the understanding and the prevention of the laying down of cholesterol and other lipids in the walls of the arteries. Progress has been made during the past year or so. The evidence which has been developing does support the theory that obesity is related to the early development of atherosclerosis and hypertension, and that the combination of obesity, hypertension, and the male sex, or even any two of these in combination, multiplies manyfold the death rate from atherosclerotic heart disease.

RELATION OF FOOD INTAKE TO HEART DISEASE

It also supports the claim that the average American is overfed, and that this is in large measure due to our intake of the saturated fats, including meat fats, dairy products, eggs, and hardened margarine, and, further, that the unsaturated fats, including corn oil, peanut oil and other vegetable and fish oils may be better in this regard.

Please note, however, that I say new evidence "supports the claim." We have no final proof that this change will decrease the actual laying down of atherosclerotic plaques in the vessels, nor that such a change may not result in the development of deficiency states over the succeeding years. Hence, we do not know for certain whether this will affect the longevity of the American people or not. This can and must be determined by long-term careful studies. Certain of the recent studies have been made possible through the funds of the National Heart Institute, and this use of funds should be encouraged.

ROLE OF HORMONES

Since being a male carries a much higher risk of death and disability under the age of 55, the studies with hormones are being pressed in an endeavor to unravel this facet of the enigma. We still need an estrogenic—that is, a female—hormone which will change certain fractions of the blood fats which are usually unbalanced in the young adult males back to the pattern of youth which is the same as that for young adult females. We urgently need such a preparation that does not at the same time feminize the male, enlarging his breasts and suppressing his libido. This should be possible of solution, and much more work needs to be done in this area.

UNSOLVED PROBLEMS IN FIELD

I could discuss an almost countless number of unsolved problems in this large and challenging field, but will only list a few of them as follows: We need:

1. More complete and satisfactory prevention of rheumatic fever.
2. A means of successfully interrupting an attack of rheumatic fever once it has started and preventing heart damage.
3. A preventive or a cure for essential hypertension—one of the great killers.
4. Treatment for many diseases which are less common, but all together kill or disable many thousands of people each year, including lupus erythematosus disseminatus, periarteritis nodosa, scleroderma and others.
5. Further advances in cardiovascular surgery, which has advanced in an almost unbelievable manner in the past decade.

Now, in conclusion, for these and many other projects the need for support is great. From personal experience I can testify regarding the meticulous and conscientious care with which these funds are dispensed and the grants awarded. The moneys requested can be very well and wisely invested for the future health of the people of this country.

Thank you very much, sir.

Senator HILL. I have some questions I wish to ask the doctor, and I am sure the members of the committee do, too. With Dr. Wright, of course, we know, is Dr. Andrus, and I thought we might have a statement by both and then we could address our questions, because in some instances we would want to address the same question to both of them.

So if it is agreeable, then, we will go ahead with Dr. Andrus' statement.

STATEMENT OF DR. E. COWLES ANDRUS ON HEART DISEASES

Dr. ANDRUS. Thank you, Senator.

I will identify myself. I am associate professor of medicine at Johns Hopkins University School of Medicine, physician in charge of the adult heart clinic at Johns Hopkins Hospital. I am also a past president of the American Heart Association, and for the last 4 years I have been a member of the National Advisory Heart Council.

I would like, as a practicing cardiologist, to bear witness to the help which is presently available to one's patients which was not available when I started to practice.

I finished my hospital training, it happens, just 30 years ago this summer, and at that time no form of heart disease was curable.

There are tragedies galore at present, but in many fields the outlook is much more hopeful.

NEW KNOWLEDGE IN FIELD

Now, that has inevitably been due to new knowledge which has been developed in that period. And the funds which the Congress has generously contributed to the development of that knowledge have been most significantly important.

Research in cardiovascular disease and any disease is, I think, most flexibly supported by the joint activities of governmental and voluntary health agencies. The American Heart Association in the past 10 years or so has contributed upward of \$15 million to research from funds collected as voluntary contributions from the public.

Dr. Wright has mentioned some advances and pointed to very important needs. Let me mention 1 or 2 advances.

IMPROVEMENTS IN SURGICAL TECHNIQUE

You are all familiar with the dramatic improvements in surgical techniques which have made congenital abnormalities, many of which were formerly crippling, relievable or curable. I have at least one patient who was operated on for a congenital abnormality which disabled him so that he could not carry out his duties as a radio-television repairman, and 3 years later the Army took him in the draft. He was that healthy after the operation.

Senator HILL. How long has he been in the service now, Doctor?

Dr. ANDRUS. Well, I think he served 2 or 2½ years.

Senator HILL. Anyway, he did his full 2 years of service and went through all the arduous training—

Dr. ANDRUS. As far as I am aware.

Senator HILL. Routine and discipline in the services?

Dr. ANDRUS. As far as I am aware he did, sir. I cannot document it. But I know he was drafted because I was consulted about that.

Senator PASTORE. Is there any reluctance on your part to say what this condition was that disabled him?

Dr. ANDRUS. No. He had a patent ductus arteriosus—to use a \$64 word.

Senator THYE. Can you get that down to where I understand what you mean?

CONGENITAL HEART ABNORMALITY

Dr. ANDRUS. Well, before the baby is born, blood passes by the lungs without being aerated in the lungs. The oxygen is transferred to the blood of the baby in utero from the placenta. And nature provides a shunt between the main blood vessel to the body and the main blood vessel to the lung which accomplishes that purpose in utero.

Now, normally, within a few hours or at least weeks after birth that shunt closes because after the baby takes his first breath pressure changes divert the flow in the other direction. But in certain unfortunate individuals this persists, and it may cause serious disability.

It was actually the first congenital abnormality which was successfully attacked by surgery in 1935, and it is so simple now that at the International Congress in 1954–55 there were reports on 3,000 such operations with mortality of less than 3 percent. And when successful—as it usually is—it restores the complete integrity of the circulation, as it did in this young man.

We must pay tribute to the skill of the surgeons in this connection, but the surgeons are able to do their work in large measure because of improvements in the understanding of the physiology of the circulation, of the use of anesthetics, and the design of apparatus and techniques which permit the surgeon to do his task in a leisurely fashion and thoroughly rather than in a hurry.

These techniques are being improved, and investigations directed toward those improvements are being supported in significant measure by the funds which the Congress has appropriated.

RHEUMATIC FEVER

Dr. Wright has mentioned rheumatic fever. Surgery is applicable in rheumatic heart disease but in a pitifully small number of instances. It may, however, be dramatically useful.

To refer to my freshman experience, bacterial endocarditis at that time was a terrible tragedy to face. You made the diagnosis and then sat back and waited for the patient to die—and that is about all you could do. Now you can cure 70 percent of them, thanks to the use of antibiotics and methods for combating infection.

SYPHILITIC HEART DISEASES

Syphilitic heart disease, which was common at that time, is now so rare that when we get a case we gather all the students around to see it so that they shall recognize what abnormalities are so produced.

HYPERTENSION

Dr. Wright has quite correctly called attention to the need for knowledge regarding the cause of hypertension, and we are still far from adequate relief. But in at least one phase it is possible now to bring about relief, although in the past it had been again uniformly tragic. I refer to that stage of hypertension when the blood vessels, so to say, begin to go to pieces. We call it malignant. It is not malignant in the sense it is cancerous, but it is malignant in the inevitable downhill course which is associated with it unless it can be treated.

Properly handled, with drugs which are available, some of which, incidentally, are a beneficent byproduct of chemical warfare, it is possible to bring the blood pressure down and to restore these individuals at least to their prior state before the malignant condition overtook them.

Unhappily, we are finding that the mere presence of hypertension over the years which has led to this malignant phase development has accelerated the process of atherosclerosis or arteriosclerosis in many of these individuals so that we are losing them, having relieved them of the malignant phase of hypertension, by vascular accidents, coronary occlusions.

CONTRIBUTION OF ANTICOAGULANTS TO ATHEROSCLEROSIS TREATMENT

I will not stress the problem of atherosclerosis. Dr. Wright has adequately touched on that and has quite correctly drawn attention to the contribution of the anticoagulants, in the use of which he has played such an important role, to the relief of this situation.

In addition to the advances which one could mention, some of which I have alluded to, there is a less immediately tangible consequence of the investment of funds, and that is the raising of a generation of investigators, the support of young men with new ideas, which is the consequence of the training funds which have been invested, again as a part of the appropriations of Congress.

These individuals are able, as a consequence of such support, to grow in a climate of opportunity and intellectual stimulation which cannot help but bear fruit in the future.

SENATOR PASTORE. In what way is this accomplished? Is this specialized work or is it general?

GRANTS AND FELLOWSHIPS

Dr. ANDRUS. If you refer to the budget, there is a line item on training grants. These grants are given to individuals to go somewhere and work with a master.

Senator HILL. Fellowships?

Dr. ANDRUS. Fellowships, yes. Or they are written into some of the grants which make it possible for a senior preceptor to get by his side apprentices who can contribute in their turn.

It is, I think, one of the most significant contributions that can be made, taking the long view, to the future of research.

Senator HILL. The truth is, Doctor—both you gentlemen are distinguished members of the Advisory Council for the Heart Institute—all of these funds we speak of as research funds on heart include certain funds for training. Is that not true?

Dr. ANDRUS. That is true; yes, sir.

Senator HILL. Certain funds for training?

Dr. ANDRUS. That is right.

Senator HILL. As you say, direct fellowships or maybe here is a distinguished doctor or scientist who is carrying on certain research work and it makes it possible for him to bring in some younger man or younger men to help him. He not only gets the benefit of their services and their help but they get the benefit of this opportunity to train and work directly under him. Is that not true?

Dr. ANDRUS. That is true; yes, sir.

Dr. WRIGHT. Senator Hill, if I might elaborate on this very slightly—

Senator HILL. Yes.

Dr. WRIGHT. As in the case of Dr. Andrus, we have a constant stream of these young men coming through, usually 3 or 4 working directly on our particular projects, sometimes 5. Now, many of those men not only improve themselves but many of them have come from schools or hospitals or centers in this country or abroad where there is no one doing this kind of work. They then go back to their own institution and set up a department, and they in turn begin to be the center, and a whole area or a country or a State has had no such service in the past but then begins to have a trained nucleus of people who, over a period of the next 10 years, give a service to the people in that area that would not be possible otherwise.

SOURCE OF TRAINEES

Senator PASTORE. I would be interested in knowing a little better, Doctor, just where these people come from. What are they? Instructors in schools already? Are they doctors? Who are they?

Dr. WRIGHT. The ones who come to us all must have completed their internship and residency. In other words, they are at least 3 years out of their medical school. But in some cases they have been assistant professors in a medical school in which there was no equivalent department for studying thrombosis and embolism and anticoagulants and so forth. They did not have any. They come and spend a year or two and go back to their own medical school and set up their own department.

Dr. ANDRUS. It is rather flexible, Senator. It goes all the way from a practice which we undertake and which is done in other schools where if we find a bright young medical student we will pay him to stay around in the summer, pay him his expenses to stay around in the summer to germinate that much, or we may take an individual still more advanced and make it possible for him to do a special piece of work in which he is interested or has a peculiar competence.

Senator PASTORE. I understand it, but I wanted the record complete on this subject.

Dr. ANDRUS. Yes, sir. As an example of the support of masters who can train men, to pick perhaps a dramatic one, Dr. Dickinson W. Richards and Dr. Andre Cournand, from New York University, who received the Nobel prize for medicine this year, who shared it, are getting support from some of the funds which the Congress has appropriated, and such training as is available in their laboratory I would gladly take myself if I had the youth to do it.

Senator HILL. Doctor, I think we know why they were given this great recognition of the Nobel prize, but for the sake of the record will you state what they did that brought them that very fine recognition?

ACCOMPLISHMENTS OF DRS. RICHARDS AND COURNAND

Dr. ANDRUS. Dr. Richards and Dr. Cournand have developed a technique for the examination of the pressures within the heart and circulation by the introduction of a small tube, originally done by a German named Forstmann who did it more or less as a "tour de force". The observation was overlooked until these gentlemen picked it up. It is a technique that is available in all good cardiology clinics now thanks to the testing and to the new knowledge which has developed in various laboratories, to which Richards and Cournand made significant early contributions.

Actually Richards started studying shock under the Committee on Medical Research of the Office of Scientific Research and Development during the Second World War.

VALUE OF COLLABORATION

Senator PASTORE. A remarkable thing about many of these distinctions is to observe how in many instances there has been collaboration or partnership of individuals in one discovery, just as you have pointed out now, which I think speaks well for this whole research field, where people have been collaborating together, joining their minds in one experiment. Recognition in many instances has been to several individuals rather than to one.

Dr. ANDRUS. Science less and less proceeds in compartments.

Dr. WRIGHT. The handicap of not having such collaboration is evidenced in Forstmann's original experiment where he could find no one who dared to have a catheter passed to his heart and finally decided to do it himself. He got one of his assistants to stand by while he pushed this catheter up through his veins up to his heart, and they observed it in a fluoroscope. His assistant became panic stricken when the catheter neared the heart and ran out of the room and left Forstmann to complete this thing by himself—the first person who had ever done it. He did not know whether he was going to drop

dead or not. But he went ahead and did the experiment and saw the catheter in the heart. But he had no one to collaborate with so nothing developed from this. It did not blossom.

But Dr. Richards and Dr. Cournand worked as a partnership and were able to develop it.

Senator HILL. I have often thought research scientists and doctors were unsung heroes. We recall Walter Reed who tried to find the cause of yellow fever. He had with him Lazear. Lazear deliberately, willfully, had a mosquito bite him, and the poor fellow died with the yellow fever trying to demonstrate whether that mosquito was the carrier or what was the carrier of yellow fever. They are our unsung heroes I think.

Go ahead, Doctor.

Dr. ANDRUS. I think that would conclude my direct testimony, Senator.

QUESTION OF FUNDS ABOVE HOUSE FIGURE

Senator HILL. Let me ask you this question. The budget recommended for this year is \$33,396,000, and that is the figure carried in the bill as passed by the House. Now as I understand, in the House hearing a budget figure of \$39,576,000 for the Heart Institute was proposed by the planning committee of the National Advisory Heart Council of which you gentlemen are members. This is about \$6 million more than the budget figure and about \$6 million more than the appropriation for the Heart Institute for last year.

Would you gentlemen care to advise the committee as to your opinion of the soundness and the wisdom of such an increase of \$6 million?

Dr. ANDRUS. Well, I should point out that that figure at the time of our testimony before the House committee was something which was offered as a suggestion from the planning committee to the National Advisory Heart Council. They declined to consider that at their meeting the next day and took no formal action on the budgetary figures.

I think that speaking for myself as an individual, in the present climate of financial opinion, I would be less inclined to urge that amount of increase than I was at that time.

Senator HILL. You mean that is at the time you did ask for it?

Dr. ANDRUS. Yes, sir.

Senator HILL. Well, then, the question would be: In your opinion, as a member of the council and one who has devoted yourself so much to this research work, how much do you feel such an increase would advance the heart research, and how much could be what we might say well and profitably spent by the Institute in the coming year?

Dr. ANDRUS. Well, in one respect or two I believe that there is every promise of fruitfulness—

Senator HILL. Of what, Doctor?

Dr. ANDRUS. Promise of fruitfulness—indeed, of need. I refer to the fact that the schools of medicine in the orbit of which this research is largely proceeding—that is, what is not going on as the direct activity of the National Institutes of Health—are increasingly put to expense in the support of research on their premises. There is an in-

direct, not altogether hidden cost of the conduct of research which is not covered specifically in grants.

ALLOWANCE FOR INDIRECT COSTS

The present allowance for indirect costs is 15 percent, and surveys have indicated—a survey made under the direction of Dr. Lowell Reed early in the course of this grant program and a more recent survey under the auspices of the National Science Foundation—that the indirect cost to the institution is considerably higher than the 15 percent available and that it is likely to increase rather disproportionately in institutions in which large amounts of research are going forward.

Now, the proposal had been made to raise that indirect cost from 15 to 25 percent. If that is done without the provision of additional funds to that end to cover that 10 percent, it will in the case of the National Heart Institute mean that proposals which have been accepted and for which funds have, so to say, been encumbered for the coming year will have to be constricted in order to meet the indirect costs.

Not in any official capacity but as an individual who thoroughly believes in it, I think that we face an increasingly fruitful opportunity for the use of funds in training of individuals in the field of research.

Those are the only two comments, sir, that I would make on the budgetary figures.

Senator HILL. What about you, Dr. Wright? Have you any comments you want to make?

PRESENT FUNDS CAN BE WELL SPENT

Dr. WRIGHT. Well, I believe that the figure of \$39,576,000 represents an allotment of funds which could be very wisely and well spent. One has to balance all factors in such a situation as we are facing now, but the question is raised as to whether these funds may be wisely and well spent for research in cardiovascular disease. I cannot but take the position that this is true—that they can be well spent and it is important for us to continue to pursue relentlessly the research in the field of the disease that causes over half the deaths of our population.

ADDITIONAL FUNDS GOOD INVESTMENT

Senator HILL. So you think then that this additional \$6 million would be what we would term a good investment?

Dr. WRIGHT. I believe it would be an excellent investment in the future of the American people.

Senator HILL. Senator Thye?

Senator THYE. I have no questions.

Senator HILL. Senator Pastore?

RELATION OF FATS TO HEART CONDITIONS

Senator PASTORE. No, I was more or less—I do not want to press this because I know we are dealing more or less in a very, very delicate area, and you have indicated, Dr. Wright, that the decisions are not yet conclusive, but referring to page 5 of your presentation, at the

bottom of the page, we had quite a dissertation here the other day when we had the members of the Institute here with relation to these animal fats and vegetable fats as to the results on heart conditions.

A question was asked—I think a twofold question—by the chairman himself, and we got an answer that in that particular area nothing was conclusive or decisive and yet you seem to indicate a lot more promise than was expressed before.

Dr. WRIGHT. Well, I made a point that new evidence supported the claim (*a*) that obesity was a very large factor in the development of heart disease, (*b*) that the American people were overfed, and (*c*) that this was probably related to the large amount in the way of animal fats and dairy products that the American people ingest that other people do not ingest in the same amounts.

However, I did point out that there is no final proof that a change from these fats will in any way affect the longevity of the American people. The final proof is not in.

I do believe, however, there is enough evidence so that a very good, hard look must be taken at this by well-developed research projects during the coming years. We must know one way or the other whether we are malnourished by overfeeding, which is sometimes neglected in the thinking of people who talk about malnutrition.

RESEARCH PROJECT ON DIET

Senator THYE. Mr. Chairman, Dr. Wright, have you such research projects under way right now in the dietary field?

Dr. WRIGHT. Are you asking me personally—

Senator THYE. Yes.

Dr. WRIGHT (continuing). Or whether throughout the country—

Senator THYE. I mean as to your knowledge of what research projects are under way, do you have knowledge that any such dietary projects of research are under way to try to determine which of these fats, whether they be vegetable or animal fats, would be factors that might contribute to the heart condition or the vascular condition?

Dr. WRIGHT. Yes, sir. There are many such projects under way and under good auspices. And while the results are not at this time conclusive, they are of great interest, and I recommend that we should continue them.

Senator THYE. How long a time do you anticipate such a project would have to run before you had any definite answers?

Dr. WRIGHT. I think it might take 10 years or maybe more for the final, conclusive answer, although the trend may become manifest long before that. It may take more than 10 years.

Senator THYE. You made mention in your statement this morning that the oils of the peanut and certain other vegetable oils—

Dr. WRIGHT. Corn oil particularly.

Senator THYE. And the peanut?

Dr. WRIGHT. Yes.

Senator THYE (continuing). That they might not be as injurious as some of the other oils.

Dr. WRIGHT. That is a possibility, and there is some evidence to suggest, for example, that the use of these oils instead of the animal-type oils, saturated fats, may and often does result in a decrease in the level of cholesterol in the blood.

Now, it is believed by many that there is some relation, at least in some individuals, between the level of cholesterol in the blood and the amount of atherosclerosis they develop. There are certain disease states in which this relationship is well recognized.

Senator THYE. But your research projects are underway, and you are endeavoring to——

Dr. WRIGHT. We need more, but there are some that are underway.

Senator THYE. You say you need more. Who would be responsible for those additional research projects?

PROBABLE INCREASE IN RESEARCH ON DIET

Dr. WRIGHT. Well, I think there are many workers who have become quite excited about this whole project, and in the next year or so I would predict that the National Heart Institute would be asked to appropriate grants or make grants to additional workers and for an enlargement of some of the projects already underway. Most of these projects start as small, pilot ventures. If there is promise, they need more help to develop them to a logical conclusion. And I am sure that we will get requests of this nature in an increasing amount during the next years.

Senator HILL. In other words, you think there would be no question that, if you had this additional \$6 million, you could very wisely use it? I mean the researchers are here and they have the interest and the desire to go forward with this work? Is that right?

Dr. WRIGHT. Well, we are training constantly more men to do this research, and they are, in turn, going to want support to help them to do it after they are trained. In addition, the laboratories are becoming better organized to do research in fields like this that were hardly dreamed of 10 years ago. This is a pressing problem, however, because probably the rate of death from atherosclerosis will increase rather than decrease during the next few years until we can find a way of checking its development, because our population is aging, and we cannot withdraw from the pursuit of this at this time. We must press forward on it.

Senator HILL. Senator Potter?

Senator POTTER. I have no questions.

AFFECTS OF LIMITATION ON INDIRECT COSTS

Senator HILL. Let me ask you gentlemen this question. You have already testified on the matter some. One of the problems this committee will have, as you gentlemen know, is this provision which the House has written into the bill specifically limiting the allowance of 15 percent for what we generally speak of as overhead costs to the medical school and the university for this research. Would either one of you care to elaborate a little bit more on that? How much might that do to hamper or to retard your program, the research?

Dr. ANDRUS. If the projects currently in force are permitted to increase their indirect-cost allowance by the 10 percent, which represents the difference between 15 and 25, it will take a bite of approximately \$1,800,000 out of the funds currently available for research grants in the Heart Institute alone.

Senator HILL. Well, I appreciate that, but, now——

Dr. ANDRUS. And that means \$1,800,000 cannot be used to augment current grants in fruitful directions.

Senator HILL. In other words, you would get that much less research, so to speak?

Dr. ANDRUS. That is a much more clear way of putting it.

Senator HILL. But I want the other side of the coin, and that is this: What will be the effect if we do limit these institutions to only an allowance of 15 percent?

Dr. ANDRUS. I cannot give you figures for that.

Senator HILL. I realize you cannot give figures, but—

Dr. ANDRUS. I can tell you Johns Hopkins University, principally because it is a school of medicine, runs half a million dollars in the hole every year. And I have discussed this with Dr. Wood, the vice president, and the indirect cost of the research projects is a significant element in that deficit.

Senator HILL. Well, what effect will that have now, so far as the interest and the activity of Johns Hopkins and these other institutions to whom we must look in carrying on the research that we must have?

Dr. ANDRUS. The time has not yet arrived when research must stop, but research will inevitably be curtailed sooner or later unless this indirect cost of the conduct of research in the most favorable atmosphere, namely, a medical school, can be met or substantially supported.

Dr. WRIGHT. Senator, perhaps—

Senator HILL. Dr. Wright.

POSSIBLE CUT IN CONSTRUCTION OF FACILITIES

Dr. WRIGHT. Perhaps I could note an example of an institution, which I do not feel at liberty to mention by name at this moment, which I have an intimate knowledge of, where they are contemplating the construction of a lot of new laboratory facilities in order to enlarge a much-needed but potentially well-developed program in cardiovascular diseases. One of the deterring influences in this further development of research facilities is the fact that the allotment for indirect costs, which has been available previously in research grants, is not sufficient, so that they would then be undertaking a need for going out and trying to raise additional funds, and they cannot see those additional funds available. So, here is a whole project that is being held up that could go ahead and be highly productive, in all probability, but, because of this indirect-cost lag in appropriations, they are being retarded in their thinking about this.

Senator HILL. Senator Pastore, you had a question?

Senator PASTORE. Yes, on this very point. I think it is quite an important thing.

Senator HILL. It is important.

RELATION OF RESEARCH GRANTS TO MEDICAL SCHOOLS

Senator PASTORE. I cannot seem to put my finger on it right now, but somewhere I read in the House report where they discussed this matter of the ceiling or limitation with relation to indirect costs to the effect that these research grants were not intended as aid to medical schools.

Well, now, I do not go along with that kind of logic—I will say it—but is there any documentation as to the presentation that you have made that within this deficit of a half a million dollars to sustain your medical school at Johns Hopkins the support of these research programs on those premises contributes somewhat to that deficit? Now, can that not be documented in the record so we would have proof positive?

Dr. ANDRUS. I will make every effort to do that, sir.

Senator PASTORE. I go beyond Johns Hopkins. All these research centers.

Dr. ANDRUS. I am not offering this as a subterfuge to the Federal support of medical education. That is another question.

Senator PASTORE. No, no—

Dr. ANDRUS. We are talking about simply the defraying of the indirect cost of the conduct of medical research in these institutions. I will do my best, sir, to get figures if I can from the administration on that.

Senator PASTORE. I think the time will come very soon when we have to meet this problem head-on if we are going to expect these institutions to sustain these research projects.

CATEGORIES OF OVERHEAD COSTS

Dr. ANDRUS. I refer you to the National Science Foundation report, Senator, which made a special study of overhead and enumerated the categories of expense which are chargeable to this.

Senator POTTER. What are most of the indirect costs?

Dr. ANDRUS. Well, they have to do with plant. They have to do with additional personnel. They are not entirely administrative costs—that is, the handling of the funds and that kind of thing. They represent the need for additional personnel to conduct functions of the school of medicine which are diverted, to replace individuals who are diverted at the expense of the university in terms of salary to the supervision or direction of this research.

Senator HILL. I may say in that connection that on Monday morning, when the distinguished Senator from Michigan I know had to be at another committee—that is our problem here; we have about 3 or 4 committee meetings all at one and the same time—Dr. Coggshall, whom of course I know the Senator knows well—

Senator POTTER. Yes.

Senator HILL. And Dr. Hinsey of Cornell were here, and they gave us quite a picture of this situation. And at that time they filed with us this report to which you have referred, Doctor, of the National Science Foundation.

Senator Pastore?

HOUSE REPORT

Senator PASTORE. With the indulgence of the chairman, and inasmuch as I brought it up, I think I ought to quote what the House report says in that regard. It is on page 17. They are discussing this whole matter of the raising of it from 8 to 15 and now refusing to go to the 25. They concluded by saying:

The committee does not doubt that most medical schools need some additional financial assistance; however, funds appropriated to the National Institutes of Health are not for the purpose of general assistance to medical schools.

Now, that is not the question.

Senator HILL. No.

Senator PASTORE. That is not the question. It is whether or not you are going to assume a fair proportion of the cost of sustaining the research on the premises.

Dr. WRIGHT. My own laboratories are research laboratories. What is done in those laboratories is entirely research. We have no students except an occasional one who works as a research assistant in those laboratories. Yet there is an indirect cost associated with them that exceeds the allotment which has been given.

Senator THYE. Well, how would this apply directly and specifically to your laboratory?

RECOMMENDATIONS FOR 25 PERCENT INDIRECT COSTS

Dr. WRIGHT. Well, we would feel that instead of a 15 percent grant that a 25 percent allowance for indirect costs should be included, because you cannot have space in a vacuum. You have the cost of electrical overhead, you have the cost of heating, you have the cost of janitor service, and you have all these costs which have to do with a laboratory—nothing to do with medical students or the medical school function as a teaching institution but as a research institution.

Senator THYE. Well, if this was applied specifically, permitted to stand and applied to you, how would it curtail your activity?

Dr. WRIGHT. You mean—

Senator THYE. How would you meet the question of such research?

Dr. WRIGHT. If the increase were not granted?

Senator THYE. That is right.

Dr. WRIGHT. Well, in our own particular setup I would personally have to go out and ask my patients and friends to give me the necessary funds to pursue the research or else I would have to stop doing that portion of it. And this I have had to do in the past. But it is not always easy. It is a difficult thing, and it takes time out of the laboratory to go and do this, so that results in a curtailment of the total time available for research.

Senator THYE. Then, for the sake of the record—because the only purpose of these questions is to try to fortify ourselves with the necessary answers to meet the critics that we may be faced with—

Dr. WRIGHT. Sure.

PERCENTAGE OF FUNDS FROM FEDERAL GRANTS

Senator THYE. What percent of your funds are the Federal grants here?

Dr. WRIGHT. Well, until this year the percentage has been about 33 percent. About one-third have been from Federal grants. Beginning with the large appropriation of the cooperative study for cerebral vascular diseases, this will be an entirely different picture. But it is a joint effort of a number of institutions and it is hard to allocate exactly how much would be involved in each institution.

Senator THYE. Would you be able to give us some specific enlightenment on, we'll say, a grant to a university, for instance, in order that we might again have an example which would assist us in meeting the criticism?

Dr. WRIGHT. You mean a grant——

Senator THYE. Or in conference, because this will be an issue in conference, whatever we do about it, and we would have to have some sound reasoning——

Dr. WRIGHT. Yes.

Senator THYE. Or the conference might be difficult.

Dr. WRIGHT. A grant given from other sources most frequently in my experience does not specifically limit the amount that is applicable for indirect costs, so, therefore, in many instances at least, the research worker appropriates a portion which he finds necessary to indirect costs. It is when the grant is limited in that regard that we run into difficulties.

Senator THYE. But, for instance, we will take the University of Minnesota. Such a restriction would impose what sort of hardships in the research field of the university? Would you be able to——

Dr. WRIGHT. Since a large portion of the funds of the University of Minnesota are State funds, this would represent a problem that I am not very familiar with.

Senator THYE. I see.

Dr. WRIGHT. I am sorry, but I think that is a little bit of a different type of situation.

Senator THYE. That is all, Mr. Chairman.

EFFECT ON STATES OF LIMITATION AND INDIRECT COSTS

Senator PASTORE. But, at any rate, if the indirect costs for sustaining research work at the University of Minnesota were, let's say, 30 percent as against the overall appropriation, the fact of the matter is that if they took on any of these research programs through the Heart Institute and only were allowed 15 percent, the taxpayers of Minnesota would have to absorb the difference?

Dr. WRIGHT. That is correct.

Senator PASTORE. That is the point we are making here.

Dr. WRIGHT. That is correct.

Senator PASTORE. It is not money you save. It is a question of who pays for it.

Dr. WRIGHT. Yes, sir; that is exactly right.

Senator HILL. Yes. And it is a question of how much of this burden that you impose upon the medical college or the institution that college or that institution can carry or is willing to carry.

Senator PASTORE. That is right.

Senator HILL. You are seeking to get the job done. Can you get the job done as you want to get it done and as it should be done if you impose too much of this burden on the particular college? And is that not the question, Dr. Wright?

Dr. WRIGHT. Yes, sir.

LIMITATION A CEILING ON COSTS

Senator PASTORE. As I understand the procedure, this is not willy-nilly 25 percent. It is "up to" 25 percent. If the Institute determines that it is only 20 percent, that is what they allow. If it is only 8 percent, that is what they allow.

Dr. WRIGHT. That is right.

Senator PASTORE. But if it would be 25 percent, they could grant the 25 percent.

Dr. WRIGHT. Yes.

Senator HILL. We are talking about a ceiling now. We are not necessarily talking about what the allowance should be but we are talking about a ceiling.

Dr. WRIGHT. Yes.

Senator POTTER. If the chairman will allow me——

Senator HILL. Yes.

Senator POTTER. Is it not true if this is allowed to stand that many of your institutions would be reluctant to take research on, institutions that would have the personnel that would be desirable to conduct a research program of this kind——

Dr. WRIGHT. Yes, sir.

Senator POTTER. Just because of the indirect costs? That from a plain economic standpoint they cannot afford to do it?

Dr. WRIGHT. That reluctance is already becoming manifest in a number of institutions. They have taken on about all they can digest unless they can get some help in this regard, and they are slowing up a little bit in taking on new grants.

Senator POTTER. And so the funds for research might have to be passed out to—we do not like to think of them as secondary but not to the best institutions where you have the personnel that would be needed to conduct this research but to the ones that could financially afford it or possibly have facilities to take care of it?

Dr. WRIGHT. Yes, sir.

Senator HILL. If there are no other questions, we certainly want to thank you two gentlemen. We know you are very, very busy men. We deeply appreciate your taking the time to come down here. We are most grateful to you for your very fine and enlightening testimony which you have given us this morning.

MENTAL HEALTH

STATEMENTS OF MIKE GORMAN, EXECUTIVE DIRECTOR, NATIONAL COMMITTEE AGAINST MENTAL ILLNESS; DR. FRANCIS J. BRACELAND, PSYCHIATRIST IN CHIEF, INSTITUTE OF LIVING, HARTFORD, CONN., AND PRESIDENT, AMERICAN PSYCHIATRIC ASSOCIATION; AND DR. NATHAN S. KLINE, CHAIRMAN, COMMITTEE ON RESEARCH, AMERICAN PSYCHIATRIC ASSOCIATION, AND DIRECTOR OF RESEARCH, ROCKLAND STATE HOSPITAL, NEW YORK

REPORT OF GOV. G. MENNEN WILLIAMS

Senator HILL. Now, for mental health, we have Mr. Mike Gorman, executive director of the National Mental Health Committee, Dr. Francis J. Braceland, and Dr. Nathan Kline. We welcome you gentlemen here.

Mr. GORMAN. Mr. Chairman, since I have on my immediate right the outstanding authority on drugs and to his right the president of the American Psychiatric Association, whose distinctions are so many I will not reiterate them, I shall be commendably brief and stick to a discussion of the budget.

On March 21 of this year, Gov. G. Mennen Williams of Michigan, the chairman of the Mental Health Committee of the National Governors' Conference, reported the following progress against mental illness to the National Health Council:

Certainly the most dramatic statistic in the mental health field at this moment is the fact that, according to our Interstate Clearinghouse on Mental Health, 34 States either have almost stabilized or have reduced their mental hospital populations at the end of fiscal year 1956. This was the first time, since 1945, that resident populations in mental hospitals did not increase at the rate of 10,000 per year or more. The decrease, taking total national figures, came to approximately 7,000 under the resident patient figure of 1955. This decrease is particularly spectacular when viewed against the fact that first admissions in 1956 were at their highest point in history.

This is something we are very proud of in the field of mental health.

TRANQUILIZING DRUGS

Now, Governor Williams in his address to the National Health Council attributed this decrease to the use of the new tranquilizing drugs, to record State legislative appropriations for mental health, and—and I do want to mention that the States are appropriating an enormous amount of money. And when people say, "What are the States doing?" I have in the last 5 months met with or harangued at 16 State legislatures, and I know they are devoting an enormous amount of money to this problem. And also this decrease in patients is due to doubling of psychiatric personnel in State mental hospitals just during the past decade.

NUMBER AFFECTED BY MENTAL ILLNESS

However, Governor Williams was careful to point out that "we have to date traversed only the first few miles" in the long uphill fight against mental illness.

During the past year more than 21½ million men, women, and children were treated for some form of mental disorder in mental hospitals, clinics, or by private psychiatrists. In fiscal 1955, the latest year for which accurate data is available, the 1,114 mental institutions in the United States reported that over 1,350,000 patients were on their books. Admissions to mental institutions during that year reached a record high of approximately 482,000 patients.

I think from those figures, Senator, you realize the heartbreak and involvement extending to families and relatives.

Senator HILL. Broken homes.

Mr. GORMAN. That is right, sir. And I think the figure speaks eloquently for the size of the problem.

SHORTAGES OF TRAINED PERSONNEL

Now, I think in attacking the problem of mental illness, Mr. Chairman, there is general agreement that shortages of trained psychiatric personnel are the major obstacle which must be overcome if we are to treat and return more patients to the community. Since my testimony of a year ago, in which I described the training programs of the National Institute of Mental Health as "anemic" in relation to the needs, there has been published an up-to-date study of personnel

shortages by the joint information service of the American Psychiatric Association and the National Association for Mental Health.

This survey points out that despite vastly increased State legislative appropriations for psychiatric personnel, to which Governor Williams referred, State mental hospitals are still not within striking distance of the minimum standards for personnel established by the American Psychiatric Association.

PERSONNEL REQUIREMENT

On the basis of the American Psychiatric Association figures, State hospitals alone require 3,700 more physicians, 1,400 more psychologists, 2,300 more social workers, and more than 25,000 additional graduate nurses. These are established, professional, minimal figures. They are not done in fantasy or hallucination or while on tranquilizing drugs.

Senator PASTORE. Let me ask this question. Are these physicians or these men who can be specialized in the field of psychiatry available?

Mr. GORMAN. Well—

Senator PASTORE. I mean I am wondering now at what level our problem really starts.

METHOD OF COMPUTING NUMBER NEEDED

Mr. GORMAN. I think I could describe this to you, Senator. Maybe Dr. Braceland would like to comment on how the figure is arrived at. It is arrived at by number of doctors per patients. That is, the American Psychiatric Association says there shall be this number of doctors as a treatment minimum for this number of patients. So when they say we are 3,700 physicians short, they include psychiatrists and other physicians in that category.

Dr. BRACELAND. It so happens, with 1 doctor to 400 and 500 patients and some to 800 and more, obviously they are unable to see them or know who they are.

Senator PASTORE. I think maybe you missed the point of my question. I did not mean to be subtle. But this is the point of my question: For a long, long time I have felt we were not producing enough doctors in this country. Now, admitting the fact that we need 3,700 more men specialized in mental diseases, where would we get them? Are they available?

Dr. BRACELAND. No, sir. They will have to be trained.

Senator PASTORE. Trained from whom?

Dr. BRACELAND. From the graduates of the medical schools. And that takes you back to where you are going, Senator. We need more medical students and more people in the schools.

BOTTLENECK IN OUTPUT OF PSYCHIATRISTS

Mr. GORMAN. I could not agree with the Senator from Rhode Island more, having served on a Presidential Health Commission and having the figures presented to me that the basic problem we face in psychiatry is the narrow bottleneck of output. We can only draw from the graduate M. D.'s, and if the schools do not turn these out, our recruiting is limited to that.

And I agree, naturally, with the statistics provided to the Executive Office by Dr. Howard A. Rusk and the Health Resources Advisory Committee that there is somewhere in the nature of a shortage of 20,000 doctors today in this country.

PERCENTAGE OF MEDICAL STUDENTS IN PSYCHIATRY

Senator THYE. Mr. Chairman, I would like to ask a question at this point. What percent of your medical students or the medical graduates are specialized in psychiatry or in this mental health field? Has there been a step-up in the percentages that are qualifying themselves in that field?

Mr. GORMAN. I can give you one figure. Maybe Dr. Braceland can give you more information. But here was a figure presented to the Midwestern Governors' Conference, Senator Thye, a year or two ago, that actually there has been a small percentage increase of about one or one and a half percent in those going into psychiatry. However, the number of residents in psychiatry has increased greatly, I think, as Dr. Braceland can point out.

But I think fundamentally we are still working against a situation of a very narrow pipeline of people coming out, and of some 22 specialties recruiting for these few people, you see.

Senator THYE. Well, that is what I was trying to define.

Mr. GORMAN. That is right.

Senator THYE. How do you proceed? Either you advance the number of students admitted to medical college, either you increase that number, or otherwise you have to have a special inducement to have them, once they are qualified in the medical field, specialize themselves for the mental health field—

Mr. GORMAN. Yes, sir.

Senator THYE. Or qualify in psychiatry.

GRADUATE STIPENDS

Mr. GORMAN. And there are these graduate stipends, but it seems to me in one sense, if I could be a little facetious, it is like offering stipends to two-headed Indians—there aren't many of them around.

Senator THYE. I was just trying to get into the record what can we do to make certain that you are qualifying more or that there is an incentive or an inducement to turn to that field. Because if you have the graduates in the medical colleges, unless you can turn them into this field here they still remain in a specialized medical field but they are not in the mental field.

Mr. GORMAN. Yes. Well, currently, Senator, as I point out in my statement, the National Institute of Mental Health is offering 495 graduate stipends for training in psychiatry. Now, it is our feeling that this is not enough. It is an increase, because you in the Senate voted this increase last year from 295 to 495 above the administration figure. I would like to see it increased to maybe in the neighborhood of 1,500 or 2,000 stipends.

Senator THYE. If you did that, would you create a vacuum in some other field in medicine?

Mr. GORMAN. A few of the specialties are pretty crowded.

Senator THYE. Maybe you misunderstood me. You say the field of advanced medicine for the qualified doctor is overburdened right now? The qualified medical man?

Mr. GORMAN. Yes.

Senator THYE. You mean there are more doctors than there are necessary patients?

Mr. GORMAN. In just a few of the specialties it might be a little overcrowded. But the general practitioner I would say is pretty swamped with patients at this time.

Senator POTTER. Swamped with patients?

Mr. GORMAN. Yes.

Senator THYE. You misunderstand me.

Mr. GORMAN. I am sorry.

Senator THYE. I thought you meant you had a surplus of doctors.

Mr. GORMAN. Oh, no. No.

Senator THYE. I thought you misunderstood me. Because that is what I was trying to define.

Mr. GORMAN. No, to the contrary.

Senator THYE. You do not have a surplus of doctors?

Mr. GORMAN. No, sir.

EFFECT OF SPECIALIZATION IN PSYCHIATRY ON OTHER FIELDS

Senator THYE. My question was: If you drew them into the specialized mental field, would you create a vacuum in another field, another medical field? That is my question.

Mr. GORMAN. Senator, I apologize. I can only answer you in this way: I think you possibly would. I think that when you have a narrow total pool coming out of the medical schools, if you shift that narrow pool around, I think somebody is going to lose what somebody else gains.

Senator THYE. That was what I was trying to get clear—that if you were able to create an inducement or an incentive and you drew them into the mental specialty field, would you create a vacuum in another field or medical need or medical requirement? And if that is the case, then how do we approach it in order to get a greater number going into medicine?

Mr. GORMAN. Dr. Braceland, would you like to comment on that?

Dr. BRACELAND. Senator Thye, we would steal from various specialties. But inasmuch as we staff half the beds in the United States, we would not feel badly about it till we got started. And you are quite correct we have to go back to getting—and it seems like the work that is before you gentlemen is all of a piece. It all fits together. It goes back to more doctors and help to medical schools in order to make more doctors.

NUMBER GRADUATING FROM MEDICAL SCHOOLS

Senator HILL. In that connection, Doctor, we have 82 medical schools in the United States today. Do you know what the latest figures are as to how many they are graduating each year, how many doctors are coming out of the 82 schools?

Dr. BRACELAND. It is coming up, Senator. I cannot tell you the exact data. I am on this Rusk Committee which has the figures. Harold Diehl would be the man to tell you. But I believe we are

coming up to where things certainly look better. Between 6,000 and 7,000.

Mr. GORMAN. Close to 7,000, sir.

Senator HILL. 7,000?

Mr. GORMAN. Yes, sir.

Senator HILL. For instance, this June we will have about 7,000—

Mr. GORMAN. Just under 7,000.

Senator HILL. New or additional doctors who will enter practice?

Mr. GORMAN. But, as the Rusk Committee points out, our population is increasing faster.

Senator HILL. That is right.

Senator POTTER. That is what I was going to ask about.

Mr. GORMAN. Faster than the percentage increase of doctors.

Senator POTTER. You are falling behind?

Mr. GORMAN. Yes: rather than gaining. We have gained 1,000 more doctors, graduates, today than graduated some 7 or 8 years ago, according to the Rusk Committee figure, but we have fallen further behind than we were in 1950 before the Korean war.

Senator POTTER. Could I ask a question, Mr. Chairman?

Senator HILL. Sure.

RECOMMENDATIONS OF AMERICAN MEDICAL ASSOCIATION

Senator POTTER. What is the American Medical Association plan to resolve this problem?

Mr. GORMAN. There is one area I can comment on, Senator Potter. They have endorsed a bill for construction aid to medical schools for capital construction on a matching basis. The medical schools are running maintenance deficits at the present time but they also cannot construct the additional teaching facilities to turn out more students, so that the American Medical Association has endorsed a bill for one-time capital construction grants.

Of course, Senator Hill has a bill on the subject for \$250 million over a period of 5 years.

Senator HILL. A year or so ago they endorsed that bill.

Mr. GORMAN. That is the only area, Senator Potter.

Senator HILL. That was \$50 million a year—

Mr. GORMAN. Yes, sir.

Senator HILL. For physical facilities, to extend over a period of 5 years, making the total sum of \$250 million.

Senator POTTER. I have always felt in the past that the profession has been lax in not taking leadership in meeting the need of training more doctors. And I am glad to see that there has been some effort now. Whether that will meet the problem I do not know. But, as a profession, I think it behooves the profession to assume the leadership in training more doctors, which in turn will give you the recruitment base—

Mr. GORMAN. Yes, sir.

Senator POTTER. For the psychiatrists you need in this great field.

EARLIER BILL FOR AID TO MEDICAL SCHOOLS

Senator PASTORE. When I came here in 1950, soon after that, in 1951 I think, I was privileged to be on the committee that Senator

Hill is now the chairman of—Labor—and we had a bill there and I was asked to manage it on the floor. It did not last very long. I never was stopped more shortly in my life. It was a bill having to do with giving aid to medical schools whereby for each additional new student that a medical school took on up to 30 percent of an increased enrollment—so that you would not overcrowd these schools and deny them the high quality of medical education—they would give \$1,000 for each new student and \$500 addition for every student that was in the medical school.

Mr. GORMAN. That is right.

Senator PASTORE. That was supported by every medical school in this country, and yet the American Medical Association was against it.

Now, I do not have too much hope along the lines that Senator Potter has expressed. They will endorse legislation to build, but that is not our problem. Capital facilities is not our problem. Our problem is good faculty and more students.

Senator HILL. May I say that I well recall the bill to which the Senator from Rhode Island has adverted. He made a very able presentation for the bill on the floor of the Senate and a valiant fight, but, as he said, at the crucial time—

Senator PASTORE. I had to move myself to have it recommitted—

Mr. GORMAN. Some of us watched the death of that bill with great sadness, Senator Pastore.

Senator PASTORE. Rather than see it defeated, because I did not want that defeat recorded. I had hoped then and I do still hope that a greater day of greater illumination will come when we can meet the problem realistically.

Senator HILL. All right, Mr. Gorman.

Senator POTTER. Let me ask one further question, Mr. Chairman.

Senator HILL. Sure.

REQUIRED TRAINING FOR PSYCHIATRISTS

Senator POTTER. How much additional training, how much graduate training, does it need if you recruit an M. D. for psychiatry? Is that about 2 years?

Mr. GORMAN. Dr. Braceland, would you comment on that?

Dr. BRACELAND. Three years of approved training plus two years of experience before he can go before the accreditation board. But certainly 3 years of approved training is essential.

Mr. GORMAN. This is formal residency, Senator Potter.

Senator POTTER. Yes. Thank you.

SUPPORT OF TRAINING PROGRAMS

Mr. GORMAN. Going back to the training problem, the National Institute of Mental Health is deeply aware of its inability to meet the increased demands for the support of training programs. It is my understanding, from talks with leaders in psychiatric training in all parts of the country, that the administration's allocation of \$12 million for training programs during fiscal 1958 will fall \$7 million or \$8 million below the amount needed to support current applications.

I think it is important that the administration's own people admit they are far behind the present level of approved training applications.

I do not mean scatterbrained applications, but those approved by study sections.

We have not begun to tool up for a major training program in psychiatry. As I pointed out in testimony before the House, we do not debate much about spending \$650,000 for the training of just 1 B-52 pilot. The cost of training two of these pilots is approximately equal to the total amount of money we put into the graduate teaching grants for the training of psychiatrists last year.

NEED TO DOUBLE OUTPUT OF PSYCHIATRISTS

There is a major need for large teaching grants to build the faculties of institutions which then could double their output of trained psychiatric personnel. Most of these private institutions are eager to train more people, but they do not have the funds to support such programs.

I think that was pointed out in the testimony a few minutes ago by Dr. Andrus, where Johns Hopkins is running a deficit of a half million dollars a year. It is very difficult to say to them, "Double your psychiatric output."

There is also a need to increase the number of scholarships or stipends offered to people willing to undertake graduate training in the psychiatric disciplines, as I said a moment ago.

Through the action of this committee a year ago, the number of psychiatric training stipends was increased from 295 to 495. While this was an appreciable increase, it is my feeling that this figure should be doubled. Furthermore, we should increase the amount of the training stipends in some of the disciplines.

SURVEY OF TRAINING CLINICS

For example, in a recent newsletter of the American Association of Psychiatric Clinics for Children, there appeared the results of a survey of 39 training clinics which showed that the average stipend offered in the field of child psychiatry was approximately \$4,000 a year. This stipend is offered to a man who has completed 4 years of college training, 4 years of medical school, a year of internship, and at least 2 years of a formal psychiatric residency. At the present price of groceries, how can he support himself and his family on a stipend of that size?

RECOMMENDATIONS

We are, therefore, recommending an increase of \$4 million in the basic training programs of the National Institute of Mental Health, bringing them up to a total of \$16 million for fiscal 1958. In other words, \$4 million over the present \$12 million. I will now get to the heart and core of the matter, Mr. Chairman.

Over and above this, we are recommending \$1,300,000 for the training of the general practitioner in psychiatric skills. Since the shortage of psychiatrists and allied personnel will be with us for at least another decade, we think it is vitally important to train the general practitioner in the handling of mental illness during its early manifestations.

In testimony before the House Appropriations Subcommittee this year, I presented a detailed breakdown of this general practitioner

proposal, and I would like to submit it at this point for inclusion in the record.

Senator HILL. That may be done.

(The material referred to follows:)

THE GENERAL PRACTITIONER: POWERFUL ALLY AGAINST MENTAL ILLNESS

Statement by Mike Gorman, Washington, D. C., Executive Director, National Mental Health Committee; Author, Every Other Bed

Mr. Chairman and members of the committee, the general practitioner is the first line of defense in the community against the initial onset of mental illness. However, up until very recently he has isolated himself from psychiatry, and psychiatry has isolated itself from him. Most of the family physicians practicing today have had little or no training in psychiatry, since medical schools ignored the subject in their curricula. Because the mental hospital system was out in the woods and isolated from the main stream of American medicine, the family physician felt no responsibility for the care of mental patients. As a matter of fact, he frequently refused to visit a distant mental hospital to treat patients.

With the advent of the new tranquilizing drugs, the situation has changed dramatically. The family physician today is probably prescribing more medication for disturbed individuals than is the psychiatrist.

This is a natural development. Dr. Francis Braceland, president of the American Psychiatric Association, pointed out recently that "the key preventive agent in the entire mental effort may well be the physician in community practice, for the physician in general practice sees every segment of the population, every age group, and persons at all economic and social levels * * * In his care of expectant mothers, in his obstetric work, in his care of babies and children, he may accomplish preventive psychiatry of heroic proportions."

Echoing the Braceland theme, Drs. Fred W. Langner and Robert L. Garrard of North Carolina gave it added emphasis in a paper delivered earlier this year before the Tri-State Medical Society.

"Psychiatry offers many useful tools with which to ameliorate this situation, but it lacks the manpower to implement them adequately," they contended. " * * * The general practitioner enjoys several strategic opportunities not shared by the psychiatrist. First, because of his closeness and position of confidence with the families in his community. * * * Second, in the treatment of emotional disorders he maintains a position of advantage over the psychiatrist in two significant areas: He is more intimately acquainted with the patient's total environment and he sees the patient earlier in the development of the illness. * * * The general practitioner has another great advantage in working with emotional illness in that he is more apt to talk the language of the patient and relatives. He usually knows the entire family and is able to ease anxiety and tension in other members who are threatened."

The North Carolina doctors concluded with a plea for increased use of this great medical reservoir:

" * * * Psychiatry is moving out of the mental hospitals and into the community, and the general practitioner will practice more and more psychiatry. The most powerful and frequently used drug in general practice is the doctor himself. None of the miracle drugs can hope to prove more powerful than the interpersonal relationship between the doctor and the patient. This still remains the greatest single tool of psychiatry and one which is available to every physician. The wise family doctor knew this to be true before the word psychiatry was devised."

This raises several serious problems. First of all, the general practitioner must receive some postgraduate training in the handling of emotional illnesses. He must know much more about the diagnosis of the various mental illnesses, and he must learn the difficult art of proper referral to a psychiatrist.

I want to assure this committee that the general practitioner is now eager to receive this training in psychiatric skills. I could not have made this statement a decade ago, or even 5 years ago. However, over the past several years there has been a truly amazing demand for postgraduate training in psychiatry. On February 5, 1957, I received a letter from Dr. Andrew Tomb, of Victoria, Tex., chairman of the ad hoc committee on psychiatry of the American Academy of General Practice, which summarizes this new attitude in the following words:

"We both know that this is something that needs attention in 1957 and that our only hope for an emotionally healthy nation is a psychiatrically alert group of family physicians," Dr. Tomb wrote.

"* * * There is a great desire on the part of the family physician to do more for his patients. The letters that you have received from general practitioners from all over the Nation is proof enough of that."

The National Mental Health Committee is therefore proposing that the Congress allocate \$1,300,000 in the coming year to the National Institute of Mental Health for the training of the general practitioner in psychiatric skills. This proposal is a very modest one. For example, it provides for only 100 mental health fellowships for general practitioners and only 100 stipends to enable general practitioners to take a formal residency in psychiatry.

Since it is estimated that there are from 50,000 to 60,000 family physicians in the country, it might be argued that this program is only a drop in the bucket. However, we believe that the role of the Federal Government in this area is to stimulate State and local efforts. We are confident that States and localities will devote a much greater sum to the training of the general practitioner than the \$1,300,000 proposed for Federal expenditure.

The history of the community mental health clinic movement in this country offers solid proof of the fact that Federal stimulation leads eventually to a major portion of the costs being taken over by the States and local governments. In the first program—1947–50—the Federal Government was spending \$2 for every \$1 contributed by States and localities. However, during 1956 the States and localities spent approximately \$25 million for the support of community mental health services as against the \$4 million contributed by the Federal Government.

Looked at in the light of other Federal expenditures for training, the proposed sum is a very small one indeed. The Air Force recently estimated that it costs about \$620,000 to train a B-47 bomber pilot. The cost of the general practitioner program, then, would roughly equal the cost of training two B-47 pilots.

Since the time at my disposal is short, I would like to devote the remainder of my testimony to an explanation of the budget proposals for the training of the general practitioner.

The following areas of support, but not the specific budget proposals, are adapted from a series of special recommendations developed at a joint meeting of the ad hoc committees of the American Psychiatric Association and the American Academy of General Practice:

1. *Mental health fellowships for general physicians to provide 3 months of intensive training in established psychiatric centers.*

Stipends to 100 general practitioners at \$1,800 each-----	\$180,000
Grants to teaching centers for additional faculty, etc-----	100,000

Total mental health fellowship program-----	280,000
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Explanation: During World War II the armed services, faced with a critical shortage of psychiatrists, developed a 90-day training course for the training of general practitioners and other M. D.'s in limited psychiatric skills. Many doctors have testified that this training has been invaluable in their present-day handling of the emotional problems of patients. The proposed item would revive this highly important program, since we are still faced with a critical shortage of psychiatrists.

2. *Stipends to enable general practitioners to take the required 3-year residency leading to certification as psychiatrists:*

Average stipend: \$4,200 a year. For 100 general practitioners, \$420,000.

Explanation: Dr. Daniel Blain, medical director of the American Psychiatric Association, has estimated that it will take 20 years to double the present number of psychiatrists, but we need, according to APA standards, twice that number right now.

The basic pool of prospective psychiatric residents is limited totally to medical school graduates; the M. D. degree is a prerequisite to specialization in psychiatry. Even if the medical schools are able to increase appreciably their enrollments, these gains will be nullified by the rapid increase in our population.

So we must widen the basic pool from which we draw psychiatrists. In doing this, we have the invaluable experience of the Veterans' Administration to guide us. In 1950 the Korean war and the doctor draft cut deeply into

the medical school graduate pool available for psychiatric residency training in the VA.

The VA, faced with the stark alternative of cutting its psychiatric services to sick veterans to the kind of minimal level which precipitated a national furor in 1945, took the bold step of developing a program designed to recruit the general practitioner into psychiatry. It knew that many general practitioners, particularly those who had been exposed to psychiatry during World War II, wanted to go into that specialty. However, these doctors were no longer youngsters. They had completed lengthy service in the Armed Forces, they had families and mortgages, and they couldn't afford to start in as residents at the prevailing stipend of approximately \$300 a month.

The VA therefore developed its famous career residency program. Under this program, general practitioners were given credit for the number of years they had practiced medicine in the community, up to a maximum of 6 years. The majority of family physicians who came into the VA program received the full 6 years of credit and they started their residency at a stipend level of approximately \$9,000 a year, the equivalent of a beginning staff salary. In other words, the VA picked up the tab for the difference between the regular residency stipend and the stipend for the general practitioner. In return, the career resident agreed to serve a minimum of 2 years in a VA hospital upon completion of his training.

The career residency program is now in its fifth year, and it has been pronounced a resounding success by psychiatric authorities. Proof that it has widened the pool of available psychiatrists is the fact that more than half of the career residents have had at least 6 years of prior experience as general practitioners, and 89 percent of them are more than 30 years of age. Currently, more than 50 percent of the psychiatric residents in the VA hospital system are former general practitioners. Thousands of mentally ill veterans are receiving high-quality psychiatric care today because of this program.

If we can develop such a program for the veteran, why can't we do it for the rest of the American people? Under the National Mental Health Committee proposal, 100 general practitioners who wanted to become psychiatrists would apply to the National Institute of Mental Health for career fellowships. Since the NIMH already awards a considerable number of advanced training stipends in the various psychiatric disciplines, it has developed the basic mechanisms for this type of program. Under the plan, it is suggested that stipends would be granted on the following basis:

General practitioner with 2 years' experience, \$3,600 a year.

General practitioner with 4 years' experience, \$4,200 a year.

General practitioner with 6 years' experience, \$4,800 a year.

The average stipend would probably be \$4,200 a year.

As in the Veterans' Administration program, this career stipend would be added to the regular residency stipend which the general practitioner would receive from the institution giving him the training. For example, if the training institution paid him \$3,600 a year, the average stipend under the career program would bring this up to \$7,800 a year. While not a princely sum, it would probably keep the general practitioner and his family close to the black side of the ledger.

How would the country benefit from this kind of program? First of all, a direct benefit would come from the provision that a general practitioner so trained would be required to devote at least 2 years—possibly 3—to work in a public psychiatric facility. This facility could be a mental hospital, a community mental health clinic, a psychiatric unit in a general hospital, etc.

But beyond this period of required service, the major gain would be enormous. the greatest single bottleneck to progress in the fight against mental illness is the shortage of trained psychiatrists. For example, this committee has been most generous in its appropriations for the support of psychiatric research. As we accumulate new therapies to treat mental illness, we are faced with the cruel dilemma of not having enough psychiatrists to apply this newly found knowledge to the mentally ill of our Nation. To quote Dr. Blain again:

"The problems of personnel shortages in psychiatric services are so overwhelming, so well known and so frustrating that they seem to threaten the very possibility of progress. For lack of manpower, whole programs lie in abeyance; facilities are hopelessly overtaxed, and some are closed to new admissions. Waiting lists are static. Key positions in our field, such as commissionerships in the States, superintendencies of mental hospitals, directorships of psychiatric clinics stand vacant for months and even years."

3. *Pilot projects in the training of the general practitioner, \$500,000.*—The National Mental Health Committee proposes that 10 experimental projects in the training of the general practitioner be supported at a level of about \$50,000 each.

Explanation: When we talk about the training of the general practitioner in psychiatric skills, we venture into an area where little is known and a great deal must be learned. In the scores of letters I have received from National and State officials of the American Academy of General Practice over the past year, there have been innumerable suggestions as to what the general practitioner expects in the way of training in psychiatric skills. Here are just a few of the suggestions:

(a) The proper diagnosis of the various psychiatric ailments encountered by the general practitioner in his daily practice.

(b) Information on the types of patients who can be handled satisfactorily by the family doctor in his own office.

(c) What patients must of necessity be referred to a psychiatrist and what are the effective techniques of referral.

(d) The proper use of the tranquilizing drugs, including information on what types of patients they should be given to. Also basic data on proper dosages, the handling of side effects, etc.

(e) The role of the family physician in caring for patients discharged to the community from mental hospitals. For example, in a rural area where there are no psychiatrists, how can the family physician be equipped to treat mental patients who otherwise might lapse back into the mental hospital?

How impart these skills to the family physician? Again, there are innumerable suggestions as to the best training procedures. Dr. D. W. McKinlay, the chairman of the Commission on Education of the American Academy of General Practice, writes me "that to accomplish something real, postgraduate courses of at least a week or more should be made available on a very wide and continuing basis." Dr. Jesse D. Rising of Kansas City, also a member of the Commission on Education, suggests "grants of money to medical schools for the purpose of securing topnotch teachers for programs which will be attended by general physicians, both general practitioners and internists, and probably many others." Dr. John S. De Tar of Michigan, the distinguished president of the American Academy of General Practice, stresses the point that "the postgraduate medical education of the family physician must include a great deal of educational material on the subject of mental illness." A number of officers of State academies of general practice inform me that most family physicians are too busy caring for the sick to take a week or two out of their practice; they suggest an hour or two a week of instruction over a long period.

It will be valuable to explore many of these approaches during the next few years. For that reason, the National Mental Health Committee suggests the following as just a few of the training projects which might be set up:

(a) A training course for general practitioners conducted over a period of at least 1 week. This should probably be undertaken by a department of psychiatry in a medical school, with the full cooperation of the State academy of general practice.

(b) A 3-day postgraduate training course conducted at one of the large public mental hospitals, Federal or State. The hospital selected would have to be one with an unusually fine staff.

(c) A training course conducted by a State academy of general practice. A number of State academies have recently formed committees on mental health, and these committees could be given the responsibility for the training courses. It will be necessary for these committees to pay psychiatric faculty recruited for the training programs.

(d) A pilot training program conducted in a community mental health clinic. A mental health clinic, which frequently treats hundreds of patients on an outpatient basis in the course of a year, is an ideal training ground for the general practitioner. At such a clinic, he will encounter most of the problems which he is likely to see in his practice of family medicine. Upon completion of such training, he can be an invaluable ally in the treatment program of the clinic.

(e) A pilot program using the general practitioner in the followup of discharged patients from mental hospitals. More than 250,000 patients are discharged each year from our State mental hospitals alone, yet the great majority of them are not followed up in the community. In a pilot project of this kind, the mental health committee of either the State academy of general practice or the State medical association would be the organizing body. It would draw up a list of all general practitioners willing to undertake treatment and coun-

selling of mental patients discharged into the various communities. Mental hospitals would turn over to these physicians all data on treatment received by the patients while institutionalized, and the physicians, in turn, would keep the hospitals informed on subsequent progress of the patients while treated in the community. A recent limited experiment along these lines has been started by the mental health committee of the Washington State Medical Association.

4. *Appropriation to the National Institute of Mental Health, \$100,000.*—In the education of the general practitioner, the National Institute of Mental Health must play a leading role. Its major contribution would be the development of suitable training materials for the various training courses designed for the general practitioner. These would include suggested course outlines, training films, newsletters, etc. In addition, the Institute should be charged with the responsibility of developing statistical data on the role of the general practitioner in mental illness. This should include material on the amount of emotional illness seen by the family physician, drug usage, referrals to a psychiatrist, etc.

INCREASE PROPOSED

Dr. Braceland will talk to that point a little more in his own testimony—training of the general practitioner.

Now, in the area of psychiatric research, we are proposing an increase of \$3 million over the administration estimate, \$2 million additional for psychiatric research grants and \$1 million additional for drug evaluation. Psychiatric research is now at its most exciting and productive level. As Dr. Felix, the Director of the National Institute of Mental Health, has pointed out, it has begun to attract scores of distinguished investigators from the allied areas of biochemistry, physiology, anatomy, neurology, et cetera.

This heightened interest in psychiatric research has resulted in a tremendous increase in worthy applications to the National Institute of Mental Health. The spending level for research in the second half of this fiscal year—that is, fiscal 1957—indicates that the approximately \$11 million which the administration proposes for fiscal 1958 will fall several million dollars short of meeting the amount needed to support high-quality research during the coming fiscal year.

The situation is analogous with reference to the drug evaluation programs of the National Institute of Mental Health. As Dr. Felix pointed out in his testimony before the House, the first 6 months was largely taken up with tooling up for this important project. During the second half of the current fiscal year, there has been an enormous increase in applications for drug study and evaluation work. On the basis of this level of applications during the second half of the year, the Advisory Council to the Psychopharmacology Service Center has recommended a \$3 million drug study and evaluation program for fiscal 1958, 1 million above the administration request. This is an official body, which comes under the umbrella of the administration. The detailed breakdown of their recommendation is included on page 899 of the House hearings.

PSYCHOPHARMACOLOGY NEEDS

The Psychopharmacology Service Center has a staggering task facing it in the next few years. Whereas only 2 years ago there were but a handful of tranquilizing drugs, it is now estimated there are more than twoscore in various stages of use and development. In fact, there are more drugs on the market than I can keep up with or care to.

Senator POTTER. Is it not true that some of your tranquilizing drugs are not tranquilizing drugs? That is, that they are advertised as tranquilizers but they are not?

Mr. GORMAN. Well, Senator Potter, since I am not an M. D. and since Dr. Kline will testify directly—he knows more about the drugs and has got a number of them in various stages of testing.

On the question of drugs, I think, furthermore, many researchers are now concentrating on the development of so-called energizing drugs for use against the severe depressions which the tranquilizers are, for the most part, unable to ameliorate. Clinical reports on the effectiveness of these new energizers—with particular emphasis upon iproniazid, a chemical relative of the drug isoniazid which has proven so effective against tuberculosis—are beginning to appear in the medical literature. And Dr. Kline will speak to these drugs.

DRUG TREATMENTS ON INCREASE

Now, in light of the fact that widespread chemical treatment of mental illness is definitely on the increase, it is imperative that the Psychopharmacology Division at the Institute concern itself with the development of basic mechanisms of evaluation leading to a widely accepted set of procedures applicable to all of the new drugs which continue to appear on the medical horizon. In achieving these goals, the Psychopharmacology Service Center—now generally accepted as a permanent and increasingly important division of the National Institute of Mental Health—must acquire additional staff and really must receive yearly increments in its grant moneys so it can keep abreast of the flood of new drugs.

COMMUNITY MENTAL HEALTH SERVICES

Finally, in the area of clinics and community mental health services, we are requesting \$5 million, an increase of \$1 million over the administration estimate. This clinic program has been a remarkable example of Federal stimulation leading to increased State and local support.

At the inception of this program, as you know, the Federal Government was spending \$2 for every dollar contributed by States and localities for the support of community mental health services. However, during 1956, the financial roles of the Federal Government and the States and localities were dramatically reversed, with the latter—that is, the States and localities—spending more than \$25 million for these services against the \$4 million contributed by the Federal Government.

Since it is estimated that we have only about one-fifth of the full-time clinics that we need, and since practically every mental health clinic has a waiting list of from 6 months to a year—and this includes New York City and Dubuque, Iowa—we propose increased Federal participation in this program to stimulate further State and local effort.

TOTAL REQUESTS

In summary, Mr. Chairman, the National Committee Against Mental Illness is requesting \$44,717,000 for the fiscal 1958 operations of

the National Institute of Mental Health. This compares with the \$35,217,000 which the administration has recommended.

Senator HILL. It is about \$9½ million more, is it not?

Mr. GORMAN. Yes, sir, it is. However, it is important to note, as brought out in the House hearings, that the Institute originally requested approximately \$40 million for fiscal 1958. The original request was cut back by \$4,600,000 before it was transmitted to Congress.

I make no comment either way. These are factual statements on the basis of the House hearings.

Mr. Chairman, this request of approximately \$44 million should be related to our current expenditures for the care of the mentally ill. In the latest fact sheet of the National Committee Against Mental Illness, we document the direct yearly cost of mental illness in the United States today as \$4,172,124,955. I don't know how much money that is. It's not my current bank statement. But I think it is an awful lot of money. And three figures in that compilation are worthy of special note:

1. The care of the mentally ill in State mental hospitals in 1956 cost \$662,146,372.

2. The cost of mental illness to the Veterans' Administration in the same year was \$522 million.

3. In 1956, it is estimated State governments—many of them hard pressed for tax funds—spent between \$350 million and \$400 million in the construction and renovation of mental hospitals. So the States are trying to the best of their ability to do the job. They are not looking upon Uncle Sam for handouts. They are spending over a billion dollars a year in direct costs, and still they are not keeping abreast of it.

Mr. Chairman, I append to this statement a detailed breakdown of the yearly cost of mental illness taken from the 1957 edition of *What Are the Facts about Mental Illness*.

(The material referred to follows:)

WHAT IS THE OVERALL DIRECT COST OF MENTAL ILLNESS IN THE UNITED STATES TODAY?

1. It is estimated that mental illness costs annually approximately \$4,172,124,955. This includes:
 - (a) Total maintenance expenditures of public mental hospitals for fiscal 1956 (42)----- \$662, 146, 372
 - (b) Estimated cost of care and maintenance of 60,293 neuro-psychiatric patients in Veterans' Administration hospitals (1956) (25)----- 238, 000, 000
 - (c) Veterans' Administration compensation and pension payments to veterans whose only or major disability was classified as a mental illness or psychoneurotic disorder in 1956 totaled (46)----- 284, 240, 844

Estimated cost of construction of new Veterans' Administration hospitals for psychiatric and neurologic patients 1947-55 totals \$121,184,229 (16).
 - (d) Total amounts appropriated for new construction, additions and renovations to mental hospital facilities, as reported by State authorities, as of November 1955 (15)----- 750, 000, 000
 - (e) Expenditures of public institutions for mental defectives and epileptics (1953 latest year for which information is available) (36)----- 157, 908, 029
 - (f) Cost of public assistance to mentally ill and defective persons (47)----- 18, 303, 360

WHAT IS THE OVERALL DIRECT COST OF MENTAL ILLNESS IN THE UNITED STATES TODAY?—Continued

(g) 1955 loss in earnings of patients admitted to mental hospitals	
in 1954 (8)-----	2, 061, 526, 350
The loss to the Federal Government in Federal income tax revenue on these lost earnings totaled \$271,000,000 in 1955 (8).	
Total-----	4, 172, 124, 955

Again quoting Governor Williams in his report to the National Health Council, he said that he was optimistic as to the future. However, he warned that—

this is no time merely for us to consolidate our gains. Rather, with public interest as high as it now is, we are in a period in which we must not only hold our beach-head but make a real breakthrough. * * * With the help of God we will one day reap the full harvest of the seeds we have been sowing these last few years. May the good Lord grant us all His blessing as we labor on behalf of one-tenth of mankind—

currently afflicted by mental illness—

and in a real sense, on behalf of all mankind.

Thank you, sir. This concludes the budgetary statement, and I have one small addendum, sir.

Senator HILL. Go ahead.

IMPROVEMENT IN KANSAS HOSPITALS

Mr. GORMAN. The distinguished Senator from Kansas, Senator Carlson, in 1947 was Governor of that State. I went up to see him at the beginning of the Kansas program when the Topeka State Mental Hospital was one of the worst in the country, and the other two mental hospitals in Kansas were quite frightful.

Senator Carlson at that time brought in the Menninger Foundation. Today I think the Topeka State Mental Hospital is the finest State mental hospital in the country. There are 45 doctors working there for some 1,500 patients. It is a ratio that is higher than any other hospital in the country.

Now, it was brought about for one reason. As you know, the Kansas Legislature is not one that throws around Yankee or Confederate dollars. It looked carefully at this thing, and on the basis of finding that if you train the men, the young men, you could do the job, they have avoided the construction of \$38 million worth of hospital beds at the cost of \$6 million in accelerated training programs.

In other words, \$6 million of training funds over a period of 5 or 6 years has, among other things, beyond getting several thousand people out of hospitals, including 1 woman who had been hospitalized 73 years at State expense and who was returned to her community, averted a tremendous construction expense.

Now, Senator Carlson took the floor of the Senate last Thursday to relate to the Senators his experiences and point out what the Kansas program has meant in Kansas and pointed out, for instance, that the cost per patient is much cheaper in Kansas because, although the per diem is much higher—it is the second highest in the country—the total cost has gone down. So that they see that if you have invested in this problem an adequate amount each day you will not

have to spend it for 8 or 10 years, which is what most States are still doing.

REMARKS OF SENATOR CARLSON

And concluding his remarks to the Senate, Senator Carlson said:

First, I want to urge strongly that the Congress, the States and private organizations and institutions engaged in this work vote increased funds for the type of programs that are paying dividends. We must not be niggardly with funds for the treatment of the mentally ill. We should not hesitate to devote more funds for research in this field both from the Federal and the State Governments. We need to discover cures and better methods of care and treatment.

Quite generally you hear that we should spend large sums of money for new construction and new buildings for our mental patients. With this I am in accord, but I can never forget the statement of Dr. Menninger when we were talking about building new mental hospital buildings in Kansas. Dr. Will Menninger stated at that time that new buildings were fine but what we needed was more doctors and more trained people to care for our mentally ill.

We proceeded on this basis in Kansas, and I think the results speak for themselves.

We need more funds for the training of additional psychiatrists, social workers, and nurses to take more efficient care of the increasing number of the mentally ill. Here again we can be of real assistance.

He went on to urge the States to increase their budgets, and he said finally:

What if we choose not to spend additional moneys for treatment, research and training during the biennium? The alternative is unmistakably clear. The State will continue to spend approximately \$350 million a year to construct buildings to house the ever-increasing flow of mental patients.

In other words, I am putting this in the record, Mr. Chairman, only because of my feeling that Senator Carlson—

Senator HILL. Well, do you want to put the whole thing in the record?

Mr. GORMAN. Just that part.

Senator HILL. I would suggest, unless there is some objection, we put Senator Carlson's statement in our record.

Mr. GORMAN. I defer to the infinite wisdom of the chairman.

Senator HILL. Without objection, so ordered.

(The statement referred to follows:)

PROGRESS IN MENTAL HEALTH TREATMENT

Mr. President, President Eisenhower has set aside this week, beginning April 28, as National Mental Health Week, and as I regard mental health one of our most serious problems, I want to take this opportunity to discuss some of the problems in connection with it and also report progress that is being made in the cure and control of this disease.

It is only in recent years that we have actually come to grips with this problem and are now treating patients for mental illness instead of incarcerating them in hospitals, which in reality, became prisons for the rest of their life.

We in Kansas have been most fortunate in that the Menninger Foundation—which is internationally known—and is located at Topeka, Kans., has for many years conducted a program of research and carried on clinical demonstrations that prove that mental illness responds to treatment just like physical ailments.

As we observed the effectiveness of the work of the Menninger Foundation, we in Kansas became convinced that their program was good not only for Kansas, but for the Nation.

It was in 1947 that Kansas decided to do something about its mental-health problem, and while I am going to discuss the mental-health program from a national standpoint, I also want to discuss some of the changes that have taken place in Kansas since 1947.

As Governor of the State, I took a personal part in the campaign which our citizens and the Kansas Legislature not only approved, but took steps necessary to get the program underway.

One of my first official acts was to appoint a commission composed of outstanding doctors and private citizens and charge them with the responsibility of making recommendations to the Governor and the legislature for changes in our mental-health program.

It was fortunate for the State that Dr. Franklin Murphy, present chancellor of Kansas University and at that time director of the Kansas University Medical Center, and Dr. Karl Menninger of the Menninger Foundation, agreed to serve on the committee and spent much time on this study and report. I think the results speak for themselves.

Kansas has experienced a tremendous change in its State mental institutions. Since that time we have advanced from 45th place among the States in 1948 in per capita expenditures for maintenance to 10th in 1951—6th in 1952 and 3d in 1955.

In 1948 we were spending \$1.06 per patient-day, while in 1953 we spent \$3.87 and \$4.73 in 1955.

I have before me a report from Dr. George W. Jackson, director of institutions in Kansas, for the year 1956, which states that the daily cost per patient has increased 41.2 percent, but operating expenses per patient released alive has decreased 42.2 percent.

According to Dr. Jackson, of the 1,040 first admissions during fiscal year 1955, the following dispositions had been made within 1 year: Still in hospital, 25.77 percent; discharged, 37.02 percent; on trial visit, 23.56 percent; in family care, 5 percent; deaths and otherwise absent, 8.65 percent.

That, to me, tells the story of the great progress that has been made within our State, when you realize that only one-fourth of those who were admitted during the year 1955 were in the State hospitals at the end of the year.

The fact that 37 percent were discharged as cured, about 25 percent were out on trial visit, and 15 percent in family care demonstrates that Kansas' program is paying dividends.

In Kansas during the year 1949, with more people in our mental hospitals, only 455 were released, while the number released in 1955 was 1,356.

About 80 percent of those admitted to our hospitals are released in 1 year. This 80 percent includes about 8 or 9 percent who die.

Things have been happening in a good many States, but my responsibility, I think, is to try to tell you what has happened in the State of Kansas that has materially changed our whole mental hospital situation.

I am proud of the fact that Kansas is probably the only State in the Union in which the mental hospital population has gone down in the last 5 years. It is down now more than 7 percent, in contrast to the national average, which shows roughly an increase of 15 percent. Even with our Kansas State hospitals still quite inadequately staffed, 74 percent of the folks who entered those hospitals in 1954 went home, most of them within a period of from 3 to 6 months.

I believe that Kansas has the only system of State hospitals in the country where there isn't a long waiting list and where people don't have to sit in jail for a week or a month before they can even enter a hospital where a doctor might see them a month later.

It is possible and probable, I think, that in Kansas we will never have to build additional hospital beds if we can keep our present program going. To be sure, we will have to build some replacements, but when we started this program the Public Health Service told us that we needed 3,800 more beds; in very rough figures, they would have cost \$38 million. That sum wasn't spent—and I don't believe it will need to be spent.

Thus, our experience to date suggests strongly that increased expenditures for the care and treatment of the mentally ill are good investments not only in human values, but also in terms of dollars and cents.

Under a program of custodial care only, relatively few patients are released, hospital populations build up and up, more beds must constantly be provided (at an average cost of approximately \$10,000 per bed) and no solution to the problem of mental illness is ever in sight.

On the other hand, a dynamic program of psychiatric care and treatment makes possible the improvement and cure of a great many patients who can then be released as useful citizens of the community again. Turnover is much greater, more patients can be treated and discharged, and mental hospital populations may actually decline, as they have in Kansas. Thus, it may never be necessary

to build the additional buildings and beds, which would otherwise be needed to provide for a constantly increasing hospital population.

Mr. President, I requested the National Committee Against Mental Illness, Inc., to furnish me some recent statistics in regard to the progress made in the treatment of mental illness during the past few years.

It is interesting to note that at the close of 1956, for the first time in history, there was a reduction under that of the previous year in the number of resident patients in State mental hospitals. This reduction amounted to approximately 7,000 under the resident patient figure at the close of 1955.

The decrease is particularly remarkable when one notes that 1956 was a record year for admissions—approximately 186,000 mental patients were admitted in 1956, as against 178,000 in 1955, and only 115,000 in 1945.

It is also significant when one considers that since 1945, when figures on mental hospital population were first collected on a national scale, there had been an average increase of 9,400 patients each year in the total mental hospital load.

This progress is most encouraging to me and furnishes proof that every State in the Union can do what the State of Kansas has done during the past decade.

Mental illness is a real and continuing national problem, when you realize that 1 out of every 10 persons will spend some part of his life in a mental hospital.

This means about 16 million people now living in the United States will be hospitalized for mental illness at one time or another unless new treatment and cures are found.

I believe it can be definitely proven that mental illness or other personality disturbances are usually significant factors in criminal behavior, delinquency, suicide, alcoholism, narcotic addiction, and very often in cases of divorce.

The statistics on the number of cases of the above-mentioned problems are appalling and it is only in recent years that we are beginning to fully understand that they are most often the result of mental disturbances.

One of the most interesting studies I have read in recent years on mental illness was a survey by the Menninger Foundation, completed in 1954, which indicates that emotional ills in industry cost this Nation billions of dollars in productivity each year.

Figures from this report reveal that as a result of mental disturbances, industry suffered a \$9 billion loss because of absenteeism from work; that 80 to 90 percent of the accidents were due to psychological causes, which cost an untold sum of money.

It was interesting to note further from this report that alcoholism represents a loss to industry in excess of \$1 billion, and 1 out of every 50 workers is a problem drinker and 89 percent of these are in the 35- to 55-year range.

Financial losses may easily be determined on the basis of statistics, but no one can place an estimate on the agonies, heartaches, and the suffering of those who are close to patients suffering from mental illness. Many of the heart-rending problems of the patient and those closely associated with him could be cited; however, I want to give you just a few of the experiences that came to light in our study of the hospital situation in Kansas.

Here are some of the human interest stories:

One woman who had been there for 20 years had not spoken a word over the last 8 years. Her doctor wasn't discouraged, however—he was a young fellow. If I had been that man, maybe I wouldn't have had the courage he had to try to help her.

He began spending time with her, and in the course of 2 weeks she began to talk. No one had ever tried to talk to her before that, I guess. Now she is a practical nurse in the community, after spending 22 years in the State hospital because no one ever took any interest in her.

Among the patients whose cases were reviewed when the new staff took over was a hot-tempered Dane who somehow had gotten shuffled into the Topeka State Hospital 19 years previously. There was no evidence that the man was ever sick enough to have been hospitalized. He had gotten into a little difficulty with the law and was put in the State hospital. He spoke little English and the harder he tried to prove he was not sick, the more the authorities believed he was very ill. Well, he is back in Denmark now.

Perhaps the most tragic of these human interest stories was that of a young woman of about 23. She was a rather pretty, sweet girl, but her hair was bedraggled and neglected. She was standing by the door one day when the doctor went up to speak to her. The doctor asked, "What are you doing here?" and her answer was, "I guess I am just waiting to get like the rest of them." She had never had a doctor talk to her at all.

We were indeed gratified to see that these good things could happen—that people in mental hospitals can be helped to get well.

These and thousands of other similar cases have been treated and cured. The question now is, where do we go from here?

First, I want to urge strongly that the Congress, the States and private organizations and institutions engaged in this work vote increased funds for the type of programs that are paying dividends. We must not be niggardly with funds for the treatment of the mentally ill. We should not hesitate to vote more funds for research in this field, both from the Federal and State Governments.

We need to discover cures and better methods of care and treatment. It is true, we are spending substantial sums of money in this field, but here is one place where we can be of real help.

Quite generally you hear that we should spend large sums of money for new construction and new buildings for our mental patients. With this I am in accord, but I can never forget the statement of Dr. Will Menninger when we were talking about building new mental hospital buildings in Kansas. Dr. Menninger stated at that time that new buildings were fine, but what we needed was more doctors and more trained people to care for our mentally ill. We proceeded on this basis in Kansas and I think the results speak for themselves.

Since 1947 the people in Kansas have voted on a constitutional amendment providing funds for construction of buildings at our State institutions and this program is now well underway.

We need more funds for the training of additional psychiatrists, psychiatric social workers and nurses to take more efficient care of the increasing number of the mentally ill. Here again we can be of real assistance.

One of the new programs that needs to be encouraged and pays big dividends is the development of out-patient service. It is probably safe to say that as many as one-third of the patients who are now treated successfully in the clinics would several years ago have been regarded as suitable only for hospital treatment. Treatment in an out-patient clinic is obviously less costly than hospitalization and provides the great therapeutic advantage of allowing the healing process to take place in the same environment in which the illness originated, avoiding the violent transition from community to hospital to community again.

During the next few years, there will probably have to be an appreciable increase in State mental health budgets. While the new drugs and other therapies have led to a remarkable increase in discharge rates, they have also created the demand for thousands of additional psychiatric personnel to treat and return to the community untold numbers of mental patients, up to now considered hopeless.

In the long run, however, there is no doubt that increased expenditures for research and training will pay off in the reduction of the number of patients in our State mental hospitals. We have only to look at the research successes against tuberculosis, which have closed TB hospitals all over the country in the past 4 years, to realize that the same thing can be done for mental illness if we spend enough money to use present treatments, to find new ones, and to train the people to apply them.

What if we choose not to spend additional moneys for treatment, research and training during the coming biennium? The alternative is stark and clear. The States will continue to spend approximately \$350 million a year to construct additional buildings to house the ever-increasing flow of mental patients. The research which developed the new drugs has begun to cut down the resident population, but it will have to be greatly accelerated if we are to win the war against mental illness.

Senator HILL. Is that all, Mr. Gorman?

Mr. GORMAN. That is all.

Senator HILL. You brought us a very excellent presentation.

Gentlemen, if it is agreeable, suppose we go ahead and hear from Dr. Kline and Dr. Braceland and hold our questions until all three have concluded their statements. Then we can address our questions to them.

Mr. GORMAN. I thought I would call on Dr. Braceland next.

Senator HILL. All right.

CAREER OF DR. FRANK BRACELAND

Mr. GORMAN. I will not go into what the experts call the curriculum vitae of Frank Braceland. It is too long to do here, except I will say he was the chief of psychiatry for the Navy during World War II, former dean of Loyola Medical School, consultant to the Mayo Clinic for a number of years, medical director of the Institute of Living at Hartford, president of the American Psychiatric Association, clinical professor of psychiatry at Yale University School of Medicine. He is the former president of the American Board of Psychiatry and Neurology. And he is a very fine person.

Dr. Braceland.

Senator HILL. All right, Doctor. We will be happy to have you proceed in your own way now, sir.

Dr. BRACELAND. Thank you, Senator. I am afraid I am handicapped and put in the shade by all the eloquence that has gone on here.

EFFECTS OF MENTAL HEALTH ACT

My first appearance before the Senate committee was at the time of the initiation of the National Mental Health Act. I had just come out of the Navy where, as you remember, we had a devastating experience—in the military in general—with men who were rendered just as unable to work as if they had been shot because of mental and emotional difficulty.

Now, at that time—that is a decade ago—we administered to the mentally ill in a nightmare network of what was called at the time “snake pits.” Certainly the condition of the mental hospitals was deplorable. And it was a blessing to have this act come through. Without that I do not know where we would have been or where we would be today. It was to launch this attack on mental illness and on training and on research and on community services.

We expected no overnight miracles, but certainly in the decade that the Mental Health Act has been in force it has played a most effective role in bringing us to a much higher level.

I think that the statistics are so tired and they have been quoted so much that the enormity of them does not strike people. Here are half the beds in the United States occupied by people with mental disease, truly because many of them stay so long, and that is because of our lack of knowledge. There are about 750,000 in now and 900,000 go through these mental hospitals in a year. And they are still nothing to brag about, and still we are the Cinderella of medicine. There is nobody ringing doorbells and there is no firemen’s march. Nobody does anything. And were it not for the help that we had from the Government, until very recently, we had very little.

URGENCY OF FURTHER EXPANSION OF WORK

We had the distressing experience recently, in this day and age, of a poor woman who had been injured and then later, finding her means of livelihood gone, tried to destroy herself. And they wanted her in a hospital. And I asked where she had been for 10 days, and she had been in jail.

Now, that is right back where we started more than a century ago.

I hope I can convey to you the appreciation that we have for the work that has been done not only in the advancement of knowledge and the tools and the techniques which we have received through that act, but it brings us to the point that not only do we support the budget of the National Institute of Mental Health—I speak for the profession—but we also would like to see certain parts of the program expanded and feel that this is quite urgent, as Mr. Gorman put forth so ably.

CONDITION OF HOSPITALS

The mental hospital treatment centers: At the present time there are sporadic ones that are in pretty good condition, but others are awful. The economy has moved on to a point where the smaller private hospitals may disappear, and if they do there is no stop for anyone who is mentally ill, from the white ward of the general hospital, confinement in a bed, to the State hospital. There is nothing in between. And some of them are pretty wretched to have to put the people in.

Now, it is true that the States under the aegis of the excellent work done by your committee and the committee of the House have started this spending of some funds and have started to pay attention and the people now are starting to get a little bit more excited about things. People have clothes on them now in these hospitals, and the mattresses are not filthy as they were, and some of the firetraps have been eliminated. You would not believe the situation the way it was.

PROBLEM OF SCHIZOPHRENIA

Now, we have not broken through—we are all right on the organic diseases. We know something about them. We have not broken through on this illness which certainly ruins a hundred thousand young minds a year, schizophrenia and adolescent mental disease. I am sure that if any other illness was as vast that we would declare a national emergency to do something about it.

Many of these people are very bright young folks, and they come from the colleges and they come from every category economically, intellectually, and some of them are destined to spend the rest—

Senator THYE. Mr. Chairman, would the doctor mind a question at that point? Have you developed any new techniques in the last year—or we will extend it back to say 2 years—in trying to bring about a resettlement of that mind that had gone out of balance? Are there any new techniques? I have watched insulin shock. I have watched the electrical shock. And it was applied more than 12 or 14 years ago. Now, have you developed any new techniques in trying to shock that mind back into a normal state, sir?

SOME NEW TECHNIQUE OF TREATMENT

Dr. BRACELAND. Yes, Senator Thye. It has been now a combination of things—after the initial work probably with one of those drastic things and sometimes without them. These new drugs that Dr. Kline will discuss in detail have resulted in a number of people coming to the point where they can leave the hospital because of bringing them up to where we can work with them.

Senator THYE. That is what I was trying to define or get into the record. In other words, it is the medical understanding and the development of care that is able to settle the mind and bring it back to where you can reason with the person and that they will adjust themselves and understand what you are endeavoring to do in their behalf.

Now, prior to that time and prior to the vast research that was accomplished during the war years, when men like yourself were supported for the first time with ample means at your disposal or at your command, prior to that time you might have had ideas but you had never had the support that permitted you to do the research that the war necessitated you and your Government to do.

Now, therefore, you have come into a new era, and you are finding new drugs that are aiding you.

It was a horrible thing to witness a shock that the body was subjected to, and I shall never forget my first experience, and, therefore, it leads me to ask the question: Other than shock, whether it be electrical or insulin or whatever it is, have these drugs speeded up the bringing of the mind back to a normal state where you may proceed to heal or to bring about a normal state? It is a matter of healing the mind just as you would heal the body, you see.

Dr. BRACELAND. They have helped greatly, and they have brought the patient to the place where we could get at them. And I think the Senator would be vastly impressed with the fact now that the shock which is given is no longer the terrible thing that it used to be, but under the use of medication which both puts the patient to sleep and also relaxes them they are not aware of what happened to them, and it is much more humane.

ADVANCEMENT IN RECENT YEARS

So that there has been advancement all around.

I think one can make it axiomatic that no person can stay psychotic and mentally ill if they are able to form one warm relationship with another person. And, therefore, these added personnel that we have gotten that Mr. Gorman spoke of have been a major factor also.

Now, a doctor can stop and talk to someone, although he cannot stop long enough or talk to enough because we are still far behind.

In answer to your question, Senator Thye, I think that we can say that we have advanced a great deal in the past few years.

Senator THYE. Both in medicine and methods of treating?

Dr. BRACELAND. Yes, sir. And one of the vital things which will come up later is a return of psychiatry to medicine. We are getting back into the practice of medicine where we belong.

CAUSES OF MENTAL ILLNESS

Senator THYE. Doctor, have you gone far afield in recent years in determining what brought about the disturbance to the mind and how do you proceed to unravel the disturbance and get that mind back into a normal state?

Dr. BRACELAND. Well, like all such things, Senator Thye, there are so many theories of it that it means nobody knows exactly, but we think we have a much better idea of the fact that you cannot isolate

the mind from the body, and certainly you cannot be sick physically without being emotionally distressed a bit. That is true in many of these heart situations. The problem along with the heart is the man worrying about what is going to happen to his sick kids and what is the situation with himself.

So it is all intertwined. And we are getting back to where we will not be so far outside the field. We got out because we had no tools at all, we had no implements, no armamentarium. Now we are getting back into the practice of medicine and we are a little bit more comfortable than we were.

PROBLEM OF RECEPTION OF MENTALLY ILL BY COMMUNITY

Senator PASTORE. Doctor, this has no direct bearing upon your presentation, but I am wondering about this problem because I am quite curious about it. How serious is this problem of people who are well enough to return to their homes and their families do not want them?

Dr. BRACELAND. It is serious.

Senator PASTORE. How serious is that problem in this field?

Dr. BRACELAND. It is a serious problem, Senator. No one can put any figures on it. But take someone who has been in the hospital for the length of time that Mr. Gorman spoke of. Take somebody who has been away 18 years. The family constellation has been formed without them. People are still suspicious of them. They do not know what to expect of these people. They do not know what they are liable to do. They are fearful that the neighbors will say something. They are fearful that people will look down on them. They would much rather forget about them. And there are many of these people that are stuck in mental hospitals because there is no place for them to go. Nobody wants them. They forget—

Senator HILL. They are forgotten people; are they not?

Dr. BRACELAND. Yes, sir, Senator.

FORGOTTEN PATIENTS

Now, it is a habit in private hospitals, if you please, sir, that the funds are paid in advance the first month, but there is always what is called an agreement signed, because when someone gets well—everybody will do everything to get them in somewhere, but after they get them in they very quickly forget them. They very quickly pass out of the picture.

No one can put statistics on it that I know, but I assure you, sir, it is a very serious thing, and State hospitals are filled with these people.

Senator PASTORE. Now, coming back to the medicine involved in this field, when you meet with such a case do you not subject that individual to irreparable harm and to lack of rehabilitation realizing that you are breaking down that individual's morale and he knows or she knows that they cannot be restored to an environment that is considered normal? Does that not have a further effect on aggravating their condition—

Dr. BRACELAND. Not always.

Senator PASTORE (continuing): And increasing the expense of the State rather than diminishing it?

PATIENTS' RELUCTANCE TO LEAVE INSTITUTIONS

Dr. BRACELAND. Not always, because they do not know how they will make out outside—

Senator PASTORE. You mean you have instances where people themselves do not want to return home?

Dr. BRACELAND. That is right. They know nothing else—plus the fact that they are usually given some sort of a job in the hospital. As a matter of fact, it is a form of coolie labor in many places. Now, we are advocating that they give them funds and pay them, because they do good work. But there are lots of people who do not want to go.

It is like people 10 years ago who did not want to leave a TB sanitarium. They were afraid after they left someone would wash the dishes or put them separate, that somebody would avoid them, that somebody would do something. There is still a stigma on them. And it makes for a very difficult situation.

Senator POTTER. Could I ask a question? You made the statement a psychotic cannot stay a psychotic for long if he had a warm feeling toward another individual.

Dr. BRACELAND. Yes.

Senator POTTER. That leads me to ask this question: What success has there been—or is it encouraged—in group therapy for mental illnesses?

GROUP THERAPY

Dr. BRACELAND. Well, group therapy is now very common in most of the hospitals that have the personnel to do it. And you see its value is that they can take a lot of these people—the United States Navy at the moment is pioneering in it. A young man named Wilmer has been able to take men who were brought in perhaps under restraint and by means of fitting them into this community in some small groups has done them a great deal of good.

It is widespread. And in the group there is also the personal relationship between leader and member of the group and between members of the group themselves.

Senator POTTER. We have an organization that is very active in my State, and I assume it is in some other places, known as Recovery, Inc. It is group therapy by former mental patients working with people that have mental illnesses. And in many cases they have had startling success.

As a matter of fact, as you well know, the Institute now is conducting an objective survey of that organization.

But I was just wondering if group therapy is becoming more and more a prominent means of treatment.

Dr. BRACELAND. Prominent and essential because of the lack of enough help around. They are sort of the Alcoholics Anonymous of mental disease.

Senator POTTER. That is right.

MENTAL HEALTH CLINICS

Dr. BRACELAND. I do not want to take too much time, Senator, but I would like to say that we now have over 1,200 mental health clinics for children and adults—not nearly enough yet—and yet this is a cornucopia compared to a decade ago.

Now, also, most all the medical schools now have a department of psychiatry; that was not true a decade ago. It was somewhere hidden under neurology or hidden under some one of the other subspecialties.

Now graduate training centers turn out 500 to 600 new psychiatrists a year.

This year at our convention, which will start on Sunday, I take it that the American Psychiatric Association will come to nearly 10,000 members.

Well, when I went in it 22, 23 years ago, there were not even 4,000—about 3,000 members.

So that all of these interests in the training stipends and the help that you have given show evidences of progress now.

EFFECT OF 1957 APPROPRIATIONS

And last year, of course, our morale took a big jump when you saw fit to increase the appropriations for psychiatrists, psychologists, nurses, and social workers. And we did ask you to give us the tools, and we thought we could go ahead.

I do not mean to be oversanguine about this, but if we look back we can see what we have done, and I feel that if you can stay with us now—and it will take certainly another decade—I am sure that we will come out to a point where we can compare results the same as most of the other specialties of medicine.

EFFECTS ON AGING OF CULTURAL ATTITUDES

Each new advance brings with it some unfortunate sequels. We save people by means of excellent medicine, and some of them we have saved simply to become senile—and that is an inglorious end. We have got to do something about that as the senior citizens increase.

And we have done something about it because we know now that that is not all organic disease, that many of those people are made sick by reason of their position in the culture, that they are depressed and that there is no room for them and that there is no interest in going on, and they retire and enter the mental hospitals.

NEED TO TEACH GENERAL PRACTITIONER

This brings us to the need that Mr. Gorman spoke of—the need of an increase in order to interest the general practitioner and to teach him. The general practitioner is the backbone of American medicine. He is the person who sees the patient first. He sees the child who is going to be retarded. He sees the child who is going to get schizophrenia. He sees the woman who is going to have an involutional upset in middle life. And he sees the patients who are developing senility.

Now, it is my belief that the people in the involutional stages, unless they are absolutely psychotic and need hospitalization, can be treated better by the general practitioner, because they respond to the doctor who knows them best and who treats them the most. Certainly that is true of the older age groups. I believe that unless the patient is psychotic and a danger to himself in the older age groups he should not be put into the hospital, and some time spent with him for the various little things that are necessary by the general practitioner will pay off.

Now, the American Psychiatric Association last year set up a committee to meet in conjunction with the Academy of General Practice, and I have never seen such enthusiastic action. It was set up under my presidency, and I have been delighted. These folks have gone ahead. They are out hunting money. They have hired a man to go throughout the country to set up training programs. And the fact remains that they are really moving along. And that lessens the suspicion of the psychiatrists—who people believe are just a little bit peculiar and sometimes more than a little bit.

But, you see, in our close relationship with our colleagues, some of this is passing off.

RESULTS OF INVESTMENTS TO DATE

Now, you may ask us: Can you show any results of the investments that you have made thus far? Well, certainly I think we can. Certainly, too, some of the illnesses which seemed so terrible we are able to handle now. No longer do such things as syphilis, the quaternary stage, infest the hospital. And people who used to become ill in middle life—women, mothers of families, who would be sick from 8 months to 3 years—now can be released from the hospital within the period of 3 and 4 weeks.

This also occurs in men in middle life. It is a mild depressive phenomenon. It is as if they were getting ready for the last lap—the family raised and not getting enough emotional satisfaction from their job.

But we no longer lose the large number of those people that we used to.

Also we do not give up simply because a person is over 65. We treat them now and treat them on up into the eighties.

So we have no desire to rest on our laurels. The number of psychiatrists has increased, but its distribution is pretty sadly out of kilter. We do not know much to do about that. The Mid-Atlantic States have a ratio of 1 psychiatrist to 11,000 people, while the east-south-center region has one to 50,000, and in some States the ratio is only 1 to over 60,000.

EFFECTS OF GENERAL CULTURAL ADVANCES

Now, several things as the culture has advanced and improved have also made a great difference to us. Legitimate as it is to have a 40-hour week, you can see what this does to a hospital whose job is 365 days a year, 24 hours a day. There are no weekends and there are no Christmas holidays in mental hospitals. People are just as sick and they are suicidal and they must be watched. Well, simply just instead of the 12-hour shifts—and we are all glad they are gone for the help—now, you see, that has added another shift. Well, that has upset the economy of all of the hospitals, too. It has lessened the personnel that we have to work with, and, as a consequence, we are in pretty bad shape in some instances.

Mr. Gorman has ably talked to you about the budget, and you gentlemen know so much more about it than I that I should not mention it. We certainly agree that if it is possible to increase that stipend for training by \$4 million that will give us a further boost.

DEMANDS ON PUBLIC HEALTH SERVICE

There are going to be more and more demands upon the United States Public Health Service for help in the training of people.

Now, as a clinical professor of psychiatry I keep in touch with the academic world. And I am sure that we could train 25 percent more of our professional brethren if we had the assistance that we needed in building up faculties and in getting some trainee stipends. The universities have a tough time with this, as does the private hospital.

In a word, the moral imperative is to make sure that the lack of minimum financing does not stand in the way of any person who would go into this.

Now, we have a hard time asking people to go into psychiatry, you know, unless we can show them that this is a satisfactory and satisfying work, because there are still people who will tell them and doctors who will advise them to stay out of this, that this is a little bit a funny business and that they should not go into it.

Senator THYE. Off the record.

(Discussion off the record.)

Senator HILL. Back on the record.

Dr. BRACELAND. It would seem reasonable, therefore, that the budget of the National Mental Health Institute be increased in order to take on these folks.

Now, the general practitioners, gentlemen, I have told you about. These are the first point of call, and we intend to work very hard. And if you will help us to get started with these practitioners, I can assure you of the complete backing of the American Psychiatric Association in an effort to equip these men.

Now, this does not negate their ability—the old general practitioner knew much more about people. He knew it because he lived with them and he gave of himself. The practice of medicine has changed, and as it is split into various specialties the specialist sees only a part, unfortunately, of the person.

BETTER EQUIPPED GENERAL PRACTITIONERS

Now, while the general practitioner knew—he knew out of the depths of a rather big heart—about people, we can now also equip him with recent scientific knowledge on top of that that he had. And I think that it is going to do a great deal not only for the advance of psychiatry and the betterment of people but also to help the practice of medicine.

I want to say in reference to the program of the Psychopharmacology Center it is of the utmost importance that this be given support so we can forge ahead. Again I shall forego speaking anything of the budget itself. It has been done so well.

I have never been in any way connected with the National Institute of Mental Health. I espouse no special type of psychiatry. I am not an analyst or an organicist but rather an eclectic. That used to be a nasty word a few years ago but it is getting fashionable now.

So, therefore, I come rather cleanly to ask any kind of backing that the National Institute of Mental Health in its program under the direction of Dr. Felix might have. I have the greatest confidence in him. I have nothing to do with them except to see them from afar and the results of their work, and I commend them to

you gentlemen as I thank you very much for your courtesy in permitting me to talk to you.

Senator HILL. Doctor, we thank you very much for coming here with this very informative and interesting presentation.

Now, Dr. Kline, we will be delighted to hear from you, sir.

STATEMENT OF DR. NATHAN KLINE ON DRUG THERAPY

Mr. GORMAN. For the record, Dr. Kline is chairman of the committee on research of the American Psychiatric Association. He was the first one on the North American Continent to use reserpine, the first one to apply reserpine to mental patients. He is young, has just begun to shave, but a very brilliant scientist.

Senator HILL. You are with Rockland State Hospital there in New York?

Dr. KLINE. That is correct, sir. I am director of research there.

Senator HILL. That is one of the largest mental institutions in the world, is it not?

Dr. KLINE. Well, we have eight and a half thousand patients.

Senator HILL. How many?

Dr. KLINE. Eight and a half thousand patients. There are a few more that are larger, but that is large enough.

DRUG USE IN PSYCHIATRIC TREATMENT

Two years ago I had the honor of being invited to testify before this committee about the use of two new drugs in the treatment of psychiatric patients. At this time it was possible only to speculate about what effect these might have on the overall picture of mental health in this country. The results on the few hundred patients we had treated were promising and this committee was farsighted enough to recognize their potentialities and recommend funds for encouragement and evaluation of these pharmaceuticals. It was too late for the House committee to vote similar approval but last year both this committee and that of Representative Fogarty authorized the expenditure of \$2 million for evaluation, development, and investigation.

The remarkable progress that has been made in the past year more than warrants the request for an expenditure of at least \$3 million for the coming fiscal year.

ACCOMPLISHMENTS OF PAST YEAR

Let me itemize for you some of the accomplishments achieved since my last report to you.

1. The United States Public Health Service under Dr. Felix has held two major working conferences which have served to clarify many of the problems and bring together the leaders in chemistry, pharmacology, and animal and clinical investigation who profited greatly by the opportunity to exchange ideas and experiences. The Psychopharmacology Service Center has also been established with Dr. Jonathan Cole, a competent psychiatrist, as its chief and Dr. Sherman Ross, an excellent psychologist as his assistant, and they have proceeded with unusual ingenuity and energy to encourage research and communication in this field.

I might add parenthetically that I am rather outspoken about what I do not like, and at times I have been critical of some of the attitudes and procedures that have been carried on in the past, and I must say with delight that in the past year the whole orientation of the group has improved.

Some of the plans they are now considering, if they reach fruition, will mean a saving of years in speeding the development of this area, but funds are certainly necessary.

2. Although there are many factors that affect admission and discharge of patients, there is no question that the new pharmaceuticals are a major factor in the remarkable change in mental hospital statistics. Mr. Gorman has iterated these to you so I will not repeat except to add that instead of accumulating ten or twelve thousand patients a year, there is a decrease of 7,000 patients. At an average patient care cost of \$1,200 a year, this is \$24 million. The cost of construction of beds to house these patients at an average of about \$12,000 a bed is \$240 million. And adding these together is a quarter of a billion dollars.

EFFECT OF UNDERSTAFFING AND OVERCROWDING

Unfortunately, this does not represent "money in the bank" as yet, since the mental hospitals of the country have been pitifully understaffed and overcrowded. A small but important gain has been made in that this reduction in the patient population means less overcrowding, although only a handful of mental hospitals reach even the minimum standards established by the American Psychiatric Association.

INCREASE IN HOSPITAL DISCHARGES

As I reported to you last year, the new treatments have meant that tens of thousands of patients are now able to receive recreational, occupational, psychotherapy, and other types of treatment who were too ill to be treated by these techniques in the past. This contributes to the increased discharges but means that we now need more trained personnel than ever before. And it may be possible to utilize some of this ancillary personnel until the psychiatrists are properly trained or an adequate number of them.

This decrease in mental hospital population has been true not only in the United States but also in England, in Denmark—in fact, wherever the drugs have been used on a large scale.

CONTRIBUTION OF PHARMACEUTICAL INDUSTRY

3. The pharmaceutical industry has also made a tremendous contribution to the progress of psychiatry and therefore to the welfare of the Nation. The drugs have not only improved mental hospital management, made possible the return of patients to the community who would not have otherwise been returned, but they have brought to bear on the problem of mental disease the tremendous resources of the pharmaceutical industry in respect to financing research and more importantly have made available trained personnel in chemistry, pharmacology and in related fields which psychiatry did not have in an adequate amount.

An interesting side effect has been the fact that since mental diseases are now treated by medicines, there is much less stigma attached to them. As Dr. Braceland has said, not only doctors but I think the general public accepts mental disease now as being a disease since we treat it with medicine and there is much less social stigma attached to it, I think, than at any time in the past.

The large number of new pharmaceuticals introduced in the past year have allowed us to begin caring for a variety of new conditions and to treat other conditions much more effectively and more safely.

COMMENTS ON NEW PREPARATIONS

Since I am just completing a book on the use of these drugs for my medical colleagues and have reviewed over 7,000 articles, I thought you might be interested in some brief comments on some of these new preparations.

First, I might take the point which Senator Potter referred to and say I certainly concur that there are many pharmaceutical products which masquerade under the name of tranquilizers because of the good market value. And in the next issue of the Archives of Neurology and Psychiatry, I have a guest editorial discussing both the contributions of the pharmaceutical industry and some of the abuses. And I think this is one of them—that there has been a tendency to exploit a good thing.

FALSE ADVERTISING AND FRAUD

Senator POTTER. You might be interested in knowing, Doctor, I am on another appropriations subcommittee for the Federal Trade Commission, who have a great interest in this to protect the people from false advertising and fraud. And I hope that your association might work with them. What they need badly is a doctor or some medical assistance to determine what drugs are tranquilizers and what are not and are masquerading under that name.

They have appealed to our committee for funds for medical assistance in this field. And I think it could become an extremely serious problem if it is not now.

Dr. KLINE. I would strongly back that up. I know how they are harassed by a lack of personnel. And I think to point out the harm that can be done, I might say I have recently picked up an advertisement in a Miami newspaper in which a drug which certainly by no stretch of the imagination could be called a tranquilizer was advertised under a name where it was hard to avoid assuming it was a tranquilizer.

Senator THYE. Well, Doctor, at that point, does not the Food and Drug Administration have some responsibilities in supervision over such?

Dr. KLINE. I do not know what—

Senator POTTER. I think they would have it—if the Senator will yield, I think they would have it as far as the ingredients in the drug.

Dr. KLINE. Yes.

Senator POTTER. But as far as the false advertising, that would come under the jurisdiction of the Federal Trade Commission.

Senator THYE. That is what I had reference to, however. But I did not believe that the Food and Drug would permit it and put their approval on it unless—

Dr. KLINE. The ingredients themselves are not harmful. It is simply that the person who takes this medication assumes that he has had the benefit of the best that medical therapy has to offer and when he shows no improvement may feel either despondent or that there is no sense getting further treatment, that he has had it already.

Senator THYE. Can he obtain those drugs without prescription?

OVER-THE-COUNTER PREPARATIONS

Dr. KLINE. The one to which I refer is an over-the-counter preparation.

I went to the trouble of sending it to the Food and Drug Administration, since I have sometimes a low irritation point, and I did it not out of irritation with them but out of irritation with the particular pharmaceutical house which did that.

Senator THYE. I think it was perfectly proper for you to do it, because I think that is one way of policing the drugs.

Senator POTTER. Is it not true that a true tranquilizer has to be sold by a doctor's prescription?

Dr. KLINE. Yes.

Senator POTTER. Some of these are selling over the counter by false advertising as tranquilizers?

Dr. KLINE. That is correct.

Senator PASTORE. Is it not also true to a certain extent there is a certain uplift of morale, a psychological lift, when they take these things that are harmless thinking they are going to do them some good and it gives them a temporary feeling that maybe they did improve? That has a psychological effect? It is not good medicine; I am not getting into that at all.

Dr. KLINE. No. This is like a bank making a mistake and adding \$10,000 to your account, and 3 weeks later you find out they made a mistake. I don't like those kind of uplifts.

Senator PASTORE. I quite agree with you, but—

Dr. KLINE. Oh, it is true that the patient may very well—

Senator PASTORE. Hypochondriac or something like that.

Dr. KLINE. Oh, yes. But the benefit is temporary.

Senator PASTORE. That is the reason why these sales are successful to a certain extent.

HARMFUL EFFECTS OF TRANQUILIZING DRUGS

Senator HILL. I did not want to interrupt the doctor's testimony and I do not want to interrupt him now, but that was a question I had on my mind to ask him—as to the harmful effect of these drugs. Maybe you will come to that in your testimony. I wish you would get into that. What is the harmful effect of these drugs and what is the effect on the people who take them?

Dr. KLINE. I appreciate your bringing it up since it is another point of irritation with me—namely, that I think what has happened is that the newspapers and magazines have exhausted the news interest of the drugs being useful and that they are now off on the kick of

trying to find something else newsworthy, and they lay great emphasis on the side effects. In the past week, I have seen three such articles.

There are a number of points along that line. First of all, any drug that is effective is necessarily going to affect various organs of the body. There is no drug that just goes right to the point you want it to and does not do anything else. So if a drug is active, it is inevitable that it will have side effects. And this to the lay public is a revelation. It is so well known in medicine that it is not even discussed.

And I might point out along this line that, to take a drug like aspirin, at least two of the major uses are (1) to reduce pain and (2) to lower temperature. And if you are taking an aspirin because you have a headache and someone discovers that your body temperature is going down, you could write a very sensational article pointing out how harmful it is to have your body temperature lowered. And I think if it were introduced now you might scare a great number of people away from using aspirin on the ground it had the very dangerous side effect of lowering body temperature.

The other thing is that the experienced physician anticipates that this will happen and is prepared to deal with it. It is a common medical practice to report these things to your colleagues so that they know when they see it that this is not something unique or to be greatly concerned about. But, in fact, I have seen reports in recent issues of the Journal of the American Medical Association on side effects of vitamins which have not previously been reported, side effects of digitalis. I mean as the years go by new and unusual side effects appear, and I think these—

SIDE EFFECTS OF DRUGS

Senator THYE. What, for instance, if you do not mind the interruption, Doctor?

Dr. KLINE. What are some of these things?

Senator THYE. Yes.

Dr. KLINE. Oh, I think with certain kinds of hypervitaminosis that there was a recent report on certain skin lesions resulting, breaking out of the skin.

Senator THYE. Breaking out like hives?

Dr. KLINE. Like hives.

Senator THYE. No muscular effects or anything of that kind?

Dr. KLINE. No.

Senator THYE. Just sort of an eruption of the skin?

Dr. KLINE. That is right—which disappears when you stop taking too darned many vitamins. It is highly unusual. But I am just making the point that even after 20 years we are still finding new side effects, and I think this has been seized upon as something of tremendous importance and greatly exaggerated.

METHOD OF ADMINISTERING DRUGS

Senator THYE. Doctor, in the use of these drugs on a mental condition, is it an injection?

Dr. KLINE. Either by injection or orally. We prefer giving it by mouth if we can since—

Senator THYE. Over a period of time or just—

Dr. KLINE. Usually over a period of time. If the patient does not take—we prefer to give it orally—if the patient for one reason or another does not want to take it, we will give it to him by injection.

Also there is a whole group of individuals known as “capsule concealers” who come to you for medication in the hospital and who are remarkably adept at concealing it under the tongue or Lord alone knows where, and you then find a whole nest of pills when you go looking. So that very often, if we do not get a response in a patient in whom we anticipated it, we will cut the oral medication, give it to him by injection, and find a beautiful response; and then later discover that he has this loot secreted away somewhere. But, normally, we use oral medication where we can.

SERIOUS SIDE EFFECTS

One of the articles in the past week which made a big fuss was the occurrence of convulsions when somebody stopped taking Miltown. And, first of all, this is reported as a “scoop.” In the American Journal of Psychiatry in 1955 we reported this same thing; but, at that time, no one was interested in side effects. They were interested in how many patients were improving, so it was ignored then.

Secondly, this is not a specific action of Miltown. It occurs with a great number of drugs that, if you shift the physiological balance of an individual radically, the body often responds by having a single convulsion. And we know, for instance, if you are giving barbiturates, even a moderate dose, that you never stop the patient abruptly from taking sleeping medication of this type because the incidence of convulsions is extremely high. So if you want to take a patient off sleeping medication or barbiturates, you do it gradually.

So that a great fuss is being made here again about something which is a fairly well established medical principle.

Finally, as I already said, I think the importance of the side effects is distorted and exaggerated and has nothing to do with usefulness, and this raises question in the minds of many patients whether they ought to be on medication. And, secondly, it does emphasize the point which Senator Potter raises that medications that are effective are on prescription. And this tendency of people to medicate themselves—the gray market or the side pocket market in some of these tranquilizers—I think is very greatly to be deplored. It exists; there is no question. But they are not medications to be fooled around with.

JUDGMENT OF NEED FOR TRANQUILIZING MEDICATION

Any effective medication should be given when it is indicated and not upon the feeling of the patient that he read an article somewhere that makes him feel that he knows how to prescribe for himself.

Senator POTTER. Doctor, one of the criticisms you hear about these drugs is the fact that certain people by taking the drugs, of course—that it eliminates or cuts their worries and mental problems that they might have. And you have heard criticisms, have heard people say, “Well, is that good in the long run?” But the point is

that these are used upon the recommendation of a doctor to somebody who has a problem that these can help. It should not be confused with something that you can pick up at a candy store to be taken by everybody just for "happy pills."

Dr. KLINE. I could not agree with you more. I think it is very easy to define. It is hard to make the judgment. But I think that the medication should be used when the condition is such as to disable the individual. And unless anxiety, guilt, depression, fear, whatever else you have, has reached a point where it is interfering with the effective functioning of an individual, medications are not indicated.

Because our culture is actually based on factors of this sort. If we did not feel guilty and uncomfortable and have anxieties we probably would not do very much.

And the picture of the monkey sitting in the laboratory changing from a snarling, vicious beast to a lap monkey, so to speak, is fine for handling the monkey, but if he was out in the jungle he would not last 10 minutes under these circumstances.

So that I would certainly agree that they should be used only when the disorder is disabling.

CERTAIN INVESTIGATIONS RESULT IN UNTENABLE CONCLUSIONS

And I will throw in one final gripe which I have on the subject, and that is many of the investigations are done on so-called normal individuals, and conclusions are drawn from this as to the dangerous effects in psychiatric patients. This is, at least to my mind, palpably ridiculous, because if you gave vitamins to a person adequately nourished you would not notice any effect at all. Secondly, if you took a healthy person and gave him one of the sulfa drugs or penicillin, at the end of a week he would feel pretty lousy as a result of the medication. And if you concluded from this that the drug should not be used because of the side effects I think you are missing the point entirely.

And some investigations have stressed this particular angle, which I think is off the beam.

NAMES OF TRANQUILIZING DRUGS

To go ahead briefly, I will mention a few of the names you are likely to run into.

1. Although reserpine is still the most widely used of the alkaloids obtained from the *Rauwolfia* plant (marked as Serpasil, Rau-Sed, Sandril, Serpiloid, Eskaserp, Reserpoid, etc.) two of the other alkaloids, rescinnamine and deserpidine (separately and in combination) are also on the market (Raudixin, Moderil, Harmony, Rauwiloid, Raunormine, etc.). There is evidence that occasional patients who have annoying side effects from reserpine may respond better, with less side effects, to these modifications, although this is still being tested.

2. Chlorpromazine (Thorazine) is still the most widely used of the major medications derived from phenothiazine but because of the side effects, such as jaundice and agranulocytosis—lack of white blood cells, even though they are rare, it is likely that this drug will be replaced by others that do not have such side effects.

There have been claims that Promazine (Sparine) has fewer side effects, and three new compounds, Compazine (perchlorperazine), Trilafon (perphenazine) and Vesprin (dimethylaminopropyl trifluoromethyl phenothiazine) have thus far not produced either jaundice or agranulocytosis.

Another drug, mepazine (Pacatal) is very interesting in that it does not seem to reduce resistance to infection and it tends to make the patients feel well while they are taking it, but it does have the same side effects as chlorpromazine. A number of new phenothiazine derivatives such as phenyltoloxamine (PRN), captodramin (Suvren), phenyltolozamine dihydrogen ciprate (Bristamin), and at least 10 others we are testing but which are not yet ready for marketing may make valuable additions to the field. So the field is progressing very satisfactorily.

Senator THYE. Mr. Chairman, might I learn whether this drug is the direct result of research or did the drug exist and you just discovered the effectiveness of it?

METHODS OF DISCOVERY

Dr. KLINE. No, as a general rule the first occurrence of a new therapeutic drug is the result partially of hunches and partially of what in a sense we would like to call serendipity, which is the ability to stumble across interesting and valuable things. And once new principles have been discovered, all kinds of modifications are tried out to see if they are an improvement over the original product.

So, as a rule, the pharmaceuticals are supplied to the investigator by the pharmaceutical company itself. The street has started to be two ways in that we have now suggested to a number of pharmaceutical houses preparations which on the basis of our experience look to be valuable, and we are beginning to test some of those. And one which I will mention we ourselves came across the value of independently of the pharmaceutical house and pointed out to them that it might have usefulness.

Does that answer your question, Senator Thye?

Senator THYE. Thank you. It does.

MILDER MEDICATIONS

Dr. KLINE. Then there is a group of milder medications of which the best known is meprobamate (Miltown and Equanil being the same drug) and which also include (Vitrin), hydroxyzine (Atarax), ethyl-erotonylurea (Nostyn), benactyzine (Suavitol), and several others which seem to be of use in some of the less severe emotional disturbances, but we are still trying to find their proper place.

DROP IN SALES OF BARBITURATES

Then the sales of barbiturates, which at least on the figures of two of the major producers have dropped to half of what they were in 1953, part of this is due at least to the availability of a new group of sleeping medications which can also be used for daytime sedation. These are not tranquilizers in the proper sense of the word. They are nonbarbiturate sleeping preparations which may avoid some of the

problems of addiction and the side effects of the traditional ones. Such preparations as glutethimide (Doriden), methylprylon (Noludar), ethchlorvynol (Placidyl), and ethinamate (Valmid) are a few examples.

NEW TYPES OF MEDICATION

And one in which we have been particularly interested is derived from chlorohydrate—trichloroethanol—and seems to be an improvement over that drug. It is not yet on the market.

In addition, there are traditional psychomotor stimulants as the amphetamines (Dexidrine, Benzedrine, Drinalfa, Methedrine, etc.) whose value is firmly established; there are in addition several new stimulants such as methyl-phenidylacetate (Ritalin) and pipradrol (Meratran).

One might well ask why more than a single drug of each type is needed. Because of the great variety of human responses, it is not at all unusual to find that a person who fails to respond well to one medication will react excellently to some other preparation. We have had patients who failed to respond to 4, 5, or even 6 preparations and then when we come along with the seventh one they have such marked improvement they are able to get out of the hospital and go home.

Considerable research is needed to determine which medication should be applied to which patients, and I think that would represent a major advance in the field.

POSSIBILITIES IN NOTED "OPPOSITE" REACTION

A final point under the heading of new drugs. And I would like to mention one that we described quite recently. Reserpine and the others, as you know, calm and sedate both animals and humans. And in an investigation to determine how this occurs, it was found that when animals were first given iproniazid, a drug which slows up the breakdown of epinephrine, serotonin and related blood substances, and then given reserpine that, paradoxically, instead of calming the animals, it "stirred them up." It acted just the opposite of the way it should have, and the people working with it were interested not in this effect but in trying to find out how the reserpine was working.

And when I saw these experiments I discussed them with my colleague, Dr. Saunders, at the hospital, and we reviewed the previous work and decided this might be worth trying on the patients who were too tranquil to start with.

And the preliminary results at least, which were given by Dr. Loomer and Dr. Saunders and myself, indicated that this did open up a new area of treatment, and we frankly, although it is extremely early, are very excited about the possibilities since it is a whole new group of patients whose problem is not being agitated and excited but being just the opposite.

At the American Psychoanalytic Association in December, Dr. Ostow and I had offered the theory that tranquilizer drugs were psychologically effective because they reduced the psychic energy, which is a term directly from Dr. Freud. The symptoms of mental disease, many people believe, and I am among them, may often result as a defense against unacceptable urges or impulses. If one tries to defend himself they therefore develop neurotic or psychotic symptoms, and

by reducing the amount of energy there is less need for these defenses.

And when we came to this drug we felt that it did just the opposite—that it increased psychic energy, and it is possible it may be of use in the treatment of the withdrawn, so-called burned-out psychotic and certain kinds of depression and even in the elderly patient who has lost much of his lust for life.

BIOCHEMISTRY IN MENTAL DISEASE

Then, very briefly, the work in the biochemistry of mental disease is also taking tremendous strides. I think the most interesting development of the year was the test developed by Dr. Akerfeldt of the Nobel Institute in Stockholm, who, incidentally, will be coming to the United States on Sunday and is speaking at the American Psychiatric Association meeting, the first of a series of research lectures sponsored by the Warner-Chilcott Laboratories of which Dr. Scheele, the former Surgeon General, is president.

He found a test which turned up amazingly positive in a large number of schizophrenics. It still needs a great deal of development since there are other conditions which also give positive responses—pregnancy and cancer. But, as one of my colleagues pointed out, if you could get a test that would label a patient as having either schizophrenia, pregnancy, or cancer, he would trust his diagnostic ability to distinguish between these three [laughter] which I think is a fair enough point.

And then there is very interesting work at Tulane and at Saskatoon, Canada, and elsewhere. But these are only a small segment. And the Psychopharmacology Center and the Public Health Service have done a great deal to support these investigations.

Finally, many problems still remain, and the support of the Government is essential to solve these as speedily as possible so that the knowledge will be of use to all of us. We know, for instance, that there was an increase of 25 percent approximately of discharges in New York State the year before last, and many people claim that this was a "flash in the pan" and was due to enthusiasm and all kinds of factors not related to the medications. Certainly the initial enthusiasm has died down a little. It has become routine to use these drugs. But the figures are just available for the past year, since New York is on an April 1 calendar year, and the percentage of discharges has remained at the same level as the previous year. In other words, they are about 25 percent over the predrug era. So it looks to be more than a passing phenomenon.

We do not know, as I say, which patients to give which drug to, and this is one of the important areas for investigation.

RETURN RATE OF PATIENTS LESSENED

Another interesting fact is that the return rate to the hospital of patients who are kept on medication after discharge in New York State at least is about half that of patients who are not kept on medication after discharge, which would again point to the fact that there is something very important involved in it, but we would like to know how and why it happens, and studies comparing the effectiveness of

one drug and another which have been supported by the funds of this committee have just started. It is a long pull to evaluate effectiveness in any medical condition—and particularly psychiatric.

HOPE IN PSYCHOPHARMACOLOGY

In conclusion, I think there is hope for the future that the field of psychopharmacology may eventually extend beyond the correction of mental aberrations and develop techniques for improving the functioning of healthy individuals, which I think is the next great step to be taken after the present one.

Senator HILL. As I recall, Doctor, this committee at the last session provided funds for comprehensive evaluation of these different drugs.

Dr. KLINE. Yes, sir.

Senator HILL. You think that would be most helpful, do you?

Dr. KLINE. I do indeed. I think that the lag, the fact that it is only recently getting under way, is not due to any deficiency, but funds had to be appropriated, the appropriate body set up to evaluate the requests, the requests had to be prepared, committees had to evaluate these, and as far as I can tell I think it is progressing very satisfactorily at this point, sir.

Senator HILL. Any questions, gentlemen?

Senator THYE. None.

Senator POTTER. I think it is a wonderful statement.

Dr. KLINE. Thank you.

Senator HILL. I agree with you. I think this testimony here this morning has been exceptionally fine and surely most informative and most helpful to the committee.

Dr. KLINE. Might I request that if there is further interest, sir, that the paper which we presented on this new drug about which we are so excited be included in the record if you would like to look it over?

Senator HILL. That will appear in the record following your testimony.

Dr. KLINE. Thank you, sir.

(The material referred to follows:)

IPRONIAZID,¹ AN AMINE OXIDASE INHIBITOR, AS AN EXAMPLE OF A PSYCHIC ENERGIZER

By H. P. Loomer, M. D., J. C. Saunders, M. D., and N. S. Kline, M. D., Research Facility, Rockland State Hospital, Orangeburg, N. Y.

"Man," says Job, "is born to trouble as the sparks fly upward." Rarely content with the status quo he has always been on the search for means of transcending himself. One of the most readily available agents to assist in this process has been alcohol and poppy heads have been found in the region of the Rigi and in other of the Swiss forest cantons dating back to prehistoric times. It has been only in very recent times that pharmaceuticals have been sought for their selective action in the treatment of mentally and emotionally disturbed individuals.

Within the past few years there has been introduced a group of chemicals that have effectively produced sedation without the usual degree of retardation of motor performance and without the traditional associated hypnotic effect. What has been lacking to date is an adequate medication that energizes rather than sedates. While there are occasional excited overactive individuals who make a nuisance of themselves, the world in general is much more widely

¹ We are grateful to Hoffmann-La Roche, Nutley, N. J., for supplying the iproniazid (Marsilid) used in this study.

populated by tired, somewhat depressed, seclusive and withdrawn individuals lacking the energy to accomplish one-tenth of the things they ought to be doing.

A variety of agents have been advocated for this purpose in recent years starting with ephedrine. Of those presently on the market desoxyephedrine is probably the most active, but cannot be used regularly in adequate enough doses because of undesirable side effects. To a lesser degree (in terms of potency) there follows dextroamphetamine, dl amphetamine phenidylate and a variety of related compounds. As indicated, none of these has been able to improve patients with serious depressions nor have they been able to move the deeply withdrawn or secluded individuals. If better knowledge were available as to the mode of biochemical and psychological action it might be possible to develop more potent and useful compounds in this group.

In 1938 Kaddum and Kwiatkowski (1) advanced the theory that ephedrine brought about its effects by acting as an amine oxidase inhibitor and by competing with epinephrine for the receptor substance in the effector cells it slowed the breakdown of the epinephrine so that it had a more prolonged and sustained action. Goodman and Gilman (2) in their discussion of the amphetamines suggest that this same mode of action is involved with the group of so-called "psychomotor stimulants." It is interesting further to note that to the best of our knowledge mepazine (Pacatal) and chlorpromazine (Thorazine, Largactil, Megaphen) are also weak amine oxidase inhibitors in contrast to reserpine which has no such activity. Clinically it has been observed that with both mepazine and chlorpromazine there is a mild euphoric effect and that routinely patients "enjoy" these two drugs more than they do reserpine. Although depressions have been reported with the whole group of so-called tranquilizers they seem to be somewhat more common with reserpine which is not such an amine oxidase inhibitor. If the hypothesis which we are to advance, that amine oxidase inhibitors are psychic energizers, is correct then many of the clinical observations would be explicable. In another paper Ostow and Kline (3) have advanced the hypothesis that the primary mode of action of the so-called tranquilizing drugs is the reduction of psychic energy. To some extent the differential action of some of the tranquilizing compounds could be better understood if it were demonstrable that they also had weak energizing properties.

The difficulty with the older sedative drugs such as opiates and barbiturates was that their action was general rather than specific. The opiates caused reduction of apperceptive and motor functions as well as reducing emotional pressure, and the barbiturates do somewhat the same in addition to being potent hypnotics. The same problem exists with the energizers; they have been used for general rather than specific action. Yet caffeine seems to be primarily a cerebral stimulant with relatively less motor and psychic effects. The amphetamines seem to act more selectively on the "alerting centers" (reticular substance (4)?) but none has been effective for treating the deeper emotional depletions. When attempts to use these in large doses were made the hyperalertness manifested itself as irritability, distractability and flight of ideas with concomitant undesirable increases in motor restlessness and tension. It has heretofore been impossible to increase psychic energy without simultaneously increasing motor, alerting, and cerebral activity with resultant undesirable side effects when a certain level is reached. It is our conviction that the present preparation, iproniazid, acts more selectively on the "basic well of energy" than any of the others and although it is far from perfect it may well lead to the development of improved compounds even more discreet in their activity. Elsewhere (3) we have postulated that a psychic energizer would increase rather than decrease such activities as appetite (gastronomical as well as sexual) in contrast to the "psychomotor stimulants" (caffeine, amphetamine, etc.), which are anoretics. There is also psychological evidence to confirm this since nitrogen balance increases rather than decreases with iproniazid. Depression and withdrawal frequently result from an energy deficit whereas with adequate energy these disappear to be replaced, not by euphoria (an abnormal state of elation) but by eudaimonia (a state of healthy well-being).

Our decision to evaluate iproniazid for this purpose followed upon observations of the techniques developed independently by Pletscher, Shore, and Brodie (5) and Chessin et al. (6) that animals given iproniazid and subsequently injected with reserpine instead of becoming sedated developed states of excitement and overactivity. The possibility of applying this to withdrawn seclusive and depressed patients forms the hypothesis on which the present researches were entered upon.

The original work on iproniazid in the treatment of tuberculosis was done by Selikoff et al. (7) at Sea View Hospital. The story of the results come to public attention before the evaluation could be completed and aroused sensational enthusiasm. The reaction of the patients to the treatment cannot be better demonstrated than by the following picture from the Herald Tribune.

Despite the usefulness of the drug it was noted in publication after publication that "the subjective feeling of improvement was not warranted by the roetgenographic findings" and as a result of feeling so elated in some cases, patients discontinued treatment prematurely. In retrospect another highly suggestive fact was that on higher doses some of the patients developed psychotic episodes which were frequently noted to be "of the euphoric type." In 1952 the search for chemical agents that might influence mental and emotional states was nowhere so intense as at the present time, that nevertheless there exist four papers in which the drug was administered to psychiatric patients for one or another reason. In one (8) of these no reference is made to the psychological effects since the work was carried out to evaluate certain physiological reactions not directly related to mental disease. Jackson Smith (9), however, did give iproniazid to a group of 11 patients in dosages of roughly 2 mg./kg. for a period of 2 to 3 weeks. His group included a variety of diagnosis and although he did note improvement in some of the patients (primarily the depressed ones), what was most urgently needed at that time were the sedative and ataractic drugs such as were subsequently developed. Since iproniazid did not markedly affect this group he concluded that the drug was ineffectual. He almost, but not quite, picked up the fact that it was selectively useful in depressions and withdrawals. In addition his dosage was double the amount we recommend and there were annoying side effects. We now know that at 2 or 3 weeks most patients have not yet begun to show a response. Incidentally, all but one of his patients gained weight. More positive results were achieved by Kamman et al, who, in a double blind study, found definite improvement in the ward behavior of a group of 30 patients given 1 milligram per pound for a period of 8 weeks and 2 milligrams per pound for an additional 8 weeks. The authors conclude that although the medication was definitely superior to the placebos (in a comparable group of 30 patients) it was not as effective as a "total push program" administered to another 30 patients. Again in retrospect it is easy to see how the importance of the medication could be missed since the patients demanding the most attention were the noisy disturbed ones and it was only subsequent to the development of pharmaceuticals capable of managing these were obvious problems that the value became evident for drugs which would act selectively on the opposite type of reaction. No breakdown of diagnostic categories is mentioned in the publication. The fact that "total push" was more effective is beside the point since the two treatments are not alternatives, but if possible should be combined. The tremendous worsening after withdrawal of iproniazid again showed its efficacy.

SUBJECTS

(a) Twenty chronic female patients were selected using as criterion the fact that they were withdrawn, regressed, "deteriorated," colorless, and with flattened affect. The patients were observed during a baseline period, and if there were marked fluctuations in their behavior they were dropped from the study. Two of the patients who had originally appeared to meet this criterion showed some fluctuation in their behavioral pattern and these were then eliminated. Another patient as a result of the laboratory tests revealed questionable renal pathology and since it is known that iproniazid may lead to complications under these circumstances this third patient was also eliminated leaving a total of 17 to whom the drug was initially given.

(b) Nine other patients seen in private practice (two by psychiatrists other than the present authors (10)) are also included. These patients were selected also on the basis of showing symptoms of withdrawal or depression. Diagnostic categories, age, and other characteristics are described individually along with the course of previous treatments under the case histories.

SETTING

(a) The chronic institutionalized patients were treated in the same ward of an 8,000-bed State hospital in which they had been residents for an extended period and were not transferred to the research ward. Evaluations were done

by the same psychiatrist (the senior author) and were based on his own clinical impressions plus those of the nursing and attendant staff. After 5 weeks of treatment, the psychiatrist was transferred to another service, but returned periodically to check the progress of the patients. The physician who continued the treatment had been in charge of this service for a number of years so that except for the particular medication (the iproniazid) no other factor was known to vary which could account for the changes observed. Since all but 6 of these patients had received 1 or more courses of other medications, it is unlikely that simply receiving a tablet, per se, could have resulted in improvement since this would otherwise have occurred in one of the previous courses of drug administration. The patients are housed in a building which contains approximately 600 patients which is ordinarily serviced by 1 psychiatrist and the ward on which they were situated houses approximately 70 comparable patients.

(b) The patients reported on in private practice were seen in an ordinary psychiatric office and except as noted were treated from 1 to 3 times a week for the customary "50-minute hour." The author whose patients were seen was trained by Paul Schilder, another whose case was reported was trained by Theodore Reik, and the third psychiatrist is a member of the William Allison White group. All of the patients had received previous treatment including a variety of pharmaceuticals without satisfactory response. Four of the nine patients had been in treatment with their present therapists for over 1 year.

EXPERIMENTAL DESIGN

As this was a pilot experiment no attempt was made to use double blind or placebo techniques. The utilization of elaborate format is pointless until there is some evidence that the medication is active and until dosage range has been determined.

In point of fact, the acceptance of improvement as being drug related is not so naive as may appear on the surface since two-thirds of the group had received one or more courses of drug therapy with other pharmaceuticals and failed to show such change. Both the patients and the psychiatrist were therefore familiar with such techniques and there existed no greater enthusiasm as to the potentialities of this treatment than with numerous other medications. Since among the hospitalized group only well-stabilized subjects were chosen, the patients could truly be said to have acted as their own controls.

DOSAGE AND DURATION

The original plan of investigation, based on the animal experiments, called for the "pretreatment" of patients with iproniazid which was to be followed by the administration of reserpine. It was obviously first necessary to determine the effect of iproniazid alone since if reserpine were added before the effects of the first drug could be evaluated it would be impossible to determine whether any beneficial results were due to the iproniazid or to the combination of iproniazid and reserpine. Another group of patients of a similar type are being treated by relatively brief induction courses of iproniazid followed within a week by the addition of reserpine. These results are not being presented at the present time. It was the original intent to use only iproniazid in the present group but, as seems to inevitably be the case, two of the group have been deviated insofar as reserpine (1 milligram TID) was added to 1 regime and a second patient had been on 1 milligram of reserpine and 50 milligrams of chlorpromazine TID for several weeks prior to starting iproniazid and was continued on this same regime.

The customary dose at which side effects usually manifested themselves in the treatment of tuberculosis patients was over 300 mgs. a day. Ideally one would look for therapeutic efficacy at a dosage low enough to circumvent the occurrence of undesirable side reactions. We, therefore, arbitrarily took half of this customary dose and started all patients on 50 mgs. of iproniazid TID. In one of the hospitalized patients the dosage was raised to 75 mgs. TID without any side effects, but in a private patient who was given a total dosage of 250 mgs. a day it was necessary to return to the original 150 mgs. because of dizziness. In another of the private patients the same feeling of dizziness necessitated reducing the dosage to 25 mgs. TID. After a short time on this dosage the patient was returned to 50 mgs. TID, but the dizziness again recurred and dosage was again returned to half that amount.

It is very strongly recommended that an adequate trial of not less than 3 months with doses no higher than 150 mgs. a day be given before attempting any

increase in view of the danger of possible side effects. These, except dizziness, hypotension, mild constipation, delayed micturition, and delay in onset of sleep were not found on the dosages used, here. On higher doses in tuberculous patients there are also reports (in order of troublesomeness and frequency) of twitching of lower extremities, ataxia, hyperreflexia, drowsiness, dryness of mouth. Also occasionally reported (on very high dosages): peripheral neuropathy, impotence, edema, palpitations, and euphoric psychoses.

INDIVIDUAL CASE HISTORIES

Individual case histories are grouped according to the therapeutic response.

Unfavorable response

1. A. H.: A 48-year-old female hospitalized for 18 years and carrying a diagnosis of dementia praecox, paranoid type. She had previously received treatment with reserpine. At the end of approximately 2 months on iproniazid, therapy was discontinued due to misinterpretation of clinical laboratory data. No change had been evident at the 5-week evaluation, nor had any change become evident at the time of discontinuance of the drug.

2. C. S.: A 53-year-old dementia praecox, paranoid type who has been hospitalized for 21 years and had two previous hospitalizations. Previous treatment consisted of insulin and reserpine plus phenidylate. In contrast to most of the patients she showed persistent loss of weight and physical disability and was therefore discontinued after 4 months since at no time had she shown any personality change.

3. M. S.: A 47-year-old female with a diagnosis of psychosis with luetic meningoencephalitis. No change had been evident at the 5-week evaluation. Shortly after, the patient was transferred to the medical and surgical building for observation and treatment of recurrent amebic dysentery (of which she had had a previous episode 8 months prior). Although there is no direct evidence of any causative relationship between the medication and this recurrent episode of amebic dysentery, this relapse is tentatively conceded as an unfavorable response in order not to play down the possibility that iproniazid may have lowered the patient's resistance to infection, which seems to be the case with some of the tranquilizing drugs. However, in the light of decidedly favorable physical response as experienced by the majority of patients under treatment, it is more probable that the recurrence of the dysentery was a pure coincidence unrelated to the drug.

No response

1. E. F.: A 68-year-old case of psychosis with cerebral arteriosclerosis who has been hospitalized for 12 years. She had failed to respond to ECT. When evaluated at the end of 5 weeks and again at the end of 4½ months she remained quiet, withdrawn, and deteriorated.

2. D. P.: A 52-year-old case of psychosis with mental deficiency who has been hospitalized 17 years. She was unimproved with reserpine therapy. At no time has there been any fluctuation above or below the baseline state, with the patient remaining mute, unresponsive, and in need of ward care.

Transient response

1. A. G.: A 65-year-old lobotomized catatonic who has been hospitalized 23 years. She has always been quiet, withdrawn, and confused although at the same time smiling, friendly, and attempts to be cooperative. Initially following therapy she became somewhat neater in appearance, her habits improved, and she was less resistive to medication. This improvement noted at the end of 5 weeks was no longer present at the later evaluation.

Some response

1. F. S.: A 44-year-old hebephrenic who has been hospitalized for 12 years. She previously had ECT, insulin, and a course of reserpine. Prior to the institution of iproniazid she was receiving 50 mgs. of chlorpromazine and 1 mg. of reserpine TID without improvement. This was continued. At the 5-week evaluation period she had shown no change but is now definitely more alert, tidy, responsive to questioning, coherent, and manifests more interest in herself with considerably less confusion, whereas formerly she wet and soiled herself, mumbled unintelligibly, and was idle.

2. R. S.: A 37-year-old hebephrenic who has been hospitalized 9 years. She previously received ECT, insulin, reserpine, and reserpine plus phenidylate without improvement. At the end of the first 5 weeks, at which time she had

shown no change, and approximately 2 months ago, dosage was increased to 75 mgs. TID with the concurrent addition of 1 mg. of reserpine TID. She is now more active and sociable, laughs, is less inhibited but there is still some evidence of flight of ideas and pressure of speech and there has been no major improvement in respect to her untidiness.

3. E. S.: A 42-year-old catatonic who has been hospitalized 20 years. Previous treatment consisted of metrazol, insulin, and reserpine plus phenidylate without improvement. At the end of the first 5 weeks there was no evidence of change and she remained as she had during the baseline period—mute, quiet, withdrawn, and unresponsive to questions. At present she is quite loud and talkative. Some of her verbalizations are quite sensible. A ward attendant who has known her for years contrasts this with her previous reaction when "she just wasn't there." At times she is overactive and verbally abusive, with occasional tendency toward assaultiveness. (These present symptoms may be minimal revival symptoms of her former psychosis, i. e., catatonic excitation; This phenomena may well fall in line with Crane's (11) psychoanalytic speculation of the "emergence of positive feelings from the unconscious" of a psychotic personality whose weakened ego defenses are unable to cope with reawakened stress material from both conscious and unconscious levels.)

4. M. E.: A 55-year-old patient carrying a diagnosis of involutional psychosis melancholia who has been hospitalized 20 years. She had previously received ECT without improvement. At this time both her appearance and disposition have improved. She is quieter and better behaved in contrast to her formerly active and noisy self. She is eating better, has gained weight, and is less preoccupied with complaints about her mother-in-law than formerly. Instead of screaming at her visitors she shows interest and accepts them gratefully. She is still somewhat untidy, idle, and occasionally spits on the floor. Some improvement was already evident at the end of 5 weeks.

5. A. E.: A 72-year-old woman hospitalized for 26 years and carrying a diagnosis of dementia praecox, paranoid type, imposed on mental deficiency (Propfschizophrenia). At the end of 5 weeks she was more alert and less withdrawn than her previous quiet, tense, reserve, mute, and unresponsive reactions. She is neater in appearance and now makes her own bed. She is also able to smile good naturedly when questioned.

6. E. K.: A 42-year-old catatonic hospitalized for 23 years. She had previously received insulin and metrazol therapy without improvement. Following a lobotomy she became more cooperative and less assaultive. Prior to Marsilid patient was confused and disoriented, appearing to be tense, sad, and thoughtful. She is now neater in appearance, takes more interest in both herself and her environment, and is definitely less withdrawn. She attends social affairs on the ward and the hospital movies, which is in marked contrast to her prior condition of customarily remaining stretched out on the floor. Although as noted she has been a hospital patient since 1933, there is definite evidence of some integration of personality and the patient's mother has spontaneously commented with pleasure upon her present improvement. There was some evidence of this improvement as early as 5 weeks.

7. H. H.: This 41-year-old hebephrenic has been hospitalized for 16 years. At the 5-week period she had shown very marked improvement and was much neater in appearance, oriented, took definite interest in herself and her surroundings, and was responsive to questioning. She mingles more freely with other patients; however, she has not retained all the improvements evidenced after 5 weeks of therapy.

Appreciable response

1. R. G.: This 42-year-old hebephrenic with low intelligence has been hospitalized for 20 years. She had previously received treatment consisting of reserpine plus phenidylate without improvement. Prior to iproniazid she was persistently mute and withdrawn in contrast to her present behavior which is much more outgoing and responsive to ward routines. She has not only lost her muteness but has become quite talkative and at times even noisy. Although her responses to questioning are not always intelligible (she) is no longer destructive or a ward problem. She definitely takes more interest in herself, is cleaner in her personal habits, and for the first time in a considerable period recently engaged in a conversation with her visitors. The improvement, which had been evidenced at the end of 5 weeks, has continued to increase. An interesting byproduct of the use of the present medication is the remarkable clearing up of the patient's former rough, dry, and scaly skin which had been undiagnosable and unresponsive to treatment for many years.

2. I. H.: A 56-year-old catatonic who has been hospitalized for 19 years. When seen for evaluation at the end of 5 weeks a marked improvement was evident and there has been continuing betterment of her condition since that time. She is much more alert and self-assertive and in contrast to her pre-treatment behavior will now no longer allow herself to be pushed around by fellow patients. She is cooperative and responsive to questioning with a much better flow of speech. At times this still tends to be circumstantial but is definitely more coherent. She has gained weight and appears cheerful and sociable in contrast to the former work problem which she constituted.

3. E. S.: A 43-year-old catatonic who has been hospitalized 26 years. Previous treatment consisted of reserpine plus phenidylate without improvement. Formerly she spent most of her time lying prone on the floor, but now chooses to sit in a chair. She is definitely more alert and aware of her surroundings. In the past she was extremely manneristic with compulsive clapping of her hands. This is much less frequent although she still attends to manneristic posing of her arms and head. Her eating habits are much improved and she has gained weight. Even at the end of 5 weeks she no longer constituted a ward problem and has given evidence of coherence at the time of the present evaluation with individual words.

4. G. D.: A 49-year-old catatonic hospitalized for 14 years. Previous treatment consisted of reserpine plus phenidylate without improvement. In contrast to her former behavior she is now polite and responsive to questioning. She is definitely more alert and outgoing and considerably more cheerful than heretofore. Instead of spitting on the floor and constituting a ward problem in other ways, she is much more cooperative and helps with the ward work. She attends socials and shows much more interest in herself, definitely functioning at a higher level. At the end of 5 weeks none of this improvement was evident but she has become progressively better since that time and of late has started writing sensible letters to her sister.

SUMMARIZATION OF RESULTS IN INSTITUTIONALIZED PATIENTS

Although 17 patients constitute a small series, in view of the persistent behavior patterns prior to iproniazid and the failure to respond to other medications, it is well worth tabularizing the results. Table I represents a summarization in terms of the groupings used in respect to the case histories. Because of the small number the percentage figures are certainly not to be accepted as definitive but are included primarily for convenience.

TABLE I.—*Response of chronic female institutionalized patients to iproniazid at the end of 5 months of treatment*

Types of response	Number of patients	Percent of patients
Appreciable.....	4	23
Some response.....	7	41
Transient.....	1	6
None.....	2	12
Unfavorable side effects.....	3	18

As can be readily noted 70 percent of the patients showed at least some favorable response above their baseline state, which is extremely impressive in view of the fact that most of the patients were withdrawn and "deteriorated" with a heavy weighing of hebephrenics. The three patients who are listed as "unfavorable" did not become worse psychologically but were discontinued because of side effects which may have been related to the medication.

One obviously looks for explanations of failure to respond (as well as reasons for the favorable response) and it is quite conceivable that the medication is of use in the "functional" psychoses but not in the organic type. The three patients with organic psychoses failed to show improvement and if these are eliminated from the series the results are as presented in table 2.

TABLE II.—*Response of chronic female institutionalized patients with functional psychoses to iproniazid*

Types of response	Number of patients	Percent of patients
Appreciable.....	4	29
Some response.....	7	50
Transient.....	1	7
None.....	0	0
Unfavorable side effects (dropped).....	2	14

If the functional cases are therefore considered separately, 86 percent show improvement. Since a number of the patients did not show any improvement at the 5-week evaluation but subsequently showed appreciable response, it is worth pointing out that the patients who were dropped from treatment because of side effects did not receive treatment for the same length of time as the others. While it is true that they had not shown psychological improvement up to the time that the undesired side effects occurred, in view of the response of some of the other patients it is certainly conceivable that with continued treatment of the same duration as the others a response could have occurred. If one, therefore, includes only the functional psychoses who received the full 5 months of treatment, it is obvious that all of the patients so treated showed some degree of favorable response to iproniazid.

DISCUSSION

At the 5-week evaluation period 47 percent of the patients showed improvement. At the 5-month survey a minimum of 70 percent of the patients had shown measurable response. If organic cases are eliminated, the response is 86 percent favorable. It is obviously impossible to predict whether continued treatment will bring with it continuing improvement although the trend seems to be in that direction. How far and how long the patients will continue to get progressively better can only be answered by continuation of the medication.

The other series presently underway will help to answer the question of whether the addition of reserpine is an even more potent combination than iproniazid alone. The one patient in the present group to whose regime reserpine was added did show such improvement but simultaneously her dosage of iproniazid was increased so no clear impression can be gained. The other patient who was on combined reserpine-chlorpromazine therapy prior to iproniazid also showed improvement which raises the question of whether iproniazid acts synergistically or potentiates the ataractic drugs.

It is cautioned again that the present study constitutes a small pilot project but in view of the response of a group of patients previously unresponsive to treatment and particularly considering that they are representative of a group which, by and large, have been little affected by the presently available ataractic drugs, it is felt that attention should be directed to the possible use of iproniazid in the treatment of such conditions, either alone or in combination with other agents. The addition of benzedrine sulfate, as suggested by H. Spiegel, leads to much more rapid response even when benzedrine alone has failed; the addition of 1.0 milligram reserpine if no response is obtained in 4 to 6 weeks; and the combination with the phenothiazine derivatives all offer promising leads which are presently being tested with good preliminary results.

The successful use in a limited number of private patients presents highly suggestive evidence that the medication may also be of use in the treatment of ambulatory psychiatric patients. A typical example is the case of a 24-year-old male who was quite variable about his subjective changes. He states that prior to treatment he felt like 60 and now feels like 15. He commented that not only does he no longer become depressed but that "I don't want to get depressed any more and can't even when I try." He states that it is much "easier to be happy" and that he is getting much more enjoyment out of life, "getting a zest out of things such as even drinking coffee or breathing fresh air." Iproniazid may also be of value in favorably influencing the course of individuals suffering from mild withdrawal or depressive symptoms who are not sick enough to require treatment by a psychiatrist. Those characterized by inadequate psychic energy, including the elderly patient who has lost his "lust for life" may also be suitable subjects for such treatment.

In contrast to most of the drugs found useful in the treatment of psychiatric patients we know in advance a fair amount about the pharmacological activity of iproniazid. The fact that it is an amine oxidase inhibitor immediately suggests the desirability of testing other pharmaceuticals with this same type of activity. This is particularly true for those like iproniazid, showing selective concentration in the spinal fluid. The existence of more potent amine oxidase inhibitors will allow us to determine whether it is this specific activity which is involved with the favorable therapeutic response or whether it is a different and more obscure action of some part of the iproniazid structure. The action of a new type of agent such as iproniazid helps to clarify some of the present speculations as to the mode of action of both ataractics and psychic energizers. We (12) have presented our theoretical considerations for the reactions associated with the change observed in patients receiving iproniazid in a previous report.

SUMMARY

1. Our preliminary clinical experience with iproniazid leads us to believe that it is effective in depressed, deteriorated, and regressed patients.

2. The dosage must be individualized in order to obtain maximum therapeutic response and minimum of side effects; however, we have found a dose of 50 milligrams TID to be highly effective.

3. Iproniazid must be used with caution since it may produce neurological and/or psychological changes if administered in high dosages for a long term.

4. The preliminary results warrant continued clinical trials in the type of patients we have discussed as well as other psychiatric disorders in order to find its proper place in psychiatric therapy.

5. Our results with combination therapy have not been evaluated at this time but will be reported in the near future.

6. Whatever the mechanism of iproniazid may be, it would appear as though—with it—a new pharmacological approach is now available for adjunctive therapy in psychiatry.

Senator HILL. Is there anything you want to add, Mr. Gorman?

Mr. GORMAN. No, sir—just to thank the committee very, very much for its indulgence.

Senator HILL. We want to thank you gentlemen for, as I say, this exceptionally fine testimony you have brought us this morning.

The committee will stand in recess now until 2 o'clock this afternoon, when we will have Dr. Farber, whom we well know, from Boston, who has done so much work on leukemia, and Dr. Ravdin of the University of Pennsylvania. You will recall that he is the surgeon who operated on President Eisenhower. They will testify as soon as we reconvene at 2 o'clock.

(Whereupon, at 1 p. m., the subcommittee recessed, to reconvene at 2 p. m., this date.)

AFTERNOON SESSION 2 P. M., THURSDAY, MAY 9, 1957

CANCER PROGRAM

STATEMENTS OF DR. SIDNEY FARBER, SCIENTIFIC DIRECTOR AND PROFESSOR OF PATHOLOGY, HARVARD MEDICAL SCHOOL AT THE CHILDREN'S HOSPITAL, CHAIRMAN OF THE COMMITTEE ON CANCER CHEMOTHERAPY, MEMBER, NATIONAL ADVISORY CANCER COUNCIL; DR. ISIDOR S. RAVDIN, PROFESSOR OF SURGERY, UNIVERSITY OF PENNSYLVANIA SCHOOL OF MEDICINE, CHIEF SURGEON, UNIVERSITY OF PENNSYLVANIA HOSPITAL, CHAIRMAN OF BOARD OF REGENTS OF THE AMERICAN COLLEGE OF SURGEONS; AND MEFFORD RUNYON, EXECUTIVE VICE PRESIDENT, AMERICAN CANCER SOCIETY

PREPARED STATEMENT

Senator HILL. The committee will kindly come to order.

Gentlemen, we are very fortunate to have with us today Dr. Sidney Farber of the National Advisory Cancer Council, Dr. Isidor S. Ravdin, chairman of the board of regents of the American College of Surgeons and Mr. Mefford Runyon, executive vice president of the American Cancer Society.

Have you gentlemen decided which one will testify first?

Dr. FARBER. Dr. Ravdin will testify first, Mr. Chairman.

Senator HILL. Doctor, we will place your prepared statement in the record.

(The statement referred to follows:.)

STATEMENT OF DR. I. S. RAVDIN

John Rhea Barton, professor of surgery, school of medicine, University of Pennsylvania: surgeon in chief, hospital of the University of Pennsylvania, chairman of the Clinical Panel Cancer Chemotherapy National Service Center, member, National Advisory Cancer Council, chairman of the board of regents of the American College of Surgeons.

Mr. Chairman and gentlemen, I am a surgeon and operate on many patients with malignant disease. In spite of all the advances in the therapy of malignant diseases, the percentage of cures of the major malignant lesions is now small, not exceeding 30 percent of these lesions. Three, 5, and even 10-year survivals have increased, but cures in the true sense are the exception rather than the rule. The initial enthusiasm at what might be expected as a result of extension of the present operative effort has slowly given way to skepticism regarding any further appreciable gain which may be expected from surgery or X-ray alone. The goal of all cancer therapy must be to cure cancer. The evidence now available has made it reasonably clear that while cancer confined to the organ of origin may be cured by operation, cancer which has extended beyond this point is difficult to eradicate.

While surgery and radiation are still the best methods of therapy for a variety of human malignant lesions, the experience of the last 25 years during which both of these methods have had ample opportunity to find extensive application, has demonstrated that while both of these methods have resulted in the prolongation of life of many individuals with malignant disease and the cure of a considerable number of others, neither of these methods, or both of them together, has proven to be sufficiently good to still the search for better methods of therapy.

I must admit that in the great majority of the major common malignant lesions in which spread of the cancer has taken place, we find an incidence of diminishing patient survival over periods of time. It is because of this fact that those of us who have looked forward to an improvement in the number of cures are looking carefully into new methods of therapy.

My interest in the chemotherapy of malignant diseases stems from the fact that there is evidence that a wide variety of chemical agents, now available, retard the growth of malignant experimental tumors in animals, and in certain instances lead to the complete disappearance of these tumors. These agents act at different places in the rapidly growing malignant cells. We must determine whether similar agents can be helpful in human cancer.

It has been said that it is not rational to utilize this type of approach to the problem; that we must know the real cause of cancer first. I call to your attention that the history of medicine is replete with instances of the control of diseases by various agents before we actually knew how these agents acted. This was true for the sulfonamides, and for the antibiotics. Many of the latter agents have been available for more than a decade and have cured an untold number of our people who previously would have died, or have been permanent cripples, but it has only been in the last year that we have really known how they have acted.

A wide variety of synthetic chemical agents as well as those formed in the body as a result of biological processes have been demonstrated to have anti-cancer activity for experimental tumors, and at times for those naturally occurring in man.

Cancer chemotherapy has received a new birth since the formation of the Cancer Chemotherapy National Committee and the Cancer Chemotherapy National Service Center. New groups of scientists are becoming interested in cancer research. Chemists, pharmacologists, screeners, and clinicians have joined forces. New compounds are being made for testing. The chemical and pharmaceutical industries for the first time in our history are cooperating in this program.

An untold number of compounds will soon be available which have been screened against experimental cancers and for pharmacologic action both in animals and man. Every precaution is being taken to obtain the maximum information on these agents in a purely objective, unbiased manner. The final selection of agents for trial in man is being made after the most careful study.

Not only are these agents being used in certain advanced cancers for which no further traditional therapy is available, but we have underway an extensive program in which certain of these agents of known usefulness are being used as adjuvants to surgery and X-ray at the time of the original operation. There are high hopes that this program will further improve the end results of the traditional methods of therapy.

Considerable progress has been made in this field. Certain hormones are effectual in prolonging the life of patients with breast cancer which has become widespread. The male hormone, testosterone, is helpful in controlling prostatic cancer. Other chemical agents are proving useful in certain of the acute leukemias in children and still others in the chronic leukemias in the adult.

To the original panels of chemistry, screening, pharmacology, and clinical trial has been added during the last year a panel on endocrinology for the hormones are also chemical agents and certain of them are of known usefulness in the control of certain malignant tumors.

It has taken time to weld this group of scientists of diverse backgrounds of training and interest into a hard core of workers with a single purpose. From such a union of effort new knowledge is already coming. In the individual and group efforts now underway we are exploring more actively and realistically the part that chemotherapy can play in the successful treatment of cancer. And while all this is going forward, many other scientists are intensively investigating other aspects of this baffling problem of abnormal cell growth. The future is full of promise.

The funds which the Congress made available, especially during the past 2 years, has made possible a broader attack on the problems related to cancer than ever before.

The budget funds requested by the National Cancer Institute for fiscal year 1958 have been very carefully scrutinized by members of the National Advisory Cancer Council, acting as private citizens. Worthy research now going on must continue to be supported. The appropriation for fiscal 1957 has stimulated

many research workers of demonstrated competence to enter this important field. There is always a lag period in preparing the material necessary by these investigators for grant requests. The mere fact that ample funds are available to meet present requests should by no means be taken as an indication that the present budget provides adequate money to meet next year's necessities. The new research requirements opened up by this program in terms of funds will considerably exceed those now available. While the Council is in agreement that the present direct research operations at the National Cancer Institute be held at approximately the present level, the Council is conscious of its obligations to the many scientists who are entering the important area of cancer research that their work not come to an end because of an inadequacy of budgeted funds.

It is important, too, to provide funds for direct contracts with industry. We need new agents and we need new and old ones of demonstrated purity. Many of the antibiotic beers are now known to have anticancer activity. We must obtain from the most potent of these beers the active anticancer agent. Such activities cannot be carried on through the mechanism of research grants; they can go forward actively only by direct contracts with the industry.

Additional funds are required to assure the extension of present facilities for the growth of inbred strains of mice. The presently available facilities are totally inadequate to meet even current requirements.

Funds are required in addition to those provided by the Congress for fiscal 1957 to encourage the investigators now intensively working in this field, and those who are prepared to enter it. These many research workers must know that funds will be available to support their research needs.

Additional funds are required for training grants so as to encourage young men to become engaged in the basic research related to cancer and for others who will concern themselves with the clinical aspects of cancer.

Funds are required to accelerate the pace of the Cancer Chemotherapy National Service Center and the individual, and cooperative research groups now engaged in the intensive search for new agents of demonstrated activity, of proven purity, of low toxicity, for use in man suffering from a wide variety of malignant lesions.

The Congress has on several occasions previously demonstrated its interest in this remarkable program. It did this in 1957 when it provided for a substantial increase in funds for the chemotherapy program. That approximately \$5 million of funds appropriated for 1957 have not been expended is evidence that the high standards demanded for research have not been lowered. The restriction of funds at this time will lead to the circumstance that perhaps even on-going research may not receive continued support and new research will "wither on the vine."

I would be remiss in my duty as an individual who has spent his professional life in a university were I not to point out that while all of these things are being considered by you that you also give serious consideration to increasing the overhead to institutions in which this research is being done. The present overhead figure is unrealistic and if continued will bring about a serious crisis in our institutions of higher education and research. Such increase in overhead as you may direct should, however, not be made at the expense of funds for the primary research. A more realistic approach to this problem is of tremendous importance.

In order to conserve time I want you gentlemen to know that I have read Dr. Farber's and Dr. Weaver's statements which are more specifically related to the amount of the funds required and I am in agreement with their recommendations.

As a surgeon, as an investigator, and as a member of the National Advisory Council I can only urge you to provide the funds necessary for these activities. American scientists are dedicating themselves to finding solutions to the problems of the causes and cure of these devastating diseases. If they are to succeed they need your help.

GENERAL STATEMENT

Senator HILL. Will you proceed, please, Doctor?

Dr. RAVDEN. Mr. Chairman, I am grateful for the opportunity to come before your committee and make a statement regarding the cancer program and certain specific aspects of the cancer chemotherapy program.

Senator HILL. Dr. Ravdin, I thought maybe in your statement you might tell of your present position, but I want to emphasize the fact that you are a professor of surgery at the University of Pennsylvania, the oldest medical school in the United States, and you are chief surgeon of the University of Pennsylvania Hospital, and you are also chairman of the board of regents of the American College of Surgeons.

Dr. RAVDIN. I am also Chairman of the Clinical Panel, Cancer Chemotherapy National Service Center.

QUESTION OF FURTHER ADVANCES IN CANCER FROM SURGERY AND X-RAY

Mr. Chairman, as you say, I am a surgeon, and I operate on many patients with malignant disease. In spite of all the advances in the therapy of malignant diseases, the percentage of cures of the major malignant lesions is now small, not exceeding 30 percent. Three, five, and even ten-year survivals have increased, but cures in the true sense are the exception rather than the rule. The initial enthusiasm at what might be expected as a result of the extension of the present operative effort has slowly given way to skepticism regarding any further appreciable gain which may be expected from surgery or from X-ray alone. The goal of all cancer therapy must be to cure cancer. The evidence now available has made it reasonably clear that, while cancer confined to the organ in which it originates may be cured by operation, cancer which has extended beyond this point is difficult to eradicate.

NEED FOR BETTER METHODS OF THERAPY

While surgery and radiation are still the best methods of therapy for a variety of malignant human lesions, the experience of the last 25 years, during which both of these agents available have had ample opportunity to find extensive application, has demonstrated that, while both methods have resulted in the prolongation of life of many individuals with malignant disease and the cure of a considerable number of others, neither of these methods, nor both of them together, have proven to be sufficiently good to still the search for better methods of therapy.

I must admit that, in the great majority of the major common malignant lesions in which spread of the cancer has taken place, in these instances we find an incidence of diminishing survival over periods of time. It is because of this fact that those of us who have looked forward to an improvement in the number of cures are looking carefully into new methods of treatment.

CHEMOTHERAPY OF MALIGNANCY

My interest in the chemotherapy of malignant diseases stems from the fact that there is evidence that a wide variety of chemical agents now available retard the growth of malignant experimental tumors in animals, and in certain instances lead to the complete disappearance of these tumors. These agents act at different places in the rapidly growing malignant cells. We must determine whether similar agents can be helpful in human cancer.

It has been said that this is not a rational approach to utilize and to apply to the problem; that we must know the real cause of cancer first. I call your attention to the fact that the history of medicine is

replete with many instances of the control of serious diseases before we have actually known how the agents work that are used in the cure.

For instance, although we have had insulin now for a period of over 30 years, during which time it has helped innumerable people with diabetes, there has been a considerable period during which we did not know how insulin acted. This has been true, as far as sulfonamides and the antibiotics. Many of the antibiotics have been available for a decade and have cured an untold number of our people who previously would have died or who would have been permanently crippled, but it has only been in the last year that we have really known how the antibiotics have acted. A wide variety of synthetic chemical agents, as well as those formed in the body as a result of biological processes, have been demonstrated to have anti-cancer activity for experimental tumors and occasionally for those naturally occurring in man.

IMPETUS OF FORMATION OF NATIONAL COMMITTEE

Cancer chemotherapy has received a new birth since the formation of the Cancer Chemotherapy National Committee and the Cancer Chemotherapy National Service Center in the added support which the Congress has given these groups. New groups of scientists are becoming interested in cancer research. Chemists, pharmacologists, screeners, and clinicians have joined forces, and I might say they have joined forces in a way in which they have never previously joined forces.

New compounds are being made for testing. The chemical and pharmaceutical industries, for the first time in our history, are co-operating in this program.

SCREENING PROGRAM

An untold number of compounds will soon be available which have been screened against experimental cancers and for pharmacologic action in animals and man. Every precaution is being taken to obtain the maximum information on these agents in a purely objective, unbiased manner. The final selection of agents for trial in man with serious malignancy is being made by a most careful study by more than 100 groups cooperating in this current effort. These groups are working together without asking priority of one school over another, and they have joined forces, which is an unusual circumstance.

Senator HILL. In other words, Doctor, you feel that we have real teamwork.

Dr. RAYDIN. This is the greatest team play, Senator, that we have ever had.

VALUE OF CHEMOTHERAPEUTIC AGENTS

Not only are these agents being used in certain advanced cancers for which no further traditional therapy is available, but we have underway an extensive program in which certain of these agents of known usefulness in man are being used as adjuvants to surgery and X-ray at the time of the original treatment, and, while certain of these agents are not powerful enough to kill massive deposits of cancerous tissues, we are very hopeful that minor spreads which exist at the time of operation may be taken care of by these agents

working on smaller deposits of malignant tissue. That is why it is called an adjuvant to surgery.

There are high hopes that this program will further improve the end results of the traditional methods of treatment.

ENDOCRINOLOGY

To the original panels of chemistry, screening, pharmacology, and clinical trial, which Dr. Farber will talk about, has been added during the last year a panel on endocrinology, for the hormones are also chemical agents and certain of them are of known usefulness in the control of certain malignant tumors, such as tumors of the breast and of the prostate.

ORGANIZATION OF WORKERS

It has taken time to weld this group of scientists of diverse backgrounds of training and interest into a hard core of workers with a single purpose. From such a union of effort new knowledge is sure to come. In the individual and group efforts now underway we are exploring more actively and realistically the part that chemotherapy can play in the successful treatment of cancer. And while all this is going forward many other scientists are intensively investigating other aspects of this baffling problem of abnormal cell growth. The future, I believe, is full of promise.

NATIONAL CANCER COUNCIL SURVEYED REQUESTS

The budget funds requested by the National Cancer Institute for fiscal year 1958 have been very carefully scrutinized by members of the National Advisory Cancer Council. Worthy research now going on must continue to be supported. Failure to support it would discourage other workers coming into this real effort.

The appropriation for fiscal 1957 has stimulated many research workers of demonstrated competence to enter this important field. There is always, gentlemen, a lag period in preparing the material necessary by these investigators for grant requests. The mere fact that ample funds are available to meet present requests and that certain funds have not been expended should by no means be taken as an indication that the present budget provides adequate money to meet next year's necessities. The new research requirements opened up by this program in terms of funds will considerably exceed those now available.

COST PER PATIENT OF CHEMOTHERAPEUTIC STUDY

I wish merely to call to your attention the fact that when additional powerfully acting chemotherapeutic agents become available for extensive clinical trial in man, in many institutions, in order to be sure of these end results it will cost \$12,000 a patient per year to keep a patient in for study. One cannot give these agents 1 day and let the patient home another because they have far acting effects and the patients must be under constant study during the period of time the period of time that these agents work.

While the National Advisory Cancer Council is in agreement that the present direct research operations at the National Cancer Institute

be held at approximately the present level, the Council is conscious of its obligations to the many scientists who are entering the important area of cancer research that their work not come to an end because of an inadequacy of budgeted funds.

The new research requirements opened up by this year's appropriation in terms of funds will considerably exceed those now available.

CONTRACTS WITH INDUSTRY

It is important, too, to provide funds for direct contracts with industry. We need new agents and we need new and old ones of demonstrated purity. It must be recognized that before these agents can be used in man and by many groups that the agents must be of known purity so that each cooperating group has exactly the same agent that they are using on patients.

Many of the antibiotic beers are now known to have anticancer activity. We must obtain from the most potent of these beers the active anticancer agent. This is a costly procedure. Such activities cannot be carried on through the mechanism of research grants. Industry is not going to go into this on the basis that we must have them go into this unless they are assured of some continuing support. How does industry know what the cost of this will be?

NEED FOR MECHANISM FOR CONTRACT GRANTS

I call your attention to the fact that some mechanism for contract grants must be set up similar to those set up by the Department of Defense, by the Atomic Energy Commission and by other agencies which can draw direct contract work. The mechanism of the study section grant procedures of the National Cancer Institute and the National Institutes of Health do not make this sort of thing possible.

Additional funds are required to assure the extension of present facilities for the growth of inbred strains of mice. The presently available facilities are totally inadequate to meet even current requirements, and we must have certain types of mice raised under the very best conditions in which certain experimental tumors can be transplanted in these mice so that these agents can first be used on these animals before they are used in man.

Funds are required in addition to those provided by the Congress for fiscal 1957 to encourage the investigators now intensively working in this field, and those who are now prepared to enter it. This lag period is an inevitable consequence of the provision of the last Congress in providing these funds.

These many research workers must know that funds will be available to support their research needs.

Funds are required to accelerate the pace of the Cancer Chemotherapy National Service Center and the individual and the cooperative research groups now engaged in the intensive search for new agents of demonstrated activity, of proven purity, of low toxicity, for use in man suffering from a wide variety of malignant tumors.

INTEREST OF CONGRESS IN PROGRAM

The Congress has on several occasions previously demonstrated its interest in this remarkable program. It did this in 1957 when it pro-

vided for a substantial increase in funds for the chemotherapy program. That approximately \$5 million of the funds appropriated for 1957 may not have been expended is evidence that the high standards demanded by the study sections and the National Advisory Cancer Council have in no way been lowered.

The restriction of funds at this time will lead to the circumstance that perhaps that which has already been approved will not receive continued support, and it is my opinion that it will not receive continued support if the proposed budget is the one passed by the Congress, and certainly a great deal of new research which has been stimulated will "wither on the vine."

INTEREST OF PROMINENT SCIENTISTS

I call your attention to such distinguished scientists as Dr. Wendell Stanley, a Nobel prizewinner. He was the first man to give the identity of the tobacco virus. He has turned his efforts to the cancer program at Berkeley, Calif., to see whether or not viruses are responsible for human cancer as they are for certain experimental cancers. Dr. Stanley would not do this unless he could look forward to the continued support of his workers whose experimental efforts are now being diverted into a new field.

NEED FOR "VENTURE" MONEY

We do need, in my opinion, and I hope Dr. Farber will touch on this, a large sum of money. I am not prepared to make a statement as to how large it should be, but it should be a sum of money which can be looked upon as venture money which can be used rapidly to implement contracts with industry when breakthroughs are made, and venture money, too, which can be used rapidly to permit individuals to expand a program once something of definite usefulness seems to be available.

That should be money not budgeted for a year, Senator. I think it ought to be a sum of money that is available for these purposes until it is expended, similar to the venture money that the American Cancer Society makes available for certain institutions.

INCREASE IN LIMITATION ON INDIRECT COSTS

Finally, Senator Hill, I would be remiss in my duty as an individual who has spent his professional life in a university were I not to point out that while all of these things are being considered by you, that you also give serious consideration to increasing the overhead to institutions in which this research is being done. The present overhead figure is a completely unrealistic figure and if continued will bring about a serious crisis in our institutions of higher education and research. Every time a research fund is granted an institution, the institution must put up matching funds for this to go on, and the 15 percent now given as overhead is a completely unrealistic figure. Such increase in overhead as you may direct should, however, not be made at the expense of funds for the primary research.

I propose that the overhead should be increased with no reduction in existing research funds. To reduce existing research funds would seriously damage the program, for individuals now in the middle

of their work would have their research stopped because of the unavailability of funds.

Senator THYE. Mr. Chairman, could I ask of the doctor: What do you recommend?

Dr. RAVDIN. I would recommend a minimum of 25 percent. I have lived in a university. I have been a vice president of a university. I know what the costs are Senator, to do these things.

Senator THYE. What are some of the specific expenditures and facilities that are needed under this 15, or as you recommend, 25 percent? I think it would help us if you were able to list them just briefly, because then we could refer to it and say, "Well here is what the doctor said." We are going to be in conference on this question with the House and those conferences are not easy.

REQUEST FOR ADDITIONAL STATEMENT

Senator HILL. In that connection, Senator, I wonder if he would like to make a little statement now and supplement it with perhaps a more carefully prepared statement that he might send us for the record, because we are going to have to meet this situation, as you so well said, Senator.

Dr. RAVDIN. There are a variety of things I might call to your attention. Dr. Harold Diehl, the dean of Minnesota, is sitting over there. If we gave a grant to Minnesota he would have to find the space in his institution. He has to provide heat, light, water, and all the other services necessary for the research workers to carry on their projects.

NEEDS IN MINNESOTA

Senator THYE. The dean and myself last fall and the year before went around and took a look at some of those needed facilities. That is the reason I wanted you to stipulate it, because I had the good fortune of going out to the University of Minnesota and being informed by Dean Diehl as to just exactly what the needs were if you were going to conduct a real research program. I want the record to reflect that because my ability would not be as good in conference on that question as yours would be in the testimony that you give.

Dr. RAVDIN. That is right, sir, and you need an animal house to keep the animals. We very rarely give money for that. This is a costly thing. The animal housekeepers, the administration of the funds by the universities themselves are very costly.

Senator THYE. And some of the equipment that is constantly in need, of which oftentimes your own research men become the mechanical engineers that contrive or design in order to have the necessary equipment made. Is that not about the truth of it?

Dr. RAVDIN. That is right, sir.

Senator THYE. I have seen electrical motors operating various types of equipment or instruments that are used in scientific research and the scientists themselves have designed them. All of that takes money.

Dr. RAVDIN. It certainly does.

Senator THYE. That is what you now visualize as this 15 percent that is written into the language of the present legislation before us. That is, this restriction would be imposed on each research activity.

NO CUT IN PRESENT FUNDS TO RAISE LIMITATION

Dr. RAVDIN. Yes. I would hope that the present 15 percent would go up to a minimum of 25 percent, but that this increase in funds for overhead would not be carried out as it is proposed at the expense of current research funds. That would be disastrous.

Senator PASTORE. In other words, to develop this with a sense of consistency, if this committee chose to raise the figure from 15 to 25 percent it would have to add the difference in dollars on the total appropriation. Otherwise, we would be, in fact, curtailing research.

Dr. RAVDIN. That is right, sir.

Senator PASTORE. You would have to do both.

Dr. RAVDIN. You would have to increase the overhead and increase the funds available to pay that overhead.

Senator PASTORE. Otherwise, we would be curtailing the whole program.

Dr. RAVDIN. That is right.

Senator HILL. Otherwise, you would be reducing, cutting down on your research program.

Dr. RAVDIN. That is correct.

As a surgeon, my professional career as a surgeon, and as an investigator and as a member of the National Advisory Council I can only urge that you listen to the message that the elder statesman of cancer in this country, Dr. Sidney Farber, is going to bring you, and I hope that you will provide the funds which are so necessary for carrying on these activities.

I am sure, Senator, with your heritage in medicine, that you know that American scientists are dedicating themselves to finding solutions to the problems of the causes and cures of these devastating diseases, and if they dedicate their lives the Government must put up the funds to make this possible.

Thank you very much.

Senator HILL. Dr. Ravdin, we certainly appreciate your very excellent statement.

STATEMENT OF DR. SIDNEY FARBER ON CANCER

Suppose we hear from Dr. Farber, and after Dr. Farber's testimony we will address some questions to both Dr. Farber and Dr. Ravdin. We will also be glad to have any statement that Mr. Runyon may see fit to make.

Dr. FARBER. Mr. Chairman and gentlemen, I am very happy to have this privilege of coming before you once more. It has been a great pleasure to present testimony before Senator Hill and Senator Thye. This is my first opportunity to present testimony before Senator Pastore.

I am appearing as a private citizen in support of a budget which we call the citizen's budget, and which we will talk about a little later. As a private citizen I speak with deep interest in the field of cancer on the basis of active participation in research and in cancer and in participation in responsibility for the care of patient with widespread or incurable cancer.

MEMBERS OF NATIONAL CANCER ADVISORY COUNCIL

I am happy to have this opportunity to appear with my friend, Mr. Runyon, and my distinguished colleague, Dr. Ravdin. Dr. Ravdin and I are both members of the National Advisory Cancer Council. We have in this room at the present moment three members of the National Advisory Cancer Council; we are happy to have Mrs. Mary Lasker with us today.

Senator HILL. May I ask Mrs. Lasker to please have a seat at the table. It is a pleasure to have you with us, Mrs. Lasker.

We have with us another very distinguished guest and a great close friend of Senator Thye, a gentleman for whom I have a very deep appreciation. That is Dr. Diehl, of the University of Minnesota. Dr. Diehl, we are certainly very glad to have you here.

It is my thought that after we finish the testimony on cancer with our distinguished witnesses here, we will be happy to have a word from you, on this question of overhead, as the dean of the University of Minnesota.

Dr. DIEHL. I will be glad to. I did not come to make any statement. I came to listen.

Senator HILL. Dr. Farber, you may proceed.

Dr. FARBER. Mr. Chairman, although we have been appearing here year after year in behalf of the cancer program, may we state that we have spoken strongly in favor of the support of the programs of the National Institutes of Health as a whole. To a certain degree the differentiation between and among the institutions is categorically basic. When one field becomes of age it is basic to progress in other fields.

NONCATEGORICAL RESEARCH GRANTS

There is one area I would like to speak about before going into cancer. That is the so-called noncategorical research grants. This is the orphan group of areas which have no direct relation to cancer or to heart disease, neurological disease and the other categorical areas. This area of noncategorical research has tremendous importance.

This may be regarded as synonymous with basic research which does not fall conveniently within any one of the categorical institutes, such as cancer, heart disease, and so forth. As you know, research of this nature may supply the breakthrough into any one of the several categories with which we are concerned. Furthermore, such research must be conducted on its own merits for its own sake. This includes research in the fields of physiology, pharmacology, pathology, dermatology, and so forth.

For this reason may I respectfully call your attention to the need for a greater sum, as I have ascertained from my own investigations. In fiscal 1957 the sum appropriated was approximately \$9.5 million for grants in the noncategorical research area. I would like to urge that for fiscal 1958 the appropriation for noncategorical research be increased to \$12 million.

This expenditure would not only be a wise one, but the return will be felt throughout the entire structure of medical research.

NONCATEGORICAL TRAINING GRANTS

May I take this opportunity to call attention, too, to a great need in the field of training grants? These have been of enormous value in increasing research potential in all of the categorical areas. Unfortunately, there have been only very restricted resources for the training of scientists in pharmacology, physiology, and pathology, and other basic fields of medical science without direct reference to cancer, heart disease, neurological disorders and blindness, and other specific categories. Last year the sum of one-half million dollars labeled experimental training grants proved to serve a great need.

My investigation has led me to the conclusion that if this sum were increased to a total of \$3.5 million for noncategorical training grants in the basic sciences, not only would science itself be served well, but these trained people could then, as they developed, select cancer, heart disease, or any other categories. Such an appropriation increase to \$3½ million for training grants in noncategorical areas would, therefore, give the opportunity for training to scientists who, because of lack of knowledge of the attraction of any one specific area, might not enter this kind of medical research.

CITIZEN'S RECOMMENDATION

It was my privilege to appear before you a year ago in support of a citizen's recommendation for the National Cancer Institute which almost doubled the fiscal 1956 appropriation. A promise was given to you that no money would be expended unwisely merely because of the greater appropriation available; that the criteria governing the choice of grant applications for support would be stricter than ever before. In support of what my colleague, Dr. Ravdin, just told you, I am happy to inform you that such has been the case. Greater numbers of applications were turned down than ever before. The study sections and councils, composed of experts in the several fields of science and medicine, people of high integrity, have carried out their function of recommending to the Surgeon General only the payment of those requests which would meet the strict scrutiny and highest standards of these advisory bodies.

I want to pay tribute to Senator Lister Hill and his committee, and to Congressman John Fogarty and his committee for their statesman-like and courageous move a year ago in recommending an increase in the budget for the National Institutes as a whole, of approximately \$80 million, the bulk of which was allocated to the country as a whole and not merely for increase in the budget of the National Institutes of Health in Bethesda in research carried out there.

May I say that the misgivings of those who had less knowledge of the potential of the country, or less faith in the ability of investigators to accept a challenge, have been dispelled. In the case of the National Cancer Institute, by the time of the June meeting, at the end of June 1957, of the Council, the entire President's budget for fiscal 1958 will have been fully committed, with at least \$3 million of requests for clinical research coming in, with no money to cover them unless there is an increased appropriation.

SPENDING UNDER APPROPRIATION GRANTS

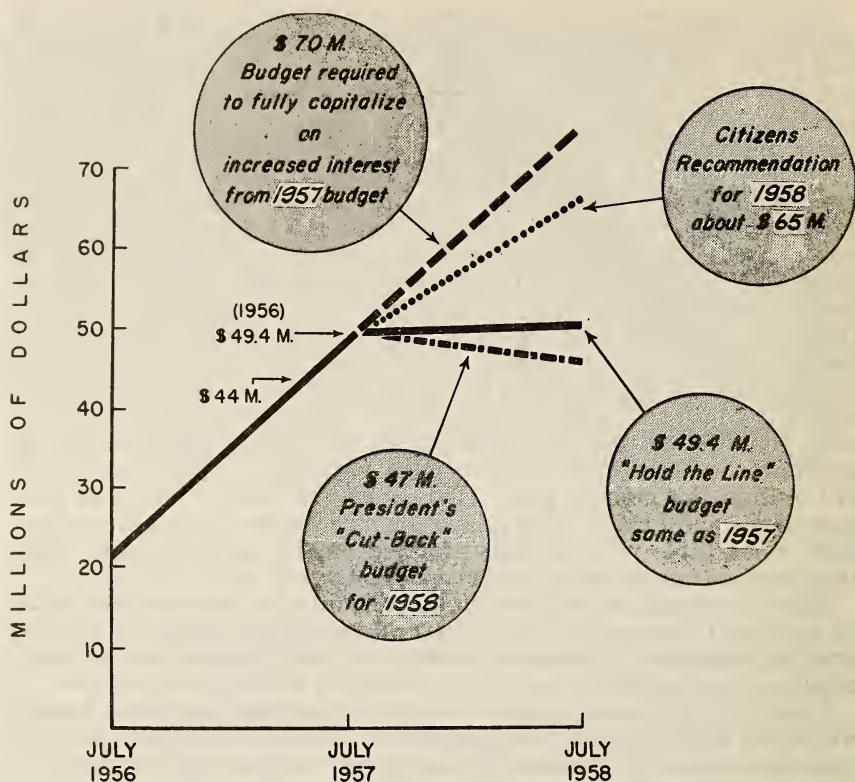
May I show you at this moment a chart which was prepared by experts in the National Cancer Institute at my request. I would correct an error in the years. If you will look at the dark heavy line, you will see the increase from fiscal 1956 of some \$26 million up to fiscal 1957, last year, of \$48.4 million. There was a cutback, artificially in great part, to \$44 million, which is approximately what will have been spent by the end of fiscal 1957. It takes some period of months for money which has been appropriated to be used, and the 12-month year, to scientists, actually becomes a 6-month year. After you appropriate your money and the amount is known in July, it takes doctors and scientists throughout the country some 6 months to become aware of this, to make their plans, to prepare their applications and put them into action, so they may be studied by advisory bodies and the Cancer Council. Therefore, it is not surprising that the full amount appropriated last year could not be expended wisely within the 12-month period. But, if you look at the dotted line extension, you will see that the impetus started by last year's increased appropriation will now bring in good requests that will amount to \$70 million this coming year. This is on the basis of years of past experience, and I think this explanation must be kept in mind, particularly when those who are not informed on the subject suggest that there was too much of an appropriation last year.

What we stated last year was that we wanted to get on a firm basis of reality in the appropriation for the various Institutes of Health, and, on the basis of this realistic level, then build year by year as planning matured and new directions of research were discovered.

I think it will be seen indeed if we were to remain at the same level we would not only lose the splendid impetus initiated last year by your courageous move in making this great increase in the appropriation, but we would have to deny research workers throughout the country support for good research, research that is badly needed and that all of us want to see come into effect.

Senator HILL. We will put this chart in the record.

(The chart referred to follows:)



Senator PASTORE. Does that mean, Doctor, that this money that was returned to the Treasury that was uncommitted was returned not for lack of research projects that might have been available, but the fact that you did not have enough time to get around to it?

NEED FOR FUNDS UNUSED LAST YEAR

Dr. FARBER. That is right, Senator. We did not have quite enough time in that fiscal year. If we could extend by 2 months the fiscal year 1957, we would have seen it all committed by excellent projects.

There is another reason for the return of some of the money, and that is that some of the funds were in contract areas for research, which I am going to describe in the cancer chemotherapy field in a few minutes. There was no contractual authority set up to permit the expenditure of money which was appropriated last year, and I think that that ought to be clearly understood in any analysis of moneys that are returned.

I have no knowledge of such administrative matters, but, as a scientist and as a physician, may I say that I am horrified that it takes so long to put into operation machinery for the expenditure of money allocated by the Congress for medical research when the need is so tremendous and the research workers are waiting for the allocation of funds.

Senator HILL. Doctor, you speak about no contract authority in certain areas. Will you give a little more detail on that, please?

Dr. FARBER. May I reserve the answer to your question until I come a little bit later to that, Mr. Chairman?

Senator HILL. Go right ahead, Doctor.

CONTRACT FOR CANCER CHEMOTHERAPY CENTER

Dr. FARBER. I am referring particularly to the contract area for the Cancer Chemotherapy Service Center, and I shall come back to that, if I may.

In arriving at a point of view concerning medical research in our country, I select two important variables for any equation. What I am going to say represents ancient truths, and, like ancient truths, they bear repetition. There are only two variables. One is the enormity of the problems of disease in this country and how much that means to the country. The other is the potential of the country in its ability to accept the challenge to solve these problems of disease. If we look at these two variables, no one will quarrel at all about the enormity of the problem of disease and the great importance of solving problems such as cancer, heart disease, and the many other problems with which we are so familiar.

The second variable is the potential of the scientists and medical doctors in this country to meet this challenge with the aid of adequate support, apparatus, and facilities. Let me touch upon this for a moment. We are fortunately not restricted to research which must be carried on by medical doctors, because there are not enough medical doctors in the country to actually carry out the research, nor do they have all the skills and knowledge which are required.

RESEARCH RESOURCES OF COUNTRY

The resources of the country include the universities, not only the medical schools and hospitals. They include an unfortunately small number of research institutes of medicine, and of biology, and public health, and I wish that number were greater. They include also the great research laboratories of institutes of technology and of private pharmaceutical and chemical industry.

Some of the greatest medical research today is carried out in institutions like the Massachusetts Institute of Technology and the California Institute of Technology in Pasadena. The universities are now taking greater interest in medical research. At Brown University, for example, there has been started a medical research program which I am delighted to be able to talk about. I have watched the development of it under the directorship of Dr. Walter Wilson, the great professor of biology. With the support of the president of that university they are now actually carrying out medical research programs in a university without a medical school. The basic work in biology, chemistry, and physics carried out in such institutions can, of course, be applied to the problems of disease.

FACILITIES NEEDED TO ACCELERATE RESEARCH

To accelerate medical research in our country we require more laboratories, medical school buildings, and research facilities construc-

tion, which includes hospital beds for research. A beginning has been taken in this direction which merely accentuates the enormity of the research construction needs of our country. We require also to increase tremendously the scientific manpower of the country. Important steps have been taken by a number of agencies in this country. In the National Institutes of Health, under the wise and able leadership of Dr. James A. Shannon, the Director of the National Institutes of Health, carefully planned programs designed to increase the scientific manpower of the country have been underway for some time. These should be encouraged and supported to the full—and, finally, there is required an adequate amount of money for the support of research, and it is with this that I shall deal particularly today.

CITIZENS' RECOMMENDATIONS

The citizens' recommendations for the fiscal 1958 National Cancer Institute budget was brought together by a group of private citizens who are serving, or have served recently, on the National Cancer Council, and who achieved the following recommendation after careful study of the needs and potential of the country. These were summarized in the skillful hands of Dr. Robert A. Moore, vice president in charge of the health professions of the University of Pittsburgh, a distinguished pathologist and a member of the National Advisory Cancer Council.

The recommendations of this group of citizens I may summarize in six categories, and these are simply broken down without too many details:

1. Continuation of ongoing worthy research.
2. An increase of 20 percent in new research. This figure was reached on the basis of experience of the last 12 years in the National Institutes of Health and the cancer program. This represents a normal increase in the interests of the scientists and doctors in the country to develop research programs and to ask and to accept responsibility for the conduct of research in the field of cancer.
3. Provision for all projects deemed scientifically worthy. This again is on the basis of past experience of the Cancer Council and is included in the total figure I am giving you.
4. Increase of allowance for indirect costs to 25 percent. This will be discussed separately.
5. No recommended expansion of direct research obligations in the National Cancer Institute in Bethesda, except for a small item as mentioned in the detailed budget submitted by Mr. Runyon.
6. Expansion of contract research in chemotherapy of cancer—to be discussed separately—for a total of \$5 million additional funds, over that which was recommended in the citizens' budget on the floor of the House.

THE RESEARCH GRANTS PROGRAM

The research grant program we should speak about first for a moment, if we may. There is a recommendation of approximately 20 percent increase in this total appropriation. The grant program is a magnificent one. It is administered effectively, fairly, and efficiently. I think that the citizens who have had the opportunity to watch it closely have great admiration for those who are responsible for its administration.

This grants program has cooperated magnificently with the American Cancer Society and other voluntary health agency programs in preventing duplication or unnecessary or wasteful overlapping. What is known by one organization is known by the other. It gives me great pleasure to express my appreciation for the magnificent way in which this grants program has been administered by the National Institutes of Health, and nothing that I am going to say today in the remainder of the remarks I will make is intended to disturb or impede the steady natural growth of the grants program.

The liberality in favor of the investigator and the institution with which the regulations have been drawn up has set a standard for the support of academic freedom in research. This program will require the increases in all categories as listed in the accompanying budget tables. Anything short of this will cause us to lose the splendid momentum initiated by the fiscal 1957 appropriation.

INDIRECT COSTS, TOTAL COST OF RESEARCH

I am going to support, at the risk of repetition, Dr. Ravdin's statement concerning indirect costs. I think all of us who are familiar with research-grant programs have been disturbed by the same problem. I would like to suggest that we drop the words "overhead" or "indirect costs" and talk about total costs of research.

Indirect costs have to do with bookkeeping and more janitor services and even the appointment of a new assistant dean to take care of the additional amount of work which an additional 300 or 400 research workers may entail. All of these are just as much a part of the cost of research as the salary of an investigator or the cost of an electron microscope.

I would suggest we can end this confusion by dropping the word "overhead" and the words "indirect costs" and speak of total costs of research, and just state frankly what it is that it costs to do a certain job.

Senator HILL. It is not indirect at all.

Dr. FARBER. It is not indirect.

Senator HILL. It is an integral part of the costs.

Dr. FARBER. It is an integral part of the cost of the research itself, and I make the same plea that Dr. Ravdin did, that we not take an increase from 15 to 25 percent at the expense of research grants, but that we add that amount as the only realistic and fair manner in handling it.

Senator THYE. Mr. Chairman, may I ask a question at this point?

Senator HILL. Yes, you may, Senator Thye.

QUESTION OF NEED FOR RESTRICTIVE LANGUAGE

Senator THYE. Would it be possible for some educational institutions to channel all of it into their equipment, their laboratory, et cetera, and then not confine that appropriation or that allocation to research at all? That is the question I am concerned with. I am wondering if that might be what is in the minds of those who wanted that restrictive language in the bill.

I have no knowledge, I have no such incidents to point to, but I am just asking it as an open question: Could it be possible?

Dr. FARBER. Senator Thyne, I have heard that objection raised, and I think the simple solution might be to add into the budget the list of salaries of scientific personnel, the cost of equipment and then an item called "Administrative costs," which would be an equivalent of indirect costs or overhead but to be put in the direct budget and have that as a fixed sum of 25 percent of the total. I think that would work out fairly for the universities, medical schools, and research institutes without any danger whatsoever to curtailment.

CHEMOTHERAPY OF CANCER

I am going to neglect all of the research programs in the field of cancer except one, merely for the sake of convenience and for the sake of time. There are many important aspects of cancer research. There is no one which we can select as of such great importance that we ought to follow it to the neglect of everything else. Every possible lead in biochemistry, physiology, pathology, biology, and physics as applied to the problem of cancer must be followed at the present time.

The one I am going to discuss in order to illustrate the problem of the budget concerns the one which Dr. Ravdin discussed, the cancer chemotherapy program. I shall not describe it in detail this year. We have had opportunity to do that in years before, before this committee. I simply want to remind Senator Hill and the gentlemen of this committee that this cancer chemotherapy program was born in this committee with a \$1 million appropriation 3 years ago, for the chemotherapy of leukemia. This was enlarged the year after to include all of cancer. The courageous and farsighted action of this committee has been referred to by Dr. Ravdin. This has made possible the largest single mobilization of resources and manpower in research in peacetime in any one disease in the history of our country. This has been a magnificent achievement.

I want to pay tribute to the way the various officers, Dr. Shannon and Dr. Heller of the National Cancer Institute, have guided this program. I also want to pay tribute to the splendid leadership of Dr. Kenneth Endicott, who is Administrator for the National Cancer Chemotherapy Service Center.

Senator HILL. Excuse me, Doctor. In that connection, we certainly would like to have for the record anything that you might say or can say as to the progress that has been made. You are constantly confronted with this proposition: What have you done; what has been done? Do you see what I mean, Doctor? Do you have that in your prepared statement?

Dr. FARBER. I will add more to the prepared statement if I may insert it in the record and not bring it before you.

RESULTS OF APPLICATION OF CHEMOTHERAPY

I merely want to say that there are many, many people with advanced cancer who have had better lives, relief of pain, prolongation of life, and in some cases up to 7 or 8 years, because of discoveries in the last 10 years in the chemotherapy of cancer.

Senator HILL. If you and Dr. Ravdin can think of any other matter, it would be helpful, sir, when we get before the full committee on this bill, and when we get before the Senate. You may say, "We spent

this money, these millions of dollars." What has been done? What specific thing can you tell us? Do you see what I mean, Doctor?

Dr. FARBER. Yes, sir.

Senator HILL. We who sit with it have so little insight, other than what testimony you bring us. The more of that kind of information that you gentlemen can put in the record the more you can fortify and strengthen us in our battle for the funds.

Dr. FARBER. We will be very happy to take that opportunity.

Dr. RAVDIN. I should think the advancements made in hormone therapy and cancer of the breast and cancer of the prostate have justified every penny that has been spent up to this time, and there are numerous other things that can be added.

LEUKEMIA IN CHILDREN

Dr. FARBER. In the case of leukemia in children, a disease that used to cause death in a few weeks or months routinely, 50 percent are still alive 14 months after, and 10 percent are still alive 21½ years later, and 1 child is still alive after 71½ years.

Senator HILL. Is this the little boy you told us about?

Dr. FARBER. Yes, sir. He is still alive.

One of the greatest advances in the past 12 months has been the great emphasis on antibiotics. Dr. Ravdin made reference to that. These are similar to penicillin, streptomycin, aureomycin, and so on, and are now in the very center of the most exciting chemotherapy research.

NEED FOR COOPERATION WITH INDUSTRY

Senator Hill may recall some 2 years ago, when I had the privilege of appearing before him, that I mentioned an antibiotic called actinomycin D, which Professor Waxesman had discovered as the first antibiotic in 1940. He is the man who gave us streptomycin a few years later. Streptomycin had no antibacterial effect and it was very poisonous, so he put it aside. Some 3 years ago with the opportunity to study that substance, we discovered that by weight this antibiotic was the most powerful antitumor agent ever studied against tumors in the mouse. This and the discovery of Dr. Domagh a few years before in Europe, the man who gave us sulfanilamide, of the anticancer action of actinomycin C, an antibiotic, made mandatory the study of every antibiotic we now have, and a search for new ones.

This kind of work can be done on a large scale only, in industry, because it is only industry that has the resources and the manpower and the knowledge and the equipment to do this enormous work in the discovery and the growth of moulds, on artificial media to make what we call a beer.

This program of the Cancer Chemotherapy Service Center has a number of aspects. Dr. Ravdin is chairman of the clinical panel and is responsible for this great number of more than 100 agencies in the country which are working together.

MASS SCREENING PROGRAM

I want to say a word about the screening part of the program. Mass screening was set up in a number of centers in different parts of the country and was described last year. From a level of some

2,000 compounds per year which were studied and reported about 12 months ago, the number has risen to approximately 25,000 compounds and biological materials which were studied against tumors in the mouse in this past year. This represents enormous progress, and progress that never would have been possible if we had to rely on research-grant programs in academic institutions alone. Such work should not be carried out in universities. It should be carried out under these ideal conditions of contracts with industry.

I am happy to report to you that under the stimulus of Dr. Endicott's administrative center, eight of the largest pharmaceutical companies are now conducting huge programs concerned with the production of crude antibiotic beers. It may require many months and great expenditures of money, up to one-half million dollars or more to purify a single antibiotic from the beer, to reach the form that we know it in—terramycin, streptomycin, aureomycin, penicillin, and the like. I am informed that at the moment, industry is producing antibiotic beers for screening for anticancer properties at the rate of 30,000 per year. This enormous increase represents a change from almost nothing a year ago, and this number is increasing steadily. In the first crude tests, approximately 1 percent of these beers proved to have anticancer effects in the mouse, and in stricter tests this was reduced to one-quarter of 1 percent. But I think you will see the enormity of the task ahead of us, and the difficulty, the cost, the expert skills which are required in this kind of work, are self-evident.

NUMBER OF CHEMICALS FOR SCREENING

It is estimated by Dr. Endicott's department that by June 30, 1957, approximately 9,000 chemical compounds will have been procured for screening. There has been a great increase in the arrangements with pharmaceutical companies for the screening of their compounds, as well as from the universities which are able also to give organic chemicals for study.

STEROID HORMONES

A year ago, Mr. Chairman, we asked for a special amount of \$5 million to increase the research in the field of steroid hormones, materials like the female and male sex hormones, of which Dr. Ravdin made mention.

I am happy to tell you that that program is underway; that a great deal of progress has been made; that a number of companies that are expert in this field are developing methods, 12 different assay methods for some 4,000 artificial hormones made by industry which have never been tested for anticancer potency. With the great example ahead facing us of what these natural hormones do for patients with cancer of the breast, cancer of the prostate, in relieving pain, prolonging life 3 of 4 years in many instances, I think we have a right to be optimistic and to point to this as one of the great contributions of last year's appropriation. We are going to hear a great deal more about that next year.

CONTRACTS WITH INDUSTRY

I want to say a final word about the participation of industry which has to do with this program of antibiotic beers which I mentioned awhile ago.

We have had as part of our national committee a subcommittee on industry composed of representatives of research organizations in industry acting as individuals and not as representatives of their company. They have put their wisdom and their resources and knowledge of their companies at our disposition.

A number of firms have expressed their interest in negotiating contracts for research and development programs to be carried out in their own facilities. Some companies have increased markedly the expenditure of their own funds in the field of cancer chemotherapy, and are interested in even further expansion if financial and technical assistance can be obtained.

We should emphasize here that in industry, basic research is also carried out. In addition, industry appears to be the ideal location for mass chemotherapy research, because such research is by nature empirical, repetitive, highly organized, and carried out on a mass basis. This kind of research is not well suited to academic institutions, which must be concerned in their more limited facilities and specific goals involving education, to more fundamental studies carried out in a smaller way by an individual or small groups of completely independent units. The participation of industry represents an immense forward step. It also relieves the universities of a pressure for expansion of certain kinds of research which would not be in the best interest of the universities.

It would be desirable to establish, by contract, arrangements with industry, which would accelerate greatly programs of chemical synthesis, the production of antibiotic beers, the biological evaluation of chemical compounds, and natural materials such as antibiotics.

DATA ON INDUSTRY PARTICIPATION NOT AVAILABLE EARLIER

At the time the citizen's committee made its recommendation for fiscal 1958, the data on industry participation were not available. Detailed study of the industrial contract needs with Dr. Endicott shows that during fiscal 1958, approximately \$7 million worth of contracts worthy of support will be proposed. It is possible that the demand may be so great that 9 to 10 million, rather than 5 million, could be put to effective use. Because of fiscal and contractual uncertainties, the decision has been reached—reluctantly on my part, may I say, Mr. Chairman—that an additional \$5 million, added to the other citizen's committee recommendation of \$6,600,000 for contracts for fiscal 1958, to the total of \$11,600,000 will provide the chemotherapy program with the needed support in this area. This is to be regarded as the minimum and not the maximum required. The total citizen's budget, therefore, with this addition, reads as \$64,116,000. This is an increase of \$15,685,000 over fiscal year 1957, and an increase of \$17,255,000 over the President's budget for fiscal 1958. I want to point out, however, that the President's budget was prepared many months ago before much of the progress we are reporting today took place. The President's budget was prepared at a time by men who did not have available the figures that I have been giving you today, and this explains in great part the disparity between the two figures.

Senator HILL. Senator Pastore.

Senator PASTORE. Was this presentation made to the House committee?

Dr. FARBER. The recommendation was made to the House committee of everything, except the last \$5 million.

Senator PASTORE. You mean \$5 million less than the \$17 million?

PRESENT FUNDS RECOMMENDATION

Dr. FARBER. No. We recommended \$59 million, and we are recommending \$59 million, plus \$5 million, but we explained to Chairman Fogarty at that time that we would add a certain number of millions of dollars for contracts, a figure which would not be available for several months.

Senator PASTORE. What is the amount that Congressman Fogarty's subcommittee reported on this?

Senator HILL. They reported out \$46,902,000, and now you are asking, Doctor, for \$64,116,000.

Senator PASTORE. But you did present to the committee the report of the \$46 million and the \$59 million.

Dr. FARBER. Yes; and an additional sum of probably about \$5 million would be added to it. They were warned that the citizen's budget would be over \$64 million. Actually, we guessed at that time \$66 million.

Senator HILL. The House committee reported out the budget figure.

NEW ATTACKS ON THE CANCER PROBLEM

Dr. FARBER. In conclusion, Mr. Chairman, may I speak of new attacks on the cancer problem. Attention has been paid to the grants program which must go on as it has been, and all of the line items in the budget which we have seen year after year must go on just as we have seen them in the past. I would not suggest any change in procedure that has worked out beautifully. Let us keep it as it is.

I have spoken about the Cancer Chemotherapy Service Center and its national program which has been focused on the role which may be played by highly organized voluntary cooperative research programs, including not only individual research efforts, but also mass screening cooperative ventures. It is generally agreed that the mass chemical, biological screening, and developmental studies in cancer chemotherapy can be carried out much more effectively and rapidly through the contract mechanism than by any other. Such developments not only accelerate the progress of desired research, but relieve the academic and research workers from pressures which otherwise might be harmful. Industry will not participate willingly in mass programs requiring huge investments on their part unless they can be certain of support, year by year to be sure, but for a guaranteed period of years. Study of this need has led to the conviction that a better solution than annual consideration of contract proposals would be the appropriation of a single large sum to be spent according to the usual regulations, to be sure, but over a 5-year period, or returned if unexpended at the end of that time. The most accurate estimates for the cost of contracts to industry in the chemotherapy program, during the next 5 years, as I have been able to achieve after discussing this at great length, indicates that there will be an increase for fiscal 1959 above

the contract funds recommended in the citizen's budget for 1958 of \$12 million. For the next 2 years there will be an increase of \$20 million each, and for the fourth and fifth year, there will be an increase above present contract funds of \$23 million each, for a total of \$98 million needed for these contracts in a period of 5 years.

CONTRACT AUTHORITY OR MULTIPLE-YEAR EXPENDITURE BETTER FOR PROGRAM

If this could be allocated at one time with appropriate contractual authority, or with the aid of any multiple-year expenditure technique of a single sum appropriated, it would be possible to engage in far more accurate planning in the wise expenditure of these funds, and it would be possible, also, to engage the interest and active cooperation of industrial concerns which would be loath to enter into contractual arrangements that might be terminated at the end of 1 year. This thought is not new. Leadership in long-range planning of research adequately backed by resources earmarked for the purpose has emanated from this committee. To these Members of the Senate and to their colleagues in the House go the gratitude of all of us for courageous leadership and vision in going beyond the customary pedestrian methods of research accomplishment.

I should like to recommend, therefore, that \$98 million be appropriated for the cancer chemotherapy contract program to be added to that sum recommended by the citizens' committee for the fiscal 1958 budget, this sum to be spent during a period of 5 years, or if unexpended returned to the Treasury.

OTHER RESEARCH PROGRAMS RECOMMENDED

What I have just recommended, Mr. Chairman, concerns a program type of operation and has nothing to do with the routine research grants program, but I should like to proceed a step further than cancer chemotherapy and look to the creation, planning, and development of other programs of research which lend themselves to this kind of support that must be regarded as supplementary to the grants program, but not to take the place of the grant structure. We may mention several of these fields:

1. A large program concerning environmental causes of cancer.
2. The development of better techniques for mass cytodiagnosis.
3. A national program concerned with cancer diagnostic tests.
4. A national program concerned with the viral etiology of cancer.

I know that careful plans have been studied by Dr. Shannon and Dr. Heller and his colleagues in the National Institutes of Health and the National Cancer Institute concerning programs of many different kinds. From our experience with the Cancer Chemotherapy Center and the associated national program, we have learned that such voluntary cooperative programs can be operated without danger of dictatorship, without harm to the highly respected and carefully guarded research grants program, and what is most important of all, and really the heart of the program, to the benefit of those who are deeply concerned with the problem of cancer.

NEW ADMINISTRATIVE TECHNIQUES

The time has come for the addition of new administrative techniques and plans for the conquest of disease. Free research must

be supported as before without stimulus other than that which arises from the mind and environment of the investigator, but in addition, planning committees charged with the responsibility of exploiting leads which come from any kind of research should be prepared to expand research programs without delay, not only in the field of cancer but in any of the categorical areas that have to do with human suffering. If such multiple-year-expendable funds are available in the several Institutes of the National Institutes of Health, carefully controlled by the usual regulations which have served so well to insure the wise and proper expenditure of public funds, I feel certain that months—even years of time—could be saved in the achievement of the many goals of research in the field of human medicine. Such planning calls for courage, knowledge, devotion, and ability to think in large terms, on the part not only of the congressional committees concerned, but also on the part of the Public Health Service and the citizen advisers whom they select to help them.

May I conclude then, Mr. Chairman and members of the committee, by speaking as a scientist and doctor in wholehearted support of the philosophy which has emanated from the committee. This calls for the addition to the customary normal budgets of each of the categorical institutes of an appropriation of large dimension to be expended in the achievement of aims outlined in these final remarks.

I want to thank you for this opportunity of appearing before you, and I will be very happy to answer any questions that you have.

Senator HILL. Thank you, Doctor. You have been with us quite a number of times in the past and you have always, Doctor, brought us a very outstanding statement—very outstanding. We deeply appreciate your being here today.

I believe you said that Mr. Runyon will make a statement here, and then I know I have some questions and I am sure Senator Pastore does, too, which we would like to ask of you and Dr. Ravdin.

Mr. Runyon.

Mr. RUNYON. Senator Hill, if I could put in the record a statement prepared by Dr. Harry Weaver, the Administrator for Research of the American Cancer Society, supporting a proposed appropriation of \$64 million of the National Cancer Institute, I would like to do so. This develops some of the detailed reasoning which is supported by these line-to-line items, and I would like to have the record show categorically that this sum has been considered by the board of the American Cancer Society and has their full and complete support.

Senator HILL. That may be put into this record.

(The statement referred to follows:)

STATEMENT BY DR. HARRY M. WEAVER, ADMINISTRATOR FOR RESEARCH, AMERICAN CANCER SOCIETY, INC., NEW YORK, N. Y.

I am grateful for this opportunity to join with Dr. Sidney Farber, of Boston, and Dr. Isidor Ravdin, of Philadelphia, to support the National Advisory Cancer Council's request for an appropriation to finance the work of the National Cancer Institute for fiscal 1958. The sum requested by the council is \$59,116,194. We recommend an additional \$5 million to finance a contemplated research and development program with industry in the field of cancer chemotherapy.

The amount of this request was arrived at only after long and careful study by the council. The recommended budget has, as well, the unanimous and enthusiastic endorsement of the research committee and of the board of directors of the American Cancer Society.

It is my aim today to explain to you why these funds, a substantial increase over the previous year, are needed. I will touch on all aspects of the budget except research on cancer chemotherapy, which will be discussed by Dr. Sidney Farber.

As I believe you know already, Dr. Farber is eminently qualified to discuss this subject because of a long and productive career in cancer research, because of his position as scientific director of the Children's Cancer Research Foundation in Boston, because of his being a professor of pathology at the Harvard Medical School, and because of his position as chairman of the Cancer Chemotherapy National Committee, which is the responsible body coordinating the support of all research on cancer chemotherapy in this country.

The amount of the appropriation for fiscal 1958 recommended by the National Advisory Cancer Council was based on the following considerations:

1. It is of the utmost importance that ongoing worthy research, already being supported, be continued on, at least at the same level. This means that the amount of the appropriations for fiscal 1958 should be at not less than the annualized level of research grants on June 30, 1957.

2. The acceleration given to research by the sharp increase in appropriations for research grants for fiscal 1957 will be continued into fiscal 1958 because there is always a latent period between action by the Congress and the initiation of investigative work. It is estimated this acceleration will require about 20 per cent more funds in fiscal 1958 than was expended in fiscal 1957.

3. Insofar as possible, provision should be made for all programs which are deemed scientifically meritorious by the study sections and councils of the National Institutes of Health.

4. The recommendation in the Executive's budget to provide funds for a fair share of the indirect costs of research should be accepted.

5. The conclusion of the so-called Long committee to hold the direct research operations of the National Institutes of Health at approximately a current level is generally accepted.

6. In focusing attention on research projects and disease categories, we should not lose sight of the men behind these projects and the training of men for the future. The wise provision for this in the past should be expanded.

Admittedly, the budget requested for fiscal 1958 is considerably greater than the budget provided by Congress for fiscal 1957. At this point I would like to call your attention to one of the most important considerations to bear in mind in developing an adequate budget for the National Cancer Institute for fiscal 1957. It is my considered judgment that the amount of funds available for the support of research in any field must always be greater than the amount actually expended, if we are to encourage the development of the best possible plans for imaginative and productive research. In other words, it is unrealistic to expect the development of plans for effective research under conditions where the persons who must develop such plans know in advance that there is relatively little chance of the research being supported because of the fact that adequate funds are not available.

In fiscal 1957, the Congress took a great forward step in making available for cancer research more funds than were actually required. I know that all of you are as gratified as I am to find that these funds were not expended for the sole reason that money was available. Quite the contrary. As a matter of fact, approximately \$5 million of the funds made available in fiscal 1957 will not be expended. This provides ample evidence that the high standards previously demanded of research before it is supported by the National Cancer Institute has been maintained. Thus, the mandate laid down by the Congress has been fulfilled that the increased support provided for research on cancer during fiscal 1957 should not result in the support of research of questionable quality and promise.

However, the fact that \$5 million was not expended out of last year's budget does not mean that \$5 million less will be required for fiscal 1958 than was available for fiscal 1957. I have alluded to the fact already that there is always a latent period between action by the Congress and initiation of investigative work. The \$5 million that will not be expended in fiscal 1957 is accounted for by the fact that a large number of the good research projects that were stimulated by the action of the last Congress did not become operative until relatively late in the fiscal year.

At this point I would make special mention of the recommendation in the executive budget that grants from the National Cancer Institute defray a greater share of the indirect costs of conducting the research for which a grant is made. I need not amplify a statement to this committee that the greatly increased support of research through extramural grants has encouraged our institutions of higher learning to conduct vastly greater programs of research than was anticipated when the institutions were organized originally. The relatively tremendous sums being awarded institutions of higher learning to pay the salaries of research assistants and technicians and to pay the cost of large and complicated pieces of apparatus and of scores of experimental animals of all types has forced the recipients of these grants to spend an ever-greater percentage of their own funds to provide the requisite housing and maintenance of the research assistants and technicians, equipment and laboratory animals, and the systems of accounting, etc., that needed to be organized to assure proper handling of the grant funds. All too often the grantee institutions obtained the funds required to pay these services by diverting money which should have been expended for improved working conditions and adequate salaries of their scientists who are the very persons to whom we must look for developing plans and for conducting the research on cancer which is worthy of support through grants from the National Cancer Institute.

I will not attempt at this juncture to elaborate on this matter except to say that since ideas are the very genesis of imaginative and productive research, and since ideas only come from adequately trained persons working in properly equipped and stimulating research environments, we should in the most zealous fashion guard against using too much money for the purchase of the tools of research when by so doing we begin to bleed away the single most essential ingredient of productive research, good ideas. Unless the fund-granting agencies begin soon to provide a greater share of the indirect costs of conducting research for which they make grants, they will soon find themselves deluged with mountains of equipment and animals and technicians, but without the requisite number of men and women capable of developing worthwhile ideas to put these tools of research to effective use. In this connection, I am authorized to advise that the American Cancer Society is so deeply concerned with the adverse consequences of providing an inadequate share of the indirect costs of research that it is now considering ways and means of providing a more reasonable share of the indirect costs of conducting the research for which it makes grants.

GRANTS

Research projects

In fiscal 1957, the sum of \$22,847,000 was appropriated to support the various investigations on cancer that are being pursued by scientists who are associated with the various nongovernmental institutions of higher learning throughout this country. I have pointed out previously that approximately \$5 million of the \$22,847,000 appropriated will not be expended during the fiscal year for which these funds were made available. For fiscal 1957, the sum of \$22,847,000 was divided into \$9,060,000 for the support of nonchemotherapy research projects and \$13,787,000 for support of research projects on cancer chemotherapy.

The executive budget for 1958 recommends \$20,175,000 for the support of research projects, of which \$8,739,000 is to be for the support of nonchemotherapy research and \$11,000,436 for the support of research on cancer chemotherapy. However, I would call the attention of this committee to the fact that the \$20,175,000 recommended in the executive budget includes approximately \$1,600,000 for increasing payments for indirect costs from approximately 15 percent to a maximum of 25 percent of the amount of each grant. This reduction in overall budget, and the inclusion of approximately \$1,600,000 for payment of increased indirect costs, constitutes a reduction in the amount of approximately \$3 million for this activity for fiscal 1958 as compared with fiscal 1957.

The National Advisory Cancer Council believes that the sum of \$27,950,123 will be needed in fiscal 1958 to effect an adequate program of research grants on the cancer problem. The basis for this recommendation is as follows:

1. Commitments made in fiscal 1957 and previous years for ongoing research to be paid out of funds appropriated for fiscal 1958.....	\$12, 907, 713
2. Additional funds required to increase payments for indirect costs on the above commitments from 15 to 25 percent.....	1, 122, 410
3. Estimated amounts required for making new grants and for renewing into the future years ongoing commitments that will expire in 1957.....	11, 600, 000
June 1957 Council meeting.....	¹ \$3, 200, 000
October 1957 Council meeting.....	¹ 4, 800, 000
February 1958 Council meeting.....	¹ 3, 600, 000
Total.....	11, 600, 000
4. It is suggested that item 3 above be increased by 20 percent to allow for an approximate 10 percent expansion in the overall program.....	2, 320, 000
Total.....	27, 950, 123

¹ Estimated.

Based on the estimates noted above, the National Advisory Cancer Council recommends that Congress provide funds in the amount of \$27,950,123 for fiscal 1958 to support cancer-research grants in the various nongovernmental institutions of higher learning throughout the country. It is recommended further that \$16,152,947 of this amount be earmarked to support research on cancer chemotherapy, and that \$11,797,176 be allocated for the support of nonchemotherapy research grants.

The increased funds here requested, amounting to \$5,103,123 more than provided during fiscal 1957, represent a small investment indeed when considered in relation to the fact that some 40 million Americans now alive will someday develop cancer if the present rates of increase are allowed to continue. There is, I believe, every expectation that sound and purposeful research would eventuate from your granting the increased funds requested. This has been the experience whenever the Congress has increased appropriations in the past. Not only have the additional funds been utilized for carefully selected research projects, but a backlog of worthwhile studies has developed. Moreover, despite the pool of trained manpower being short of what is desired, a substantial number of additional investigators capable of independent research is becoming available each year through support being provided for various training programs. Unless we are prepared to appropriate more funds to support an expanding program of research, we run the risk of reaping less than maximal benefits from the substantial funds invested already in the training of manpower.

Grants for research fellowships

As I believe you know, Congress appropriated \$1 million during fiscal 1957 for grants for research fellowships. The executive budget for fiscal 1958 recommends no change in the amount of this allocation. On the contrary, the National Advisory Cancer Council believes that a sum of \$1,601,690 is needed for this purpose.

The Council's recommendation is based on the following considerations:

1. A total of 346 persons were deemed worthy of research fellowships during fiscal 1957. Because of a limitation of funds, only 215 of these persons could be granted a fellowship. There is no reason to believe that there will be any fewer number of applicants for research fellowships during fiscal 1958.

2. The deans of this Nation's medical schools have informed the Council that there are at least twice as many qualified applicants for summer fellowships for medical students as can be awarded with the funds available.

3. The Council is enthusiastic about its new postsophomore medical-student fellowships. This program provides an opportunity for a student to drop out of medical school between his sophomore and junior years and to try his hand at research on some aspect of the cancer problem. The Council believes this program should be continued for an additional year at the same level of support as that provided during fiscal 1957.

4. The Council has learned that there are at least 120 research fellows who were awarded fellowships from funds appropriated in fiscal 1957 who, on the basis of their performance, are worthy of and would profit from receiving a fellowship for an additional year.

Therefore, the Council recommends funds in the amount of \$1,601,690 for grants for research fellowships, to include:

120 fellowships for a 2d year at \$4,000 each.....	\$480, 000
226 new fellowships for a single year at \$3,565.....	805, 690
Medical-student fellowships at double the present rate of \$83,000.....	166, 000
Postsophomore medical fellowships at the present rate.....	150, 000
Total.....	1, 601, 690

It is my sincere belief that the Council's recommendations are quite conservative and most worthy of your sympathetic consideration.

Training grants

Under this heading is included a request for funds to make four different types of grants, i. e., (1) grants to improve teaching in relation to cancer, (2) stipends for clinical traineeships, (3) grants for training in research, and (4) grants to schools of public health.

The Congress provided the sum of \$4,675,000 for these 4 activities during fiscal 1957. The executive budget for fiscal 1958 recommends no change in this level of support.

The National Advisory Cancer Council believes that one of the greatest of the long-term benefits to cancer may be realized in this area. For this reason, and also because an opportunity exists to support a number of new and meritorious activities, the National Advisory Cancer Committee recommends that the Congress provide for training grants in fiscal 1958 the sum of \$5,802,800, an increase of \$1,127,800 over the funds provided in fiscal 1957.

(a) In connection with teaching grants, it is recommended that the sum of \$2,455,000 be appropriated for fiscal 1958. This sum is actually \$40,000 less than provided during fiscal 1957, but it will provide making grants of \$25,000 to each 4-year medical and osteopathic school, \$10,000 to each 2-year medical school, \$5,000 to each dental school, and \$10,000 to each of 5 selected collegiate nursing schools.

(b) The increased rate of cancer in our expanding population requires a continuing need for physicians with special training in cancer diagnosis, treatment, and management. During fiscal 1957, 158 clinical traineeships were awarded, which number represents approximately 50 percent of the qualified candidates. Therefore, the Council's recommendation that the number of these traineeships be increased by 20 percent must be viewed as most conservative. Also, I would call your attention to the fact that the stipends of these clinical traineeships have not kept pace with compensations provided in connection with comparable activities. It is the Council's recommendation that the average value of these traineeships be increased to \$5,020.

The budget for fiscal 1957 provided \$730,000 for clinical traineeships; the executive budget for fiscal 1958 recommends \$800,000; and the National Advisory Cancer Council recommends that the Congress allocate the sum of \$953,800 for fiscal 1958 for support for these traineeships. If this request is granted, it will provide for additional training in cancer diagnosis, treatment, and management for 190 physicians, as compared with 158 in fiscal 1957.

(c) The Congress provided last year \$1,200,000 for grants for training in research, and the executive budget for fiscal 1958 recommends no change in this amount.

Through February 1957, grants amounting to \$879,000 have been awarded for the support of training in research related to cancer. The applications for these grants actually requested additional funds amounting to \$405,000. This latter amount was not awarded, but only because of a limitation of funds. Moreover, applications for grants for training in research amounting to \$560,000 are now awaiting action by the Council. It is believed that approximately 75 percent of these applications, amounting to \$420,000, are actually worthy of support.

Thus, if all worthy applications for fiscal 1957 were approved, the funds required would exceed the budget by \$504,000. Furthermore, this is a new activity, and it is unlikely that all of the applications to be made have been received. Therefore, the Council recommends a 20 percent increase in funds to support this activity for fiscal 1958.

Thus, the total funds needed in fiscal 1958 for grants for training in research have been estimated by the National Advisory Cancer Council to amount to

\$2,044,000—an increase of \$844,000 over the amount recommended in the executive budget.

(d) The budget for fiscal 1957 provided funds in the amount of \$250,000 to support the training of increased numbers of epidemiologists and biometricians in the Nation's schools of public health. In view of the importance to cancer research of training additional epidemiologists and biometricians, and in view of the number of worthy applications now pending action by the National Cancer Institute, the National Advisory Cancer Council recommends that \$350,000, an increase of \$100,000 over the budget for fiscal 1957, be made available for support of this activity for fiscal 1958.

Detection, diagnosis, and other control services

The budget for fiscal 1957 contained funds amounting to \$2,250,000 for grants to State health departments under a formula based on population, financial need (as measured by per capita incomes), and the extent of the local cancer problem (as measured by the local cancer mortality rate). The executive budget for fiscal 1958 recommends that this level of support remain unchanged. The National Advisory Cancer Council concurs with this recommendation.

For field investigation

Grants for field investigation are needed to promote the application to human beings of new knowledge discovered through research. Thus, the National Cancer Institute's grants for field investigations are to its grants for research on cancer what applied research is to fundamental research in industry. Obviously, the more knowledge that is discovered, the more there is to be applied. The National Advisory Cancer Council believes it is not sound to invest more funds in support of research without at the same time increasing the funds needed to promote the application of this new knowledge to bring about lowered mortality rates from cancer.

May I also call your attention to the fact that it is the current practice of the National Cancer Institute in making grants for field investigations to limit payments for indirect costs to a maximum of 8 percent of the amount of the grant. The National Advisory Cancer Council believes that its share of the indirect costs of continuing field investigations should be increased to 15 percent of the amount of the grant, which is the amount now paid in connection with grants for research.

In view of the considerations noted above, the National Advisory Cancer Council recommends increased support of field investigations amounting to \$527,781 more than was appropriated for fiscal 1957.

The sum of \$2,427,781 recommended by the National Advisory Cancer Council for field investigations includes:

Continuation of operations at present level.....	\$1, 900, 000
Additional funds required to increase share of indirect costs from 8 to 15 percent.....	123, 151
20 percent increase in level of operations.....	404, 630
Total.....	2, 427, 781

DIRECT OPERATIONS

Research

The National Advisory Cancer Council agrees with the recommendation of the so-called Long Committee of the National Science Foundation that the intramural research program of the National Cancer Institute be maintained at its present level. In fiscal 1957, Congress appropriated funds in the amount of \$8,049,000 to support this activity. Because of increased costs of operation, \$8,793,000 will be required in fiscal 1958 to maintain this program at its present level. In this instance, the National Advisory Cancer Council concurs with the executive budget recommended for fiscal 1958.

The executive budget for fiscal 1958 recommends funds in the amount of \$541,000 to defray the cost of review and approval of grants. Inasmuch as this amount is determined by a formula based on the total amount appropriated for grants, the National Advisory Cancer Council concurs with the recommendations contained in the executive budget.

Professional and technical assistance

In the budget for fiscal 1957, Congress appropriated \$1,829,700 to defray the cost of professional and technical assistance. The executive budget for fiscal 1958 contains a recommendation that this amount be increased to \$1,984,500. After a most careful study, the National Advisory Cancer Council recommends that, if it is to meet the increased cost of ongoing activities and to investigate adequately several new and promising fields for possibly extended exploration in the future, it will need funds in the amount of \$2,084,300.

The additional funds requested—over and above the funds required to pay the increased cost of ongoing activities, and amounting to approximately \$100,000—will be used to expand research on a number of materials and substances in our environment that have been suspected of inducing increased cancer in human beings. This work has been supported at a low level in the past because of insufficient funds.

Cancer Chemotherapy National Service Center

The Cancer Chemotherapy National Service Center gives stimulation, direction and support to the nationwide search for effective drugs against cancer.

In fiscal 1957, the Congress provided funds in the amount of \$5,110,300 to support this activity. The Executive budget for fiscal 1958 recommends that additional funds amounting to \$10,200 be provided for this activity. The National Advisory Cancer Council believes that the program of the Cancer Chemotherapy National Service Center is worthy of increased support amounting to approximately \$1,500,000, exclusive of funds to support a contemplated program of research and development with industry, and exclusive of increased funds amounting to \$125,000 to finance the operations of the Center.

Inasmuch as Dr. Farber is prepared to discuss at length the need of funds to support research on cancer chemotherapy and the activities of the Cancer Chemotherapy National Service Center, I will make no further comments in relation to this subject.

Administration

The National Advisory Cancer Council believes that the minimal amount of funds needed in this category is \$488,000. This represents an increase of \$25,000 over the amount recommended in the Executive budget for fiscal 1958.

Within a period of 12 years the cancer-control movement in this country has grown from a relatively ineffectual activity which consumed approximately \$1,500,000 in 1945 to an operation of very considerable magnitude for the support of which approximately \$78 million will be expended during 1957. The greater part of the cost of this effort is supported by Federal funds through the National Cancer Institute and by funds contributed voluntarily through the American Cancer Society.

In the beginning, few investigators were seriously dedicated to solving the cancer problem, mainly because of the difficulty they experienced in obtaining funds to exploit their ideas for research. But, from this feeble beginning in 1945, we have progressed to the point where in 1957 scientists dedicated to solving the cancer problem number into the thousands. It would seem, largely through your good efforts, cancer research may have passed through its tooling-up phase during which scientists were learning the methods and techniques of cancer research and developing ideas for productive research that were worthy of extended exploitation. The request for increased funds before you now is due in large part to the fact that literally hundreds of scientists can use relatively large sums of money today for research assistants, for equipment, for animals, and for supplies and materials—sums of money these scientists had no idea how to use just a few years ago. And, too, I would remind you that the increased cost of living affects the cost of conducting research on cancer just as much as it affects the costs of other pursuits.

The request before you is a very sizable one, yet it is required if we are to make substantial progress in the fight against cancer. At this point you may very properly ask "Yes, but should this effort be supported entirely with Federal funds?" In this connection I would like to call your attention to the fact that whenever the Congress has increased its support of the work of the National Cancer Institute, the American Cancer Society has never failed to raise more money the following year than in any previous year. This means, I believe, that the American public is fully sympathetic to our mounting the most effective program of research of cancer it is possible to mount—irrespective of whether the program is financed through taxes or through voluntary fund-giving. I know it must be every bit as pleasing to you as it is to me to have this concrete evidence that your

past efforts on behalf of cancer research are both appreciated and concurred in by a majority of the American people.

DETAILED STATEMENT OF REQUESTED FUNDS

Senator HILL. Dr. Farber, as I understand it, you advocate the \$64 million to what we might term the regular appropriation, the \$64 million in lieu of the \$46,902,000 as recommended and passed by the House. Then in addition thereto you recommend funds for long-range planning research, funds suggested by both you and Dr. Ravdin of maybe a 5-year program. Is that correct?

Dr. FARBER. Yes, sir.

Senator HILL. \$98 million, for instance, for your chemotherapy.

Dr. FARBER. For industrial contracts, sir.

Senator HILL. Industrial contracts with industry has in mind, as you have, I think, well stated, that to really encourage and stimulate and get the best results from your industrial research industry has to have some assurance that you are not going to have a 1-year contract. They do not want to set the thing up and go to work and before they can really get results the thing comes to an end.

In this connection, I might say that some several weeks ago I directed a letter to Dr. Shannon of the National Institutes of Health, suggesting this very thing, this long-range planning, and I sought to draw an analysis with reference to our military, the general staff of the Defense Department.

These United States would certainly be terribly derelict if they were simply planning on what they could do within 12 months' time. My friend here, Senator Pastore, is a distinguished member of the Joint Committee on Atomic Energy, and I am sure that he would tell us that they are looking ahead and laying the basis and foundations for continued programing there of a much longer duration than any 12 months' time.

ECONOMY TREND

At the present moment, as you gentlemen well know, we have a tremendous demand for reduction of expenditures, for cutting the budget, before making any additions or increases. I said today at lunch that I think we might even call it a psychological condition—cut, cut, cut. It has developed to such a point that I am afraid in many instances discrimination has been lost. In other words, I have in mind that there may be some things that you might reduce. There are others where there is a very crying need for an increase, but when you build up one of these psychological situations due to climate and atmosphere such as you have here, the disposition is rather unfortunate, as I say, in a meat-ax fashion—a slash here, there, and in every direction.

In connection with this idea of long-range planning, to make that effective in the old days we used to have a device we call contract authority, which we gave to the Department on any of the contracts that might extend over a period of years. That would be a commitment on the part of the Government, both a moral and a legal commitment, to honor those contracts and the terms of the contracts. However, several years ago in consistence with the House, particularly the House Committee on Appropriations, that device was discon-

tinued. Now we have only the matter of making the direct appropriations.

Your thought would be to appropriate funds, however, that would be sufficient to take care of a long-range plan.

Dr. FARBER. Yes, sir.

NEED FOR LONG-RANGE PLANNING WITH INDUSTRY

Dr. RAVDIN. You are going to get industry to cooperate in this to the extent that we believe is important only if there is some type of mechanism which will permit long-range planning, if it is desirable to do this.

Senator PASTORE. Does this apply to the \$5 million you are asking for, or does that apply to the \$59 million, too?

Dr. FARBER. This is 5 years ahead after this fiscal year.

Senator HILL. As I understand it, you asked for \$64 million, in round figures.

Dr. FARBER. Yes, sir.

Senator HILL. Which would be what you might call the regular appropriation, in lieu of the budget estimate of \$46,902,000. Then, in order to take care of this long-range planning, you would have an additional appropriation to last for, say, a period of 5 years or some much longer period, and so far as your industrial contracts in the field of chemotherapy are concerned you asked for some \$98 million. Is that right?

Dr. FARBER. \$98 million above the budget.

Senator HILL. Above the \$64 million. Do you see that, Senator Pastore?

Senator PASTORE. Yes, Mr. Chairman, but even speaking of the \$64,116,000, we would have to take into account there again reverting back to this arc made between the 15 and the 25 percent. You would contemplate there that you would absorb that \$5 million in the \$64 million, or are you asking that that be increased?

Dr. RAVDIN. That is included in the budget.

Senator PASTORE. The \$64 million includes the 25 percent.

Dr. RAVDIN. It does, Senator. It takes into account under the amount for grant appropriation an increase in what is traditionally called the overhead up to 25 percent.

Senator PASTORE. I understand.

Senator HILL. I myself agree so thoroughly with your suggestion about long range planning. As I say, Senator Pastore and other members of this subcommittee have this spread of situations—shall I call it a climate or atmosphere of psychological conclusions?

Senator PASTORE. It is not a constitutional question but a budgetary question of whether or not that is not such a matter that should be cleared before the Budget Bureau and initiate in the House, because the House issues all appropriations.

I am asking about a rule notice.

SUGGESTION FOR PROPOSAL FROM BUDGET

Senator HILL. I would have to say this about it: It would certainly be very, very fine if the Budget would initiate such a proposal, and it would also be very, very fine if the House would initiate such a proposal. I would have to say that had we waited on the budget in

the House on some of these other things we would never have made the progress that we have, because this committee took the initiative.

Senator PASTORE. I do not speak of that. I go along with you, sir. I would like to feel that anything that needs to be done should be done at any level. I am merely raising a question of a point of law as to whether or not a new proposition of long-range financing in this field is of such a new character that the argument or the objection would be raised that it is starting at the wrong place.

Dr. FARBER. Mr. Chairman, may I ask Senator Pastore a question?

Senator HILL. Certainly, sir.

Dr. FARBER. From your experience, sir, with the Atomic Energy Commission, do you not have a precedent there?

Senator PASTORE. That is done in a peculiar sort of way. You see, the Atomic Energy Commission, the Joint Committee, does not appropriate. We authorize, as the Labor Committee authorizes in its instances. The appropriation is done right through this committee. In other words, you are asking for something here that has never been done before, this long-range financing planning. I do not know. It is all right with me. I see no harm in it. I was merely raising a question of whether or not you would get very far with it after you have put it in here.

AUTHORIZING LONG-TERM APPROPRIATIONS

Senator HILL. What the Senator is thinking, I imagine, is that all appropriations have to be first authorized, as we know, by law, and there might be quite a question here as to whether or not an appropriation for 5 years, where the statutes are now written to authorize it, would be a matter we would have to examine.

Senator PASTORE. The point I raise is whether or not we are writing legislation in an appropriation bill. That is the question I am raising.

Senator HILL. The question is whether or not we will make an appropriation for which there is no authorization in the statute.

You gentlemen here today have certainly raised what to me is a most timely question. Whatever we can do at this time surely is a challenge for us. We must go forward and look into the various things that you advocate, which are these long-range programs.

As I said before, surely the Defense Department would be willfully derelict in its thinking about what we would be able to do 12 months from now. It could not operate.

Senator PASTORE. I do not see how you can operate in a businesslike manner, either, under the present system. I think a very, very powerful argument was made by the two distinguished doctors to the effect that by the time they get going on committing this money we have already consumed part of the fiscal year and you find yourself at the crucial time the money has to revert back to the Treasury. I do not think that that lends itself to good administration.

Dr. RAVDIN. It is inevitable, Senator Pastore, that unless you knew a year in advance you cannot.

Senator PASTORE. Unless you recklessly go forward and say, "We have the money and let us commit it." It would not be good for the country or the profession. No one would expect that. If you are going to do this carefully and frugally, as you should, getting the best return out of every dollar, it does take time. You have to get into long-range planning, and I think this is a very wise thing that has been raised.

LETTER TO DIRECTOR OF NIH

Senator HILL. The reason I wrote the letter to Dr. Shannon throwing out substantially the same suggestion that you gentlemen have so ably presented here today was that I felt that we had now certainly reached the point in this research work where this must be the next great step. After all, these programs are only about 10 years old. It was just about 10 years ago that we began this research.

I am sorry that I do not have the figure, but 10 years ago the amount of funds that we were given for medical research in the Federal Government was very small.

Senator PASTORE. You could commit it all in 2 weeks.

Senator HILL. Yes, even in 1950, the Federal Government for research projects appropriated, and I am sure it was all granted, \$13,065,514; for research fellowships, \$1,448,057; and for training grants, \$6,413,000. Of course, we have tremendously increased those grants, but I feel, just as you gentlemen, as I say, so ably presented here today, that now we have certainly arrived at the point where we must take this next step which is to provide for the long-range planning to carry these programs forward.

There may be some programs for which you might want to plan longer than 5 years. It would be interesting if we could know, Senator Pastore.

Senator PASTORE. It would not cost more money.

Senator HILL. That is right. The fact is that when we have our hearings on the national-defense appropriations I shall certainly ascertain how long the program was, say, on our ballistic missiles. The Nation that does not have ballistic missiles if, Heaven forbid, we should have another war, is going to be almost as badly off as one which does not have the atomic bomb.

Mrs. Lasker, who is a member of the Advisory Committee on Cancer, has shown me these figures.

GRANTS-IN-AID

STATEMENT OF MRS. ALBERT D. LASKER, MEMBER, NATIONAL CANCER ADVISORY COMMITTEE, UNITED STATES PUBLIC HEALTH SERVICE; HONORARY CHAIRMAN, AMERICAN CANCER SOCIETY; AND PRESIDENT, ALBERT AND MARY LASKER FOUNDATION, NEW YORK, N. Y.

PREVIOUS APPROPRIATIONS

Mrs. LASKER. In fiscal 1946 we had a total for heart research in the United States Public Health Service of \$4,550. For fiscal 1948 we had \$1,632,000.

In cancer we had in fiscal 1947, \$1,712,000. That was up from fiscal 1945, from \$559,000 total appropriation for those institutes.

Senator HILL. That is what total?

Mrs. LASKER. For intramural and grants-in-aid and everything else.

Senator HILL. That took in your intramural work, that is the work done at the institute in Washington, and also included the grants to your universities and research institutes over the country, and I

suppose also took in any fellowships and any other training functions, is that correct?

Mrs. LASKER. There was, in fiscal 1947, \$78,000 for fellowships.

Senator PASTORE. I may add that Mrs. Lasker has played no small part in arousing the Congress to this problem.

Senator HILL. I want to say that she has certainly been the sentry on the watchtower. She has sounded forth the alarm which has made it possible for us to get the support to do the things we have done up to date.

EXPERIENCE OF AMERICAN CANCER SOCIETY

Mr. RUNYON. I have just one observation about the Cancer Society. We do not have to turn any of our research funds back at the end of any fiscal year. We have found it necessary this year ourselves to enter into 3- and 5-year commitments for the first time in order to insure continuity of the programs we have been carrying out, so that this precedent as far as we are concerned, is already established and we are now making firm commitments 3 to 5 years in advance for certain programs.

Senator HILL. You say "we." Whom do you mean?

Mr. RUNYON. The American Cancer Society.

Senator HILL. Gentlemen, may I say that your testimony here today so completely supports a letter that I wrote Dr. Shannon a few weeks ago that I am reminded, Senator Pastore, of the old saying that if you agree with a man he thinks he is the smartest man in the world and you are the next smartest.

Gentlemen, may I express our deepest appreciation for your testimony here today in this most enlightening and challenging testimony and let you know how grateful we are that you men who are so busy with so many demands upon your time should come here to be with us today. We are certainly grateful to you.

UNIVERSITY OF MINNESOTA, MINNEAPOLIS, MINN.

STATEMENT OF DR. HAROLD S. DIEHL, DEAN OF MEDICAL SCIENCES

LIMITATION ON FUNDS

Senator HILL. We want a word from our friend, Dr. Diehl, from one of the outstanding medical schools in the country. Dr. Diehl is the dean of the University of Minnesota Medical School. He is one of the outstanding deans and, although he came here really to observe, I believe, Doctor, you see we still have the selective service. That means you have been called into service to give us your views on the matter of the 15 percent limitation written into the House bill on these funds.

Dr. DIEHL. Thank you, Senator. As I said, I happened to be in the city for another purpose and saw Mr. Runyon in the lobby of the Statler this morning. He said that you were having these hearings this afternoon, so that I thought I would come up for two purposes: One, to listen in and the other to say "Hello" to you and Senator Thye.

May I make a comment also on the cancer research program?

Senator HILL. Certainly. Comment on anything that may be before this committee, sir.

STATEMENT OF KETTERING ON RESEARCH

Dr. DIEHL. I would like to make two comments relative to cancer research. You were talking about longtime support. It reminds me of a talk that Mr. Kettering gave a good many years ago before a meeting of the Association of American Medical Colleges. Mr. Kettering's subject was, *An Engineer Looks at Medical Research*. He said:

"When I look at medical research, I am appalled and amazed at the way you go about it."

He said, "You nibble a little here and there. In General Motors we would get nowhere if we did not have longtime research programs and support which you have never had in medicine."

UNLIMITED SUPPORT

He said, "When General Motors has a problem they want solved they come to me with it. I have essentially unlimited support." Then he said, "The way I go about it is that I pick out the smartest young engineers that I can find, recent graduates, and tell them, 'I want you to find the smartest girl that you can find and marry her because I want you to have a lot of children for this project may take several generations.'"

As I say, that is what Mr. Kettering said is the way an engineer looks at medical research.

One other aspect on the research side is that Dr. Farber and Dr. Ravdin both referred to the applications which have not been possible to be met. I like to think of it as the opportunity to make a good investment in research efforts to learn more about cancer and at the University of Minnesota we have some of those unmet needs.

EXPERIENCES IN MINNESOTA

In addition to that, I would like to say that 2 or 3 days ago we received bids on a million dollar addition to our medical center for patients with advanced cancer. The money for that is raised voluntarily by the Masons of the State of Minnesota. They got interested in trying to do something. We will be letting the contracts for that within the next few weeks.

In addition, the Veterans of Foreign Wars of our State have raised a quarter of a million dollars and are going on to raise some additional funds for a research unit attached to the medical center for clinical research studies in patients. When those are completed our research potential, our research needs, will expand and I am sure we make more requests to the National Cancer Institute and we would hope that funds would be available to meet them.

Now, in regard to this matter of overhead, I like what Dr. Farber called it when he called it the unmet portions of total research cost, the portion of total research cost not met by the project grant. Ten years ago in our universities, our medical schools, we were reaching out for research support to give our scientists and members of our faculty some support for the work that they were doing; but today as an administrator who is responsible also for the financial integrity of the institution, we are getting literally to the point where we are raising

the question, "Can we afford to accept any more research grants because they cost the institution money?"

If I had known you were going to ask me about this I would have done a little homework and that homework would have been to read something in my portfolio that our comptroller of the University of Minnesota wrote documenting this, and he is sending it to Senator Thye, who probably will introduce it into the record.

Senator HILL. We will be delighted to have you send us that and anything that you can add. In other words, what we would be glad to have you do is take your remarks that you have here today, and then extend them in any way you see fit and give us this additional information.

Dr. DIEHL. I would be glad to do that because it is a serious problem. We want to expand. We have the young people and investigators to do this, but the universities are getting to the point where, particularly with increasing enrollments pouring into your universities, we do not have the resources to carry the unmet costs of these grants.

Senator HILL. Doctor, we certainly appreciate this very, very much. We will send you a copy of your remarks here today and we will ask you to make any additions and extensions that you see fit to help this committee in reaching the right decision on this matter. It will strengthen the committee in the decision which it will reach because we will have to defend it in the full committee, in the Senate, and also if we strike out the 15 percent, that means when we go into conference with the House we will have to defend it there. We deeply appreciate your being here.

Dr. DIEHL. Thank you, sir.

Senator HILL. Dr. Farber, again we certainly want to thank you, sir.

The committee will now stand in recess until 10 o'clock in the morning.

(Whereupon, at 3:50 p. m., Thursday, May 9, 1957, the subcommittee recessed to reconvene at 10 a. m., on Friday, May 10, 1957.)

LABOR-HEALTH, EDUCATION, AND WELFARE APPROPRIATIONS, 1958

FRIDAY, MAY 10, 1957

UNITED STATES SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, D. C.

The subcommittee met, pursuant to recess, at 10 a. m., in room F-82, the Capitol, Hon. Lister Hill presiding.

Present: Senators Hill, Pastore, and Potter.

DEPARTMENT OF LABOR

MEXICAN FARM LABOR PROGRAM

STATEMENTS OF HON. E. C. GATHINGS, A REPRESENTATIVE IN
CONGRESS FROM THE STATE OF ARKANSAS, AND HON. O. C.
FISHER, A REPRESENTATIVE IN CONGRESS FROM THE STATE
OF TEXAS

GENERAL STATEMENT

Senator HILL. The committee will kindly come to order.

We are very happy to have with us this morning Congressman Gathings, from Arkansas, and Congressman Fisher, from Texas. We welcome you gentlemen. We will be glad to have you proceed in your own way and make any statement you see fit.

Mr. GATHINGS. Thank you, Mr. Chairman. It is a pleasure to be with you this morning with reference to the Mexican labor item in the appropriation bill for the Labor Department.

Now, it is hoped that you will see fit to hold the line. I want to start out with that one sentence. It is hoped that you will not increase the compliance officers for carrying on this Mexican labor program.

That is the one thing.

Senator HILL. You mean you want it to stand as it did at the Alamo? [Laughter.]

Mr. GATHINGS. Absolutely.

HOUSE ACTION

According to your hearings in the House, the Department asked for \$500,000 in new money over and above the appropriation for the current year to employ 48 fieldmen to enforce the housing provisions—the new housing provisions that had been agreed on in March of this year by the Department.

The subcommittee in the House approved \$375,000 additional, which would employ approximately 35 new compliance officers. Now, it came to a vote on the floor of the House. An amendment was offered by Mr. Andersen of Minnesota to cut back the amount for the additional compliance men. His amendment would have cut off some \$263,800.

Senator HILL. Out of the \$375,000 which the committee allowed?

Mr. GATHINGS. That is right. But the difference between the \$375,000 and the \$263,800 was allowed them under this amendment for the mandatory civil-service provisions so they would have the same as they have this year as it left the House.

Senator HILL. With the additional amount to meet these mandatory increases?

Mr. GATHINGS. Right. That is it exactly.

Now, we hope that you will see fit to hold that line.

Now, swarms of——

ROLLCALL VOTE

Senator HILL. Congressman, did you have a rollcall on this?

Mr. GATHINGS. The vote on the Andersen——

Senator HILL. What was the vote?

Mr. GATHINGS. The vote on the Andersen amendment was ayes, 104; noes, 30.

Senator HILL. 104 to 30?

Mr. GATHINGS. That was in the Committee of the Whole House.

Senator HILL. I see.

Mr. GATHINGS. Now, as I said, so many came here to Washington disapproving the proposed housing regulations by the Department. They were here in great numbers, particularly from the State of Texas, and there were some from other States.

SPACE REQUIREMENTS MAIN PROBLEM

The whole bone of contention largely has to do with the size of the space requirements for each particular bracero.

Now, at present, shotgun houses are used in a good number of the 28 States that use this labor. That is a shotgun type of house 16 feet long and about 10 feet wide, which would be 160 square feet on a farm. Now, 6 men are housed in 3 double-deckers, housing 6 men now in that 160 square foot area. That is the ordinary and customary way they are housed in Arkansas.

Now, that would give each man 26 square feet. The former regulations provided for 25 square feet when double decks were used.

Now, the farmer objects to these regulations which have upped the 25 square feet per man to 34 square feet to the man. Where we had been housing 6 in 3 double-deckers in a 16- by 10-foot shotgun house, you cannot house 5 now under these new regulations. You have to go down to 4 in order to provide the 34 square feet per man.

So that is the basic thing that our farmers complain about. They say that they would not want to have to increase the size of these houses by one-third or more in order to comply with the 34 square feet per man as the regulations provide whether you use single or double bunks.

In addition, they made it even tougher by using this language in the regulations, paragraph 15 on page 4 of the new regulations:

In new construction or additions to existing structures, 38 square feet of floor space shall be provided for each worker.

They move it up from 34 square feet to 38 if you are asked to build a new addition in order to comply with these regulations or to build a new house.

METHOD OF JUSTIFYING REQUEST FOR ADDITIONAL PERSONNEL

It is my thought—and I do not know whether Mr. Fisher who is with me here feels the same way about it—but it is my belief that this particular paragraph No. 15 was written in as an order by the Department so that they could justify before this committee and the House committee the need for additional compliance men because they would have to tape measure these houses throughout the affected territory. And I say it is ridiculous. It is not needed and not necessary.

These braceros like to go into a house in large numbers, and they would prefer to have more than six in one of these shotgun houses. If you had 2 or 3 houses on the place that you would want to offer them, as a matter of fact, they would prefer to all get in 1 house.

And I do not believe that this effort was put forth by the braceros themselves. I do not believe that the Mexican Government has urged an increased square footage per person at all. I believe that it is for the sole purpose of getting new money to employ new personnel to put on the payroll so that they can measure these various houses all over these 28 States where the Mexican labor is used.

I do hope that you can see fit to put language in your report to the effect that until such time as your committee could study the provisions here of these new housing regulations that the money should not be used to carry out these particular regulations.

NEW FACILITIES NOT JUSTIFIED

I just believe that we should not abdicate our authority in the Congress. These farmers that came here begged us to do something about this thing. They realize it would be very expensive, outlandishly costly to provide new facilities to house these Mexican workers. They have enough compliance men as it is. And Mr. Fisher can give you that number there. We went over it a few moments ago.

Senator HILL. Do you want to give us that, Mr. Fisher?

Mr. FISHER. The figures, Mr. Chairman, that he is referring to are contained in the committee hearings held in the House on this same item, which showed 441 as the total for the 1958 estimate, 476 in the 1957 estimate of the number of employees at the end of the year handling the Mexican farm labor program. Of course, that does not include the vast number of immigration officers who are stationed along the border.

Senator HILL. Yes.

TOTAL PERSONNEL

Mr. FISHER. I asked for those figures this morning but I do not have them at the moment. But based on what I have known in the past, I would estimate they have more than 500 immigration officers stationed along the Mexican border now in addition to the employees just referred to here.

I would not ask your indulgence for any additional time. Mr. Gathings covered this point well.

Senator HILL. Go right ahead. We will be glad to have you say anything you wish, Congressman.

Mr. FISHER. I will be very brief, Mr. Chairman. The situation down there is this: I represent a district along the Mexican border about a hundred miles along the Rio Grande. We use Mexican labor considerably, simply because there is no adequate local labor available. And, of course, under the law it has to be found that it is not available before the braceros are eligible.

Senator HILL. Yes.

IMPACT OF SITUATION ON ECONOMY OF AREA

Mr. FISHER. So we are very dependent. We have been for a hundred years. The whole economy of the Southwest is tied in with the labor market across the Rio Grande, and those people are very dependent, of course, on this source of their livelihood. There is just no work on the other side.

So it has been going on for a hundred years. They have been getting along pretty well in recent years with this program. It is working our pretty well. The wetback part of it amounts to nothing; that is almost an unheard of thing now. There is no incentive. You dry it up when you have a legitimate, workable program, and that is what they have now under the international arrangements. There is no point in a Mexican coming in there illegally and getting lower wages if he can come in legally and get better conditions and insurance and higher wages and all that.

NEW HOUSING REGULATIONS ISSUED

So that is the procedure that is followed almost universally. We were getting along pretty well. In January, out of a clear sky, without any warning, without any hearings, without any notice, the Department suddenly announced this several pages of housing regulations. If you have not read them, it would almost make your hair curl to read the details of the kind of stoves they have to have and how much water and where it has got to be available for them when they are in the houses where these braceros will live.

Well, of course, that has created a great deal of difficulty among the employers because so many of them with existing facilities cannot comply with those requirements.

Senator HILL. Excuse me one minute. I might say those regulations are in our hearings. You go right ahead.

Mr. FISHER. Fine. All right. You are familiar with them.

Senator HILL. I wanted you to know we have them in the hearings.

Mr. FISHER. So I am referring now to the complaints that we get from people who have to live with these regulations down there, who have to build another house in order to comply with these things. They cannot meet the requirements under the existing regulations they have here. That costs a lot of money.

ADEQUACY OF PRESENT HOUSING

They have been in a drought in that country for 7 years, and they cannot afford to go out and spend a thousand dollars to build a house. The existing houses are fine for the Americans to live in. If they have Latin Americans on this side who are American citizens they live there, have been living there for years, and they are happy with it.

But these regulations are so different from the actual custom of living conditions and standards that the average house that American workers live in is not good enough for the imported workers. So the result has been a great deal of harassment.

They have quite a number—I assume the committee has that information—already in the inspection field. They want a substantial additional number. And because the regulations are completely unrealistic and very difficult to be carried out, we feel that the Congress should not grant them any additional funds for more inspectors to do more harassing on this subject.

Therefore, we feel that the House was correct in the vote in the Committee of the Whole House and then on the record vote which I believe was taken later.

Senator HILL. Yes, the record vote I find was taken later. The vote was 342 yeas to 77 nays.

Mr. FISHER. Yes. So you can see it was very substantial. And it was pretty thoroughly debated over there.

So that, Mr. Chairman, I think pretty well presents the picture.

PRESENT REQUEST

Senator HILL. In other words, what you are advocating is to keep the number of inspectors at the present level?

Mr. FISHER. That is right.

Senator HILL. That is, providing additional funds necessary to meet the additional civil-service obligations?

Mr. FISHER. That is right.

We have this problem—if I may take half a minute longer. We have this problem of employers who hire a good many Latin Americans. There are a million Latin Americans in Texas, particularly along the border. An employer will have got one in a house. He hires 2 or 3 braceros for special work which they cannot find local labor to do. Those imported workers cannot live in a house side by side with this one that is occupied by Americans. They have to have a special kind of house. It creates a morale problem, as you can understand—two standards, a double standard, for the American workers and for the imported workers. And the Lord knows the imported worker does not want any part of it. That is all there is to it. They are not accustomed to that sort of thing, and they do not want it.

EFFECT OF HOUSING REGULATIONS

Senator HILL. You mean that under these regulations the imported worker would have a higher standard than——

Mr. FISHER. Much higher.

Senator HILL. The native or American?

Mr. FISHER. Oh, yes indeed.

Senator HILL. Senator Pastore, did you want to ask any questions?

Senator PASTORE. Just one question. How do these standards compare with their permanent living conditions from whence they come?

Mr. FISHER. The standards are I would say about 1,000 percent higher than the permanent living conditions in the areas from which they come. There is no basis for comparison, Senator. If you have been in Mexico at all, you can understand that.

Senator HILL. I have not been to Mexico in recent years, but when I was there some years ago I will tell you the standards were not very high. You gentlemen live there and you know it the way I do not, but most of them did not have any flooring in the houses at all. They lived right on the ground.

Mr. FISHER. No, and, Senator, it would just amaze you how often if you try to put them in a room with flooring they prefer to go where there is none. It is all they have ever known. You cannot change people's customs and habits overnight. Many of them do not want it. I know that to be true.

LETTER FROM HOUSE MEMBERS

Mr. GATHINGS. I would just like to say, Mr. Chairman, that here is a copy of a letter that 34 Members of the House wrote to Rocco Siciliano, Assistant Secretary of Labor, urging that several modifications be made and particularly this paragraph 15 that has been referred to—the square footage requirement—be kept as it was prior to the issuance of the new regulations.

Senator HILL. We will be very happy to have that go in our record, Congressman.

Mr. GATHINGS. That's fine.

Senator HILL. We will have this go into the record at this point.

Mr. GATHINGS. Thank you kindly.

(The letter referred to follows:)

HOUSE OF REPRESENTATIVES,
COMMITTEE ON AGRICULTURE,
March 18, 1957.

Hon. ROCCO C. SICILIANO,
Assistant Secretary of Labor,
Department of Labor, Washington, D. C.

DEAR MR. SECRETARY: We wish to express our appreciation to you and your associates for the fine spirit of cooperation accorded our request for modifications of the housing regulations which were issued in January of this year. You have been most considerate in dealing with the many aspects of this overall problem. Since the recent issuance of the revised housing regulations, which are to become effective March 25, we have had occasion to go over these regulations to determine their effect on the users whom we represent.

In an attempt to make the regulations more workable and enforceable to the farmers and ranchers who actually have to live with them, a group representative of these people who employ this service has prepared certain suggested changes and amendments which we feel very strongly will, if adopted, greatly improve the housing program for the braceros. A copy of the proposed changes is attached hereto and these changes have our complete endorsement.

The most serious problem existing in the regulations, as issued, is the requirement of 300 cubic feet of space per bracero in sleeping space. Should this regulation 15 be made a part of your permanent housing standards, it would work a severe hardship on farm users of Mexican labor in several of the States, by requiring as much as a 50 percent increase in the size of the quarters heretofore used for the same number of workers to be housed. This would require construction of half again as much housing as already exists in order to provide for the same number of workers. This is in conflict with the requirement of 25 square feet

per worker in double bunks and 32 square feet per worker in single bunks, unless the Department contemplated that rooms would be 12 feet high. We strongly urge that this provision be eliminated.

There are several other regulations in the category which would require substantial additional cost to the farmers and ranchers, and we feel changing these would not weaken the housing standards; among these are: (1) changing the appeals period to 15 days; (2) a more realistic distinction between on-farm housing and camp housing; (3) the elimination of the requirement that springs should be used on wooden bunks; and (4) elimination of the requirement for venting where heating equipment is not designed to be vented.

We feel these regulations are therefore unsound, impossible of enforcement, and they create a double standard of living conditions giving preferential treatment to imported braceros as compared with the standards applicable to American citizens. Moreover, their enforcement would impose an impossible financial burden which many of the farmers and ranchmen in the Southwest cannot afford. A large part of that area is in a drought disaster status under findings by the Secretary of Agriculture. Most of the landowners in much of the area where braceros are used are deeply in debt according to all statistics, including those of the Farmers Home Administration, and they are doing well to stay in business at all under present conditions without having this additional burden imposed upon them at this time.

Because of the peculiar legal nature of an international agreement, we think it would be extremely unwise and would have dangerous potential effects to have housing standards applicable to people working in this country incorporated in the international agreement. To do so would be to place such braceros in a status beyond the control of American customs, regulations and laws, in respect to housing. This would be a distinct disadvantage imposed upon American employers because it would deprive them of the right to seek redress or modification without bilateral agreement. And, it would constitute an invasion of the sovereignty of the United States.

We sincerely request your careful consideration and favorable action on these recommendations.

Respectfully submitted.

GORDON L. McDONOUGH.
O. C. FISHER.
HOMER THORNBERRY.
WALTER ROGERS.
OMAR BURLESON.
CLARK W. THOMPSON.
CHARLES M. TEAGUE.
J. T. RUTHERFORD.
JOHN J. RHODES.
JOHN J. DEMPSEY.
EDGAR HESTAND.
CHARLES S. GUBSER.
STUART L. UDALL.
JIM WRIGHT.
W. F. NORRELL.
BOB WILSON.
AL ULLMAN.

HUBERT B. SCUDDER.
W. D. MILLS.
CHARLES B. HOEVEN.
ALVIN M. BENTLEY.
E. C. GATHINGS.
FRANK IKARD.
JOE W. KILGORE.
PAUL C. JONES.
B. F. SISK.
SID HERLOGG.
JAMES B. UTT.
D. S. SAUND.
FRANK E. SMITH.
GEORGE MAHON.
JOHN E. MOSS.
OLIN TEAGUE.
W. R. POAGE.

COMMUNICATION FROM CONSTITUENT

Mr. GATHINGS. Now, I represent small farmers and middle-sized farmers, and here is a small farmer who wrote me this letter in January 1957 when he had heard about the new regulations. I would like just to read a line or two of that. It is addressed to me and dated January 25, 1957, from Black Oak, Ark.

I hope you will look into this situation with much concern. We, the small farmers of Arkansas, are forced to use Mexican labor because we can't get anyone to pick our cotton and can't afford mechanical picking. Each year it has been harder to meet the demands of the committee for living conditions of the Mexican laborer. This year the requirements are unreasonable and outrageous.

The farmers themselves aren't accustomed to conditions required for them, and the Mexicans themselves are satisfied with conditions as they are now.

When I was growing up everyone took a bath in the living room. Now we have to have a special room for them to bathe and screened toilets, separate beds, new mattresses, and cupboards, cabinets, and the list goes on and on.

I am asking you to look into it and see who the committee is and why they are setting these standards. Look at a list of the requirements and judge for yourself if it is necessary just to pick cotton. We can't afford these ridiculous requirements. We need your help badly.

Sincerely,

MARVIN FARLEY,
Route 1, Black Oak, Ark.

That fellow wrote out of his heart.

TOTAL BORDER PATROLMEN

Mr. FISHER. Mr. Chairman, may I complete the statement that I made—

Senator HILL. Yes, Congressman.

Mr. FISHER. Where I lacked the information? I referred to the number of patrolmen who are patrolling the border area. I have that now. It is 1,106. United States border patrolmen are patrolling the Mexican border at this time, 622 assigned just to Texas alone, so they run into each other. The country is just seething with inspectors and patrolmen.

Of course, the thing we are talking about is entirely separate from patrolling. I think they have got enough down there. People wonder where on earth their tax money is going when they look around and see a dozen patrolmen walking down the street, with very little to do.

Mr. GATHINGS. The various departments are having to cut back and tighten up their belts, and I just cannot see why this Department could not get along and do this work in view of the fact they have more in the current year than last year to do this particular work. I appreciate the kindness accorded us thanks very much.

Senator HILL. Thank you, gentlemen. We appreciate your coming over. We are very happy to have you. Thank you very much.

Mr. FISCHER. Thank you, Senator.

LETTER FROM SENATOR HUMPHREY

Senator HILL. I have before me a letter from Senator Humphrey of Minnesota. It is written about the need for research on ulcerative colitis, a persuasive argument in behalf of more adequate funds for the support of research on this condition.

I believe last week when the National Institutes of Health were testifying in behalf of their budget estimates, Dr. Shannon, the Director, made some mention of this condition and the fact that he hoped that something could be done to interest research personnel in studying it.

I shall place Senator Humphrey's letter in the hearings for the information of the committee and of the Senate.

(The letter referred to follows:)

UNITED STATES SENATE,
May 8, 1957.

Hon. LISTER HILL,

*Chairman, Subcommittee on Labor, Health, Education, and Welfare,
Committee on Appropriations, United States Senate, Washington, D. C.*

DEAR MR. CHAIRMAN: I regret that I shall not be able to appear before your subcommittee, due to my being out of the country on Foreign Relations Committee

business. However, I do wish to invite the subcommittee's attention to the appropriation to the National Institutes of Health for the next fiscal year. I am addressing myself to one small medical problem which has occupied some of the energies and interests of the NIH administrative and medical personnel in recent months, namely, the problem of research and training in ulcerative colitis.

Let me give you the background which would explain to you my own deep interest in this problem and the urgent need I feel to help find a cure of this dreaded disease. One of my close friends and constituents, a distinguished businessman in the city of Minneapolis, Mr. Miles Fiterman, is responsible for bringing the nature and description of the disease to my attention.

Mr. Fiterman is a young man with a fine family. His youngest child, Valerie, was stricken with the disease at the age of 3. This was more than 2 years ago. A vivacious, alert, beautiful child became a seriously ill, bedridden patient. Every effort was made by Mr. Fiterman to help his child recover from the disease. Money was no object, and he took her to the finest hospitals in America—the University of Minnesota Hospital, the Mayo Clinic, and the University of Chicago Hospital. Every leading medical expert in the field of ulcerative colitis whose name came to Mr. Fiterman's attention was interviewed and asked to examine the child. The one hard, stark fact that became very clear was that there was no cure for this debilitating disease. There could be, on occasion, an amelioration of pain, and possibly a partial recovery, but there could not be a cure until such time as medical science knew more about the disease and its cause.

Mr. Fiterman explored this matter further. Many questions came to his mind. First, he knew that this illness of his child had cost him large sums of money and he knew that the disease was not a respecter of fortunes. It could strike the poor as well as the wealthy. What did other families do with more limited means when a disease such as this struck them? What facilities were there to provide hospital care for those who were stricken with this illness? The answer was that there were no facilities and that this was another illustration of an unmet need in the American society.

The second and perhaps equally, if not more important question arose in Mr. Fiterman's mind. What was being done to find a cure for the disease that had stricken his young child? He found that there was a man who had been doing work in the field at the Mayo Clinic for a number of years, Dr. Bargen. He talked with Dr. Bargen and had Dr. Bargen examine and attempt to treat his child. Dr. Bargen was working virtually alone at the Mayo Clinic, pursuing his theories, meeting with some success but fully aware of the fact that there were also many failures and inadequate knowledge and funds. Mr. Fiterman then learned that there were two men at the University of Chicago School of Medicine who had set up laboratory facilities and who were engaged in long-term studies of ulcerative colitis. They are Dr. Walter L. Palmer, who is now, incidentally, recent past president of the American College of Physicians and Dr. Joseph B. Kirsner, both professors of medicine at the University of Chicago.

Mr. Fiterman brought his child to Chicago. There she stayed for months and there he stayed for months talking with doctors, learning about their problems and discovering how woefully inadequate their facilities and funds were. Yes, they had a laboratory but it was of a size no larger than a small office cubicle. Yes, Dr. Kirsner was one of the leading doctors in the field but his own desk was squeezed into an office no larger than a clothes closet.

It became very clear that the field of ulcerative colitis was, in fact, one of the back alleys of modern medicine with inadequate money, inadequate attention, inadequate guidance, inadequate facilities, inadequate personnel and inadequate direction.

It was at this point that Mr. Fiterman came to Washington and talked to me. "What can I do," he said, "to make a meaningful contribution to find a cure for this disease? Why isn't the United States Government paying attention to this problem? Isn't this responsibility," he continued, "in effect the highest responsibility of Government in that the preservation and protection of the health of our Nation is what is meant by 'the general welfare?'" He explained to me that he wanted to dedicate himself and whatever part of his income that he could spare to working in this field. We talked in Washington and we talked in Minneapolis. Mr. Fiterman, through the help of my colleague, Senator Thyne, and myself, went to the National Health Institutes. There he talked with Dr. Ralph E. Knutti, Medical Director of the Chief Extramural Program, National Institutes of Health of Arthritis and Metabolic Diseases. Dr. Knutti was of tremendous assistance to him. Yes, there was a dire need for more work in the field of ulcerative colitis. The NIH wanted to help and would be happy to work with Drs.

Palmer and Kirsner, as well as others in helping to defeat this disease. It would not be too costly to begin a program but even though not costly, it was still over and beyond the budget of the Institutes. Dr. Knutti encouraged Mr. Fiterman to the point where he felt renewed confidence that perhaps he could do something and make a contribution to the problem.

Mr. Fiterman then instructed his attorney to form a nonprofit foundation. This has been done. Its name is the National Foundation for Research in Ulcerative Colitis. Mr. Fiterman will contribute to that foundation and as soon as the Bureau of Internal Revenue will rule the foundation to be tax exempt, I and others will help Mr. Fiterman raise other funds from interested people so that the foundation, in a small way, can help direct research, training and public education in this field.

It was at this point that you, Senator Hill, came into the picture and provided invaluable service. At my request, you will recall, you instructed your staff assistant of the Senate Labor and Public Welfare Committee, our good friend William Reidy, to meet with Mr. Fiterman, his attorney, Mr. Kampelman, and Drs. Kirsner and Palmer. Mr. Reidy also met with the officials of the NIH and as a result of the splendid cooperation of Dr. Knutti and Dr. Cassius J. Van Slyke, Associate Director of the NIH, a series of conferences were held as to how the NIH could play a constructive role in meeting this critical problem.

The NIH is appointing a study committee to work with those doctors engaged in research in ulcerative colitis. A small sum of money has already been made available to the University of Chicago Hospital to improve its laboratory facilities in ulcerative colitis on a matching fund basis. But this is only the beginning. In order for us to take the first meaningful steps, it is necessary that there be training funds made available for research in ulcerative colitis. It is also necessary that there be increased funds for research grants in ulcerative colitis.

This current appropriation bill which you are now considering is vital to the success of our efforts. On your decision and on the decision of the Congress rests the future as to what can be done to eliminate this dreaded disease from our society.

I ask unanimous consent that there be incorporated at the conclusion of these remarks a report that I received from the Public Health Service with respect to the current situation in the field of research in ulcerative colitis. You will notice that it is listed as a disease, the cause of which is not known. You will notice that it can strike at all ages. You will notice that there are many unanswered questions about its incidence. You will notice that it is probably more frequent than is generally appreciated and that its incidence appears to be increasing. I particularly want to draw your attention to the facts that a recent medical publication estimates that there may be as many as 500,000 cases in the United States.

I go on to quote from the report and bring to your attention this significant item; "There is very little research of this disease being done in the United States except in the clinical areas." And that there is only a record of one research grant supported by non-Federal funds in the small amount of \$2,000.

Mr. Chairman, it is clear to me that the will to help is present in the NIH. It is clear to me that the medical leaders necessary to organize this help are present in the persons of Drs. Palmer and Kirsner at the University of Chicago Medical School. It is clear to me that the need is great and that the responsibility is ours. The next step is up to you and up to the Congress. My request is that you increase the training funds now provided in the President's budget so that there can be additional funds for training in ulcerative colitis and that you increase the research funds for the Arthritis and Metabolic Institute as well as for other institutes which may have a direct research connection with the field of ulcerative colitis.

Kind personal regards.

Sincerely yours,

HUBERT H. HUMPHREY.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE,
NATIONAL INSTITUTES OF HEALTH,
Bethesda, Md., April 1, 1957.

HON. HUBERT H. HUMPHREY,
United States Senate.

DEAR SENATOR HUMPHREY: This is in reply to your letter of March 22, 1957, requesting information on the current situation in the field of research in ulcerative colitis.

Ulcerative colitis is an acute and chronic inflammatory and ulcerative disease of the colon and rectum, the cause of which is not known. This disease occurs most often in young adults between the ages of 20 and 40. It is quite common also in infants and children, and it has been observed in persons over 60 years of age. The sex distribution is approximately equal, females predominating slightly. Ulcerative colitis in more than one member of the same family is unusual, but it may occur, as in brother and sister, and father and son. There appear to be interesting geographic variations in the occurrence of the disease; however, this aspect of ulcerative colitis has not been studied sufficiently. Ulcerative colitis apparently is uncommon among the poor and is encountered rarely in the large city and county hospitals. The disease is thought to be more frequent among people with high intellectual capacities than in those with low intelligence; however, there are numerous exceptions.

The disease is probably more frequent than is generally appreciated and the incidence appears to be increasing. No accurate surveys have been made, but one recent publication estimates that there are 500,000 cases in the United States. There appears to be an important need for further study of the epidemiology of ulcerative colitis which might reveal significant information concerning the cause and pathogenesis. There is very little research on this disease being done in the United States except in the clinical areas. The Biosciences Information Service has records of only one research grant supported by non-Federal funds. This was in fiscal year 1955 for the amount of \$2,000. Since 1950 the Public Health Service has supported 15 projects dealing directly with ulcerative colitis. A total of \$102,014 has been awarded for these projects.

There have been other research projects in the broad field of gastroenterology which have included as a secondary interest certain studies pertaining to ulcerative colitis. A total of 11 such research grants have been supported by the Public Health Service since 1950 in the amount of \$231,459. The Veterans' Administration, since 1955 has supported 13 projects dealing with ulcerative colitis. We have no information relative to the dollar value of this support. Apparently no other Government agencies have supported research in this field.

In regard to research in other parts of the world, we are told that in England and in Spain some aspects of the pathology of the disease are under study and that in France research has been done concerning the surgical approach to the treatment of the disease.

Because of your interest in this field I know you will be pleased to learn that, with the approval of the Surgeon General, we have almost completed arrangements to establish a General Medicine Study Section (a panel of expert non-Federal scientist advisers) whose function it will be not only to advise on research project grant applications but also to stimulate necessary research in various noncategorical fields of which ulcerative colitis is a good example.

I hope that this information will be helpful to you.

Sincerely yours,

JAMES A. SHANNON, M. D.,
Director, National Institutes of Health.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

NEUROLOGICAL DISEASES AND BLINDNESS

STATEMENTS OF DR. H. HOUSTON MERRITT, PROFESSOR OF NEUROLOGY, COLUMBIA UNIVERSITY; DR. ALSON E. BRALEY, HEAD OF THE DEPARTMENT OF OPHTHALMOLOGY, UNIVERSITY OF IOWA MEDICAL SCHOOL; AND MRS. ED. W. JOHNSON, MEMBER, NATIONAL ADVISORY COMMITTEE ON NEUROLOGICAL DISEASES AND BLINDNESS

BACKGROUND OF COMMITTEE

Senator HILL. Dr. Merritt, Dr. Braley, and Mrs. Johnson. We are delighted to have you here. Will you please proceed in your own way.

Dr. MERRITT. Thank you. I am H. Houston Merritt, professor of neurology at Columbia University, director of the New York Neurological Institute and president of the American Neurological Association. I am also chairman of the program planning committee of the National Advisory Neurological Diseases and Blindness Council. I am here today as a spokesman for the National Committee for Research in Neurological Disorders.

The committee, as you know, is representative of voluntary organizations concerned with the impact of the neurological disorders upon our society and with an effective research program dedicated to coping with these disorders. These groups include the United Cerebral Palsy, the National Association for Retarded Children, the National Multiple Sclerosis Society, the National Society for Crippled Children and Adults, the National Epilepsy League, the Muscular Dystrophy Associations, and the National Foundation for Infantile Paralysis. I have the pleasure of serving on the research advisory boards of many of these organizations.

As you may recall, the committee was formed in 1952 to assist the Director of the National Institute of Neurological Diseases and Blindness in blueprinting a national research program in neurological and sensory disorders. It serves as a coordinating body for the research programs of the National Institute of Neurological Diseases and health agencies themselves to reduce duplication of effort. It also operates to prevent the splintering of neurological research from its central core. Moreover, it studies carefully the research and training fund needs of the Institute and, each year, makes a budgetary estimate of those needs to which I shall refer later.

RESEARCH TRENDS

I know that Dr. Pearce Bailey has given you a careful review of his program developments and the research achievements made possible by the Institute during the current year. I shall, therefore, confine my remarks to key research trends and critical areas in the Institute's program. I will, of course, be glad to answer any questions you may ask.

I would like to add at this moment that these voluntary health agencies that are so vitally interested in patients with neurological diseases have not sat back and hoped for the Government to take care of all of their needs. Most of these organizations were founded before the National Institutes of Health established a separate institute for neurological diseases and blindness and had always given large sums of money for research.

With the growth of the National Institute and its research programs, the research programs of these voluntary agencies have also grown, and the amount of money they have put into it has increased in proportion to that which the Government has put into it.

COLLABORATIVE AND COOPERATIVE FIELD INVESTIGATIONS

I would like to speak of a few of the activities of the National Institute of Neurological Diseases and Blindness, and the first one is the collaborative and cooperative field investigations.

These are investigations conducted at various hospital and university centers throughout the country in order to attack certain major

disease problems on a broad basis. And it is our feeling that about 20 to 25 percent of the total program should be devoted to such national collaborative investigations.

It is through these collaborative investigations that talent in various fields throughout the country can be brought to bear on the problem, and the problem can be solved. I am sure that this committee knows the results of some of the previous collaborative adventures and how they have solved problems such as the collaborative project on retrolental fibroplasia.

BIRTH INJURIES

Foremost among our problems at the present time are those that are described by the names cerebral palsy, mental retardation, epilepsy, and certain forms of blindness and deafness which are the consequence of damage to the fetus in utero or at the time of birth or immediately following birth, the so-called perinatal period.

A large cooperative study has been started on this in which there will be participating the obstetricians, who will study the mothers from the time they present themselves to the clinics, which is usually 6 weeks after conception. The factors that influence the development of the fetus during this period will be studied by the obstetrician. The factors that lead to damage to the baby at the time of birth will be studied by the obstetricians in connection with the anesthetist. And then after the baby is born he will be followed for a period of 5 years by the pediatricians, the neurologists, the psychiatrists, and others interested in the growth and development of the child.

It is hoped through these cooperative studies that we will find out what is the cause of so-called birth injury and its sequelae. I would like to repeat again some of the sequelae or things that happen when the birth conditions are not normal—that is, in the perinatal period, going back from months before birth till a few weeks afterward.

CEREBRAL PALSY

Cerebral palsy: You all know what a great catastrophe that is to our country.

You all know the size of the problem of epilepsy and the size of the problem of mental retardation.

Now, all three of these can be traced to adverse factors either during pregnancy or in the immediate period before and after birth. If we can find some of the factors that are participating in causing these defects, we will go a long way toward solving some of our greatest problems.

Up to the present time we have seven institutions that are participating in this project. These are Yale University, Brown University, the University of Minnesota, the Medical College of Virginia, the Children's Hospital of Philadelphia working jointly with the Pennsylvania Hospital, Johns Hopkins University, and Harvard University. In addition, there are a number of applications still in process, and we hope to have at least 15 centers participating in this study before we reach the number of babies that we wish to follow in order to get at the basis of these great problems.

CEREBRAL VASCULAR LESION

The Neurological Institute also has other investigations and collaborative studies particularly in the field of cerebral vascular lesions. Now, the term "cerebral vascular lesion" is more commonly known to many doctors and laymen as stroke. It is something that involves a great number of our citizens in middle life and late life, and we are even finding it occurring in people in the ages of 30 to 40, producing such things as paralysis and loss of speech and the like.

This is a very great problem, and we have a collaborative study already going in one field of cerebral vascular disease—that is, the field of aneurysms of the cerebral blood vessels. We are now getting up a protocol for a collaborative study in the ordinary cerebral vascular accidents—what we speak of as cerebral thrombosis or cerebral embolism.

This is an enormous problem in the health of our citizens, and if we can find the cause of these vascular diseases, a great deal of suffering and a great deal of incapacity will be prevented.

RESEARCH IN FIELD OF AGING

There is also a great deal of research going on in the field of aging as it affects the nervous system.

At Bethesda there was a conference recently held by the National Institute of Neurological Diseases and Blindness to summarize our knowledge on the process of aging and its effect on the nervous system. It was brought out at this conference that the life potential of the central nervous system was much greater than the average life span in this country, and it was demonstrated by the research investigators that even in elderly people there was no significantly great loss of nerve cells due to aging outside of the loss that was due to cerebral vascular disease.

The investigators noted that there was a great shortage of experimental animals of known age so that the changes in ages could be studied. We have a lot of animals in the laboratories, but usually it is not known whether they are 1 year old or 2 years old or 3 years old. So we need much more study on animals who are taken right from birth and studied throughout their life span to trace the effect of the normal aging process on the nervous system and also to determine what effect diet, infections, and other processes have on the aging process.

I have already spoken to you about the cerebral vascular lesions. I cannot emphasize too greatly the need for further investigation in this area.

ARTERIOSCLEROSIS

The one great factor in cerebral bascular lesion, of course, is arteriosclerosis, and we need to know what is causing arteriosclerosis and how it can be avoided. But until such time as we get this knowledge we are also going to have to have research studies on how to prevent strokes happening in patients who have arteriosclerosis, and steps have been made in that direction with the use of anticoagulants to prevent clots from forming.

As you know, in treatment of coronary thrombosis, anticoagulants are pretty generally used to prevent emboli and thrombi forming in

the brain and other organs. And it has been shown that in patients who have arteriosclerosis and have a tendency for the production of cerebral vascular lesions or so-called strokes, the administration of anticoagulants will prevent further strokes from developing.

Senator HILL. Your work there ties in pretty closely with what we speak of generally as the heart?

Dr. MERRITT. We work very closely. In fact, we have joint committees working together on this problem.

Senator HILL. On this problem?

Dr. MERRITT. Yes. And the problem is one that is of such close mutual interest to both of us that it is necessary that we work together on it. We have had a joint committee of the two, and we have had several symposiums held, 2 of them in the past 2 years at Princeton, where both the Heart and Neurological Diseases Institutes participated.

Senator HILL. In other words, you participated jointly?

Dr. MERRITT. Yes.

GRADUATE TRAINING PROGRAM

Now I would like to speak of our graduate training program. As you know, there is a great shortage, in all fields of medical personnel, in teaching and in research. The need is especially acute in the neurological and sensory disease fields. It was not until the National Institutes of Health through the National Institute of Neurological Diseases and Blindness inaugurated their training program that any progress was made. Now we have 58 training programs in neurology in 79 medical schools.

It will not be possible to get training programs in all medical schools because all medical schools do not have the facilities for them at the present time. But it is hoped that—

Senator HILL. Has this training stepped up a good deal recently? When I use the word "recently," I mean in the past several years.

Dr. MERRITT. In the past several years it has stepped up enormously. It has only been going for a few years.

It may be of interest to you and your committee to know that in our place at the Neurological Institute in New York we have turned out, in a 3-year period, a fairly large number of doctors who have gone into research and into teaching. We have placed teachers in universities scattered all the way from Maine to California and down through the South. We have men who are occupying positions of professor, associate professor, or assistant professor in Albany, Syracuse, North Carolina, Cleveland—2 in Cleveland, 1 in Los Angeles, and several in the New York area in the new Albert Einstein Medical School. We have two there.

And what we have done has been duplicated by many of the other training centers throughout the country.

Senator HILL. How would that compare with, say, 10 years ago, Doctor?

Dr. MERRITT. Ten years ago there would not have been any of those men who would have gone to these universities. They would have gone out into practice.

Senator HILL. Into practice?

Dr. MERRITT. And mainly into practice of what was known as neuropsychiatry and not neurology. They would have gone into practice of mainly taking care of patients with emotional and mental disease.

This, of course, is of very great importance. I am not trying to say that it is any less important than putting men into teaching and research, but we are not going to be able to train men to go out into practice to do these things right unless we have got men in the universities who can teach them. There have not been men in the universities. We are just beginning to get them there.

JOB OFFERS TO STUDENTS

When a man finishes training at our place—and this is the same elsewhere—he usually has 3 or 4 different offers open to him right away. We had a boy who just finished, he is finishing this July, who was offered a job at the University of Virginia, and he was offered a job at the University of Arkansas and one at the Albert Einstein Medical School in New York. We have two others finishing at the same time, and they all had similar numbers of offers.

So the need is very great. This is for the teaching. And the need for research is equally great.

It is a very promising sign that these young men are now willing to go into research. After they have finished their clinical training, a number of them are willing to go back into the laboratories and study for 1, 2 or 3 years in order to prepare themselves for research. This would not have been possible unless the National Institutes of Health had given them the opportunity to do this.

Senator HILL. Yes.

Dr. MERRITT. These boys do this at a great financial sacrifice. The amount the universities or the National Institutes of Health can give them is small in comparison to what they would make in practice. But for men of a certain type the opportunities offered in research are much more of a challenge and much more of a satisfaction than the practice of medicine.

NEED FOR RESEARCH WORKERS

Fortunately there are men who get just as much satisfaction out of practicing medicine. We need them both. But we need to encourage the young men to go into the laboratories to do research, because it is only through research that we are going to advance the status of the man in practice.

Senator HILL. Your statement is not only most interesting but most helpful. You see, this committee is confronted, of course, each year, with the proposition: "Well, now, we have appropriated so much money during the years. We appropriated so much last year. What are the results?" And I am sure you all realize—you realize far better than I do, much better than I do—that this thing does not lend itself to mathematics, as it were. When you get into the field of research you do not add it up like you do a column in a table of some kind.

The testimony you have just given is most interesting and most helpful—how we are getting these young men now into research where

we so much need them and where we must have them if we are going to make progress in this field.

Dr. MERRITT. My greatest problem at the present time in my job in New York is to train enough men to keep our program going and enlarge it to satisfy the demands from the universities, throughout the country——

Senator HILL. Surely.

Dr. MERRITT. For more men for teaching and research. The only way we are going to do that is by enlarging the programs in the centers which are capable of doing it. There are a number of such centers around the country. And the National Institutes of Health has done a wonderful job of helping us enlarge it.

CONTINUATION AND ENLARGEMENT OF PROGRAM URGED

We are pleading here for a continuation of that program and for enlargement of it, if possible.

I think I have taken enough of your time, and I would like to introduce to you Dr. Alson Braley, head of the department of ophthalmology at the State University of Iowa, and chairman of the Ophthalmological Training Grant Committee of the Institute of Neurological Diseases and Blindness.

I would like to come back when Dr. Braley and Mrs. Johnson have finished their testimony in order to present the budget.

Senator HILL. Good. Well, I have some questions I would like to ask you, but I will wait until Dr. Braley and Mrs. Johnson have testified, and then we will come back to general discussion, so to speak.

Doctor, we will be happy to hear from you, sir.

GENERAL STATEMENT

Dr. BRALEY. Mr. Chairman, it is a great pleasure to be back again this year. I appreciate so much the opportunity to come back and visit with you here, particularly to present some of the problems that we have encountered during the last year.

Senator HILL. Well, may I say, Doctor, that I remember well your splendid testimony last year, and we certainly welcome you back again this year.

Dr. BRALEY. Thank you, sir.

Should I identify myself?

Senator HILL. You might identify yourself for the sake of the record.

Dr. BRALEY. I am Alson E. Braley, professor and head of the Department of Ophthalmology at State University of Iowa Medical School located in Iowa City, Iowa. I represent the National Committee for Research in Neurological Disorders and, like Dr. Merritt, I would like to extend a plea for the extension of the overall research and training program of the National Institute of Neurological Diseases and Blindness.

BLINDNESS

I will try to be as brief as possible. There are two areas in which I am very much interested. One is in the sensory disease primarily pertaining to the eye.

There are at the present time 320,000 blind persons in the United States, and it is estimated that about 27,000 will go blind during the next 12 months. Roughly half of these will be blinded from disease in which research should be done.

RESEARCH IN FIELD OF DEAFNESS

In the field of hearing, for example, there are an estimated 15 million Americans with some kind of hearing defect. Of these, 4,500,000 are seriously handicapped, and a total of 760,000 are totally deaf.

In this area I cannot help but feel that we as physicians have really not done very much in the field of research in the field of deafness. Some work is being done at the present time in this area. In recent months, several conferences have been held in an effort to stir up a little more enthusiasm in the area of hearing. While I am not a specialist in this area, because of the lack of research in this area and the size of the problem, I feel that we should as physicians do something about it.

WORK AT BETHESDA

In this connection, I would also not be fulfilling my duties if I did not draw your attention to the fine work being done at the Institute at Bethesda by Dr. Ludwig von Sallmann and his group. Dr. von Sallmann is one of my closest friends and is one of the world's leading ophthalmologists. He has headed up the research program out there and has done a remarkable job. You folks are very fortunate and we in ophthalmology are very fortunate in having him there.

THERAPY OF UVEITIS

Last year I testified on uveitis and said something about the therapy of uveitis and the diagnostic procedures. A number of interesting developments have occurred in the last year, and one is a very interesting field study that is being conducted.

DIABETIC RETINOPATHY

I would like again to say something about diabetic retinopathy. Diabetic retinopathy is becoming a most important problem for us in ophthalmology. Many of our people are blind because of diabetic retinopathy.

In this area we do not understand why the patients go blind even though their diabetes is seemingly controlled. For the past 30 years we have been, in Iowa, following over 110 diabetics and have made many, many studies, but studies like this should be conducted all over the United States. In order to continue this type of research, it is necessary to have collaborative teams working.

GLAUCOMA

In the field of glaucoma, I feel that there have been some major contributions made this year. One was made by Dr. von Sallmann working at the Institute, in which he discovered that there is a plexus of nerves going to an area in the eye that may play an important role in the control of the interocular pressure.

RETROLENTAL FIBROPLASIA

I think we can point with pride to the collaborative study made in retroleental fibroplasia. This disease is for all intents and purposes eliminated because of the aid given by the National Institutes of Health.

HEARING DEFECTS

I would like to say just a few words about the many hearing defects that we have. These handicaps are very severe for the individual who has a hearing defect. In this area, rehabilitation techniques and facilities are available but nothing had been done until recent years in research. As a matter of fact, they have been unable to even classify many of the congenital hearing defects.

During the past years there has been no coordination of this research. In 1956 the National Institute of Neurological Diseases and Blindness took some important steps toward developing this hearing research program. They held a conference in Chicago in which the broad concept of auditory research was discussed. This was done by some of America's leading otolaryngologists.

GRANTS FOR HEARING RESEARCH

There are many gap areas in the research here. At the present time we have 29 grants totaling \$430,000 which are used for hearing research purposes.

Senator HILL. How much, Doctor?

Dr. BRALEY. \$430,000.

Senator HILL. For hearing research?

Dr. BRALEY. For hearing research. In 29 grants.

Senator HILL. Is that four hundred and some-odd thousand dollars divided into 29 grants?

Dr. BRALEY. Yes, sir.

Senator HILL. That is not much per grant.

Dr. BRALEY. That is not much per grant; no, sir. This is really a gap area that needs more research. But here again we bring up the problem that we have to train people to do this research.

Senator HILL. Well, now, in that connection, I do not want to interrupt you, but I have long felt that we have not done what we should do in this area. Do you have the people now who can go forward if you have the funds?

REQUEST FOR TRAINING FUNDS

Dr. BRALEY. We do not have the full number of people we need.

Senator HILL. In other words, your plea today then would be for the funds to train people who can do this job?

Dr. BRALEY. Correct. Funds to do research with the people already trained and funds to train additional people.

Senator HILL. For training people?

Dr. BRALEY. To train the people.

Senator HILL. Training people who can go forward—

Dr. BRALEY. That is right.

Senator HILL. In this field?

Dr. BRALEY. Yes. I think that, as I tried to point out, while we have areas in which rehabilitation has been done in the hearing field, practically nothing has been done to try and find out what the basic cause for their hearing losses.

For example, in aging, as you know, many people as they get older become deaf.

Senator HILL. Yes.

Dr. BRALEY. Very little has been done in this area in research. Everything has been aimed at rehabilitation. And our plea is—at least my plea would be—to train physicians and train people to do investigative work in this area so that the total research effort can be expanded.

Senator HILL. Something that we have been woefully lacking in in the past. Is that not right?

Dr. BRALEY. That is correct.

Senator HILL. I do not know why it is, but so many people are deaf and, as you say, there is the disposition for older people to get deaf, and through these years we have done really so little in this field. So little in this field.

NEED FOR INVESTIGATORS AND TEACHERS

Dr. BRALEY. Well, as I say, as I have down here, the situation in the hearing field insofar as trained investigators and teachers is concerned is acute.

Senator HILL. That is right. It is compelling, is it not?

Dr. BRALEY. That is correct.

Senator HILL. Compelling.

OTOLARYNGOLOGY TRAINING GRANT COMMITTEE

Dr. BRALEY. During the past year we have set up the Otolaryngology Training Grant Committee, and they had their first meeting this spring. This is a group of specialists who are working on plans to develop centers for the training of people in hearing defects and also in speech.

In addition, there have been five institutions that have been given awards to establish and expand these training facilities.

I would like to introduce Mrs. Johnson of my neighbor State of Minnesota.

Senator HILL. Fine.

Mrs. JOHNSON. Thank you, Doctor.

Senator HILL. Mrs. Johnson has been with us before, and we are always very happy to have you. Delighted to have you, Mrs. Johnson.

Mrs. JOHNSON. Thank you, Senator, and it is indeed a pleasure to be here.

Senator Hill. You may proceed.

Mrs. JOHNSON. Thank you, sir.

GENERAL STATEMENT

Mr. Chairman, I am Mrs. Ed Johnson from Wayzata, Minn., and I am privileged to appear before this committee again upon the invi-

tation of the National Committee for Research in Neurological Disorders.

Since last I talked with you concerning the affairs of the National Institute of Neurological Diseases and Blindness many advances have been made. Volumewise our projects have increased from the 600 mark to the 1,000-plus level, and the field investigation and pilot projects program is underway. But in spite of great progress in the twin fields of research and training we are far behind with our job, as I think you have just pointed out.

NEUROLOGICAL DISTURBANCES

Brain damage—more formally expressed as neurological disturbances—involves much and many. For the 20 million estimated sufferers from neurological disorders there are some 250 qualified neurologists in the United States. The imbalance of these figures points up the great need as does the fact that these failures are considered more and more to be basic to other irregularities of the human machine.

CEREBRAL PALSY

In the case of cerebral palsy, that Dr. Merritt has talked about, though its known history dates back to the 1860's only six research projects have been undertaken, and this experimentation dealt only with rats and guinea pigs.

Senator HILL. Will you read that again, Mrs. Johnson, please?

Mrs. JOHNSON. In the case of cerebral palsy, though its known history dates back to the 1860's, only six research projects have been undertaken, and this experimentation dealt only with rats and guinea pigs. No human experimentation at all.

Senator HILL. Only six since 1860?

Mrs. JOHNSON. Yes, since 1860.

Neurology has been neglected too long. Its importance is too great. As a lay person, you can get excited about figures such as those.

SOLUTION OF PROBLEM BEGUN

The program of the National Institute of Neurological Diseases and Blindness has begun the solution of the problem under the able guidance of Dr. Pearce Bailey, but that work is merely in the era of beginning or preface. It must be accelerated and expanded.

As typical of this program, may I outline the program at work in my own locality, namely, the University of Minnesota at Minneapolis.

I think one of the things that needs to be said is that neurology is one among the highest of all the specialties. It is really very difficult. And it has been well established in Minnesota due to past sympathetic leadership in our State. As our Governor, Senator Thye aided this progress immeasurably. Because of this stature, it was only natural that as the National Institute looked for institutions to embrace the program of training and research, Minnesota was bound to become a part.

PARTICIPATING SCHOOLS

There are some 89 such participating schools now with approximately 1,082 projects.

The program of the National Institute aids neurological development with three approaches. First, there is the training grant program geared to increase training and interest also in the field. At Minnesota alone—and I think you will be interested in this figure because you were questioning Dr. Merritt—the help given by this arrangement allows the training of five more men than would be possible without the grants.

And another thing, I think we are handicapped because our Institute is so new that we have no great abundance of data to give to you.

Senator HILL. How old did you say the Institute is?

Mrs. JOHNSON. The legislation was in 1950 but no appropriation was given till 1952 and then I think a mere \$1 million.

Dr. MERRITT. \$1,800,000 I think was the first one.

Mrs. JOHNSON. Then, of course, the budget until last year was almost, as compared with others, negligible.

Senator HILL. Yes. Well, last year was the first time you had any very considerable sums really.

Mrs. JOHNSON. That is right. And, as I say, it is difficult because after this basic training it takes 3 years of neurology. Is that right, Dr. Merritt?

Dr. MERRITT. That is right.

TRAINED NEUROLOGISTS

Mrs. JOHNSON. And, you see, we have not really had time to collect this data. However—and here is another interesting figure from Minnesota—from Minnesota's trainees four are already heads of departments. As trained neurologists, their embracement of the Institute program sets off the hoped-for chain reaction, and the lamentable shortage of neurologists is lessened, and research in the field increased, because there are more hands to do it.

Minnesota's experience has not been unusual. It is my impression that 85 percent of the trainees continue in the field as teachers or in research. This program ideally, then, is self-expanding.

The shortage of practitioners is matched by the scarcity of basic research in neurology. At Minnesota—and this is another interesting figure—through Institute help, 30 projects are underway. With this help, 6 out of 7 staff people are so aided. Except for this assistance, proper equipment and laboratories would not be forthcoming and topflight personnel could not be attracted.

At Minnesota this program makes another valuable contribution: All research men teach.

Senator HILL. All your research men at Minnesota are also engaged in teaching?

Mrs. JOHNSON. Yes. I think that is true at your institute, Dr. Merritt.

Dr. MERRITT. Yes, it is true.

Senator HILL. That is true of Columbia?

Dr. MERRITT. That is true of Columbia.

Senator HILL. Is it true out in Iowa?

Dr. BRALEY. Yes, this is true in Iowa also.

Mrs. JOHNSON. It is not true in some places though, is it?

Dr. BRALEY. That is correct.

Mrs. JOHNSON. But in these places it is.

COLLABORATIVE FIELD STUDIES

In my introduction I referred to our newest venture by title "Collaborative Field Studies." To me as a nonprofessional, this is my dedication—getting out of the laboratory into life itself. Of course, this is far from an honest evaluation since what is found out, out where we live, must be analyzed back in the lab, and under this programing the job is done exhaustively by means of a professionally prepared protocol covering the specific, such as cerebral palsy, vascular, or infectious diseases.

This action concerns research of such complexity that it requires team approach, involving a problem which crosses many or all disciplines and in which one area is typical of no other. To cite one instance, highly populated areas pose questions that sparsely settled ones do not. To get the whole picture then, there must be collaboration between areas and phases of research.

The "Minnesota Story," under this heading, is exciting. At the head of the investigations are four topflight men, specialists in their fields, neurology, pediatrics, gynecology, and genetics—not men in research but heads of departments and, as I say, to repeat, tops in their field. Now, these experienced men will analyze and weigh results where they are. The Institute will correlate the findings from all sources. And I think Dr. Merritt referred to the fact we have seven of these collaborative studies now.

Only with such massive attack can we ever hope to get the answers to the disabling, crippling diseases which enslave 20 million Americans—a slavery never to be overcome by their own efforts but only by ours.

FUNDS REQUESTED

In asking for a budget of \$25 million, we are merely asking for funds to stay in business at the present level. These are the funds that we need to keep our operation at par.

It is difficult to appear for increased appropriations knowing full well that you Senators are burdened with the responsibility of reducing Government spending. However, if I remember rightly, last year we talked of research and especially medical research in terms of investment rather than spending. This year, with our vastly improved program, this complexion of investment becomes even more apparent. To protect what we have developed, to vitalize what we are just beginning sums up the problem we face.

As I remember further our conversation of last year, we agreed that safeguarding and improving the health of our citizens presented no frills or no questions. This was our obligation—for the very reasonable, logical fact that the well-being of the Nation itself is the well-being of the citizenry.

Thank you for your attention, and, may I repeat, a great privilege for me. Again my thanks.

Senator HILL. We certainly thank you, Mrs. Johnson.

Let me ask you this question. Last year you had \$18,650,000—

Mrs. JOHNSON. Yes, sir.

Senator HILL. For the Institute. As I understood you, you said that to maintain your present level you would have to have some \$25 million. That would be over \$6 million more.

Mrs. JOHNSON. Well, there are projects that are now in operation, and, you see, I have only been on the Council for a year and a half and I am not terribly familiar with them, but there is one at Iowa as I remember that we have had for 5 or 6 years which will be coming up for a rather large amount. And then we have, I would say, 5 projects that are of 10-years standing that must continue. And they will lapse, you see, so we need money for holding the line of past research.

QUESTION OF ADEQUACY OF BUDGET

And yet this collaborative study has really gone into operation so it is a new field and it is vast and we are not at all sure that we have budgeted that adequately.

Senator HILL. Dr. Braley, did you want to suggest something there?

Dr. BRALEY. I would like to say that while training money is needed, this does not mean that we should stop the research money that is needed in both fields in ophthalmology and otolaryngology.

Mrs. JOHNSON spoke of the situation in neurology at Minnesota. Whenever I think of the situation in ophthalmology and otolaryngology at Minnesota I cringe, because they need so much help in Minnesota in these two areas. They have gotten the help in neurology, but in the other 2 areas they need tremendous help there in developing this program, these 2 programs, there.

Mrs. JOHNSON. This points up, Doctor—that when the neurology training grants and research funds were available, Minnesota had such stature we could take it. Now we do not have the personnel or the laboratories or things to embrace the Institute program, you see.

Dr. BRALEY. But this should not deter from the research funds. I think the research funds—if we increase the amount of research done in hearing and in ophthalmology, as we train these men, these men are going to go out and want to do research, and therefore they will need funds to operate with.

ALLOCATION OF FUNDS

Senator HILL. Well, if you had the additional sum of a little over \$6 million, how would you break that down as between training and research?

Dr. MERRITT. I have that here. Do you want me to give it to you?

Senator HILL. Suppose you give us that picture, Doctor.

Dr. MERRITT. All right. The total budget recommended by the committee is \$25 million. And I am sure that you realize that this proposal was not made without a very careful study.

We would like to recommend a total grants program for the extramural program of \$20 million; \$14,500,000 of it would be for research projects.

What Mrs. Johnson meant by "holding the line" is that we will have so many research grants that will come up for continuation that unless we have extra funds we will not be able to start new ones.

Senator HILL. New projects?

Dr. MERRITT. New projects.

Senator POTTER. In other words, unless you get additional funds, you will just be able to continue the research projects you now have underway without new starts?

Dr. MERRITT. Without any or with very little—except what was being stopped. We do not like to see anything stopped unless it is not yielding its results. So that we need extra money to carry on new research projects.

HOUSE ALLOWANCES

Senator HILL. You see, the House provided only the same amount of money that you have for this year.

Dr. MERRITT. That is right.

Senator HILL. Last year it was \$18,650,000, and that is exactly what the House bill carries now.

Dr. MERRITT. That is what the House recommends.

Dr. BRALEY. But we cannot expand then into the hearing area too widely without additional funds.

Senator HILL. Yes.

Dr. MERRITT. We cannot carry on more in the eye field either—new research that is needed.

Now, in addition to this need for new research in the general program, \$4 million is needed for research projects in the collaborative and cooperative field, these studies in cerebral palsy, the perinatal injuries, the studies in cerebral vascular disease, and the studies in ocular disease and in hearing diseases. So that we need \$4 million to do that.

And as a side point, many of our hearing defects are also perinatal. They occur at the time of birth or before birth—deficits in hearing.

RESEARCH FELLOWSHIPS AND TRAINING GRANTS

I do not need to bother you with the rest of this. You have it. We are asking for \$500,000 for research fellowships. That is the same as we had last year. We think that this program is going along at a very good rate, and at the present time we do not see any chances for its expansion, and we are asking for only \$500,000 for that.

We are asking for \$3,750,000 for training. No; we are asking for training—let's see—

Senator HILL. You are asking, are you not, for \$5 million for both, for your research fellowships and your training grants? Is that it, Doctor?

Dr. MERRITT. We are asking for \$5 million for the training grants, \$500,000 for the research fellowships. We are asking \$5 million for these training grants. Dr. Braley has testified to the importance of these training grants as far as ophthalmology and otolaryngology are concerned, and Mrs. Johnson has emphasized the need for these training grants in neurology.

We need more money to expand our programs in the medical schools that are able to take on expansion of the programs, and also now that we have men that have been trained to go out into other universities and take up departments. As Mrs. Johnson said, from Minnesota there are four men who have gone out to head departments in other schools which had no departments before. We have had similar experience at Columbia. Others of our important training centers have also sent men out into schools. They will need money to

establish training programs, to enlarge our field of teaching and research, and also ultimately to get doctors out into practice to take care of these patients.

ULTIMATE GOAL

That is our long-term goal. It is going to be some time before it is realized. We are going to have to train more teachers and more research workers before we will be able to get men out into the field to take care of the patients. But that is our ultimate goal.

So, therefore, we need more money for this training grant, and I consider that one of the most important items in the budget. I do not think we can say any one item in the budget is the most important, but they are all very important, but the training grant I feel is one of the ones that is going to yield the greatest dividends in the long run.

OPERATION OF INSTITUTE

We are asking \$5 million for the operation at the Institute, which is only a slight increase over what has been granted in the past year.

Senator POTTER. Could I ask one question, Doctor?

Dr. MERRITT. Yes.

Senator POTTER. How do you handle your training grants? The same as with the other Institutes?

Dr. MERRITT. Yes, we handle them just the same. A university is given a certain amount of money to put on extra teachers to teach the residents. And in some places they are given money to help pay for the residents, because the hospitals do not have the money to pay for the residents. It happens at our institution we do have money to pay for the residents so we do not need money for the pay of the residents. But other hospitals who have not had residents before do not have money in the budget.

DIFFERENCE BETWEEN PROGRAMS

Senator POTTER. The difference between training grants and fellowships is that the training grant goes to the universities as a means for them to set up a neurological department—

Dr. MERRITT. A neurological program.

Senator POTTER. And the fellowships go directly to the individual as an incentive for him to go into this field?

Dr. MERRITT. That is right—to go into research or higher training. These fellowships are given in 2 categories, 1 for those who want to go into research in the laboratories, who have already finished their preliminary training in neurology and want to go into some special field of neurology like child neurology or electroencephalography or some of the other laboratory methods that are directly concerned with research in an actual clinic setting.

I do not need to emphasize to you the importance of the program at Bethesda. If this program were not going on, I think the rest of the program would collapse. The research that is done there serves as a guideline for research that is done elsewhere and it helps to pull together research that is being done throughout the country and to unify it.

Our total budget then is \$25 million, and I believe that we need it all and that we would make very good use of it for the benefit of our citizens.

ACCOMPLISHMENTS OF INSTITUTE

Senator HILL. Let me ask you gentlemen this question and you too, Mrs. Johnson: While your Institute, of course, is a very young institute—you did not get your first funds really until the fiscal year 1953, and that was just \$1,537,300—you have given us some most helpful and enlightening testimony here, but I wonder does anything particularly suggest itself to you in this way? We have to defend these figures in the subcommittee. We have to defend them in the full committee. And we have to defend them on the floor of the Senate. And then if we go into conference with the House we have to defend them there. Is there anything which is particularly dramatic or that would appeal to the average person that you feel has been accomplished since this Institute was set up that occurs to you this morning that you might cite?

Dr. Braley?

Dr. BRALEY. I can tell you the most important accomplishment—that was accomplished actually in 1953 and 1954 right after the funds were set up—was in retrolental fibroplasia.

Senator HILL. That was very important.

Dr. BRALEY. This was a very serious disease, and all of our blind schools contained hundreds of these children who were blinded because of retrolental fibroplasia. With the support of the National Institutes of Health funds that were originally given, there are now virtually no cases of this kind because of the cooperative studies and the research that was supported by the National Institutes of Health. I think that this is very important.

Here was a reasonably small amount of money that actually solved a problem very rapidly.

RESEARCH ON GLAUCOMA

I think there are other areas in the field of glaucoma that we could point to. That was of considerable importance.

Senator HILL. Glaucoma?

Dr. BRALEY. In glaucoma.

Senator HILL. In a word, would you just state what you have in your mind in a way that I could state it as chairman of this committee or that Senator Potter could state it on the floor of the United States Senate so they will all know exactly: "Here is what we have done"?

Dr. BRALEY. In a word? [Laughter.]

Senator HILL. Well, I did not mean in a word. Could you cite—

Dr. BRALEY. The understanding of glaucoma, which has been a disease, a blinding disease, ever since time was known, is closer to a solution today than it has ever been because of the research.

Senator HILL. You think you have made very definite progress?

Dr. BRALEY. In the last 5 years tremendous progress has been made.

Senator POTTER. Could you give us an estimate of the number that are suffering from this disease at the present time?

Dr. BRALEY. One person in forty—after 40.

Senator HILL. After 40 years of age?

Dr. BRALEY. After 40 years of age, 1 person in 40 has the disease.

PROBLEM OF EPILEPSY

Senator HILL. Then, of course, we have the very dramatic story of glutamine. That came out as a result of your Institute; did it not?

Dr. MERRITT. From the work of the Institute, yes. And I think that has pointed the way to the study of metabolic disturbances that go on in the brain of patients with epilepsy and is going to lead toward the solution of the problem of epilepsy which hits about the same number as glaucoma. We have got about a million and a quarter in this country with epilepsy, and the work on the metabolic disturbances leads the way to devising a treatment that will——

Senator POTTER. It does not cure it? It controls it?

Dr. MERRITT. Controls it. Because I am afraid that most epilepsy is due to injury to the brain, particularly in the perinatal period. These perinatal studies are going to be of paramount importance in solving the problem of epilepsy, cerebral palsy, and mental retardation, and those 3 together constitute a terrific loss, economic, social and emotional, to our country, probably greater than any 3 conditions you can name, because they hit children and young people in their prime.

DETECTING BRAIN TUMORS

Senator HILL. When Dr. Bailey was with us a few days ago he gave us a very interesting picture of what has been done in the new technique or new method of detecting tumors in the brain.

Dr. MERRITT. Yes; with these new radioisotopes.

Senator HILL. That is right—with the new radioisotopes.

Dr. MERRITT. And, of course, we are carrying on a number of projects with regard to the treatment of brain tumors by chemicals.

Senator HILL. Yes.

Dr. MERRITT. Many of our brain tumors, even though we can localize them, cannot be eradicated by surgery because they are so diffusely infiltrated in the brain, and the answer to those is going to be through chemotherapy or hormone therapy or something of that sort. And we are——

Senator HILL. Are you working on those lines now?

Dr. MERRITT. We are working on those lines now, and we have a number of projects going, and we need more.

Senator POTTER. Let me ask you this, if I may, Mr. Chairman.

Senator HILL. Go ahead.

CONTACT LENSES

Senator POTTER. With your research programs do you do any research on appliances for the eyes like glasses and contact lenses and so forth?

Dr. MERRITT. Yes, there is something being done along those lines. Perhaps Dr. Braley can tell us more about those.

Dr. BRALEY. There is considerable research being done along these lines. You mean contact lenses?

Senator POTTER. Yes.

Dr. BRALEY. We have a reasearch project going at Iowa at the moment, and there are several others going in the country. Most of these are supported out of local funds that we have at our institutions.

In this area I think considerable progress has been made in devel-

oping the contact lenses. We understand many more of the principles of contact lenses now because of some support that was made available in 1953 and 1954 through the National Institutes of Health—some work done at Columbia by Dr. Schmeltzer. I am sure Dr. Merritt might not know about it, but I know about it. [Laughter.]

Dr. MERRITT. Well, you have to go out to Iowa to find out what is going on in your own town. [Laughter.]

STUDIES ON RETROLENTAL FIBROPLASIA

Senator HILL. Let me ask you this. Are there any figures or is there any way to get any estimates of how many children and people there are in the United States today who are blind, suffering from blindness, who would not be blind had we made your discovery with regard to retrolental fibroplasia at an earlier date?

Dr. BRALEY. I think the estimate has been made, and I think we gave that testimony last year.

Senator HILL. We commented on it in our report 2 years ago. We commented on the discovery, but we did not give any figures. And I just wondered if there are any estimates. Maybe you could not give an absolutely accurate mathematical figure. But any reasonable estimate.

Dr. BRALEY. If you figure that we have in Iowa at our blind school something over 200 blind children with retrolental fibroplasia which occurred during 1950–51, this 2-year period, we could figure then that roughly 100 children in Iowa alone would have had retrolental fibroplasia.

Now, there are other areas that were even greater—for example, up in New England. You see, we live in an area where the facilities are not as good as they are in some of the other centers, and, therefore, the care of the prenatal child is much better with lots of oxygen. We have lots of oxygen outside but not inside of the bassinets. So that we had fewer cases of retrolental fibroplasia than they did in some of the other centers.

Now, I think you could estimate an enormous economic saving for this area, because all of these children who were born during this period are blind, and while they learn to do certain things there is not any doubt it is reduced.

Dr. MERRITT. We have here some figures on this.

Senator HILL. All right, Doctor.

COST AND BENEFITS OF PROGRAM

Dr. MERRITT. The cost of the study that determined the cause of retrolental fibroplasia was \$50,000. The 5,000 children blind in the United States today as victims of retrolental fibroplasia will cost an estimated \$100,000 each for education, training and support for their life, or a grand total of \$500 million. The cost for these 5,000—they estimate there are 5,000 children now with it that would have been prevented if we had known it—will be a hundred thousand times the cost of this research.

GENERAL PARESIS PROBLEM SOLVED

If you want to know another disease in which research has solved the problem, we would talk about paralysis of the nervous system, or

general paresis, which used to be approximately 15 percent of all admissions to mental hospitals. Now it constitutes less than 1 percent. And we see it in the wards of our hospitals so rarely now that it is a curiosity. We have trouble finding a patient to teach the students on.

And that, of course, was due to the development of penicillin. And there is one disease which is now almost totally wiped out. We have other diseases that are almost totally wiped out. Brain abscess, which was a very common thing, now is quite rare because of the researches in antibiotics. And there are a number of other diseases.

Degeneration of the spinal cord, that went along with pernicious anemia, has now been cut out by the use of vitamin B-12.

But, whereas these advances have been great, we still have many others that are equally as great that have not been conquered.

WORK WITH PARAPLEGICS

Senator HILL. I am so glad you spoke of the spinal cord because that reminds me that here a few days ago we had a veteran here whose spinal cord had been severed by a bullet in Korea, and he is what we speak of, of course, as a paraplegic.

Dr. MERRITT. Paraplegic, yes.

Senator HILL. I wonder if you are doing much in that line now.

Dr. MERRITT. There is a great deal being done and particularly at Bethesda. It has been thought for years that nervous tissue within the nervous system could not regenerate. Studies are being made which show that this might not be true, that if the proper conditions are made and the proper medications given that these fibers can regenerate.

Now, nothing of practical importance has come out of that yet, but it is an indication that possibly in the future we can prevent the scar formation that occurs at the site of the injury and allow the fibers to grow back down. If you cut a nerve, the nerve fiber will grow back down if the scar is prevented.

Now, in the nervous system it is hoped that we can, by preventing scars—there are certain medications that can be given that will prevent scar formation—that ultimately we may be able to produce regeneration within the nervous system.

Senator HILL. To get that connection again?

Dr. MERRITT. To get that connection again.

Senator HILL. And you are working on that matter now?

Dr. MERRITT. They are working on that in a number of places in the country, but perhaps the most work is being done at the Institute in Bethesda.

Senator HILL. Any further questions, Senator?

Senator POTTER. No, I have none.

COLLABORATIVE FIELD STUDY

Mrs. JOHNSON. Mr. Chairman, I would like to ask your permission to include—if it is a public record, and I do not know that it is—some figures relative to this collaborative field study. I think that will indicate the vastness of this program which has not been completed. I think Dr. Merritt said there were seven such projects now that have been approved by the Council. But I think it would be

of great value to you to see the size of those budgets. I am not sure it is for public record.

Senator HILL. If that information is available, we would be delighted to have it included.

Mrs. JOHNSON. It would be available to you.

Senator HILL. If you would just supply it to Mr. Downey, the clerk of the committee, it can go right in the record.

Mrs. JOHNSON. I was thinking of what you said about something dramatic to present, and these are to a lay person figures which have meaning.

Senator HILL. Yes.

(The information referred to follows:)

In the research attack against the neurological and sensory disorders, the past year has seen the development of an impressive trend toward broadbased collaborative and cooperative investigations directed to groups of related diseases and involving many institutions and many different types of investigators. As of the present time, the National Institute of Neurological Diseases and Blindness has made grants totaling almost \$1.6 million to institutions participating in such broad-scale investigations.

Of this total of \$1.6 million, about \$1.3 million has been awarded to seven institutions collaborating with the National Institute in a research program directed against those disorders brought on during the perinatal period. These disorders include cerebral palsy, mental retardation, epilepsy, and various forms of deafness and blindness. It is expected that grant applications relating to this investigation and totaling roughly an additional \$1 million will be considered over the next 6 months or so.

It is the view of the National Institute of Neurological Diseases and Blindness that at least 15 research institutions should participate in this perinatal period investigation if an adequate number of cases are to come under study. This number of institutions would make possible the study of about 15,000 cases per year and would thus make for a sound statistical sample.

DETERMINING CAUSES OF DAMAGE TO NERVOUS SYSTEMS

Dr. MERRITT. These studies are expensive because it involves so many different disciplines—the obstetrician, the anesthetist, the geneticist, the neurologist. And it means following from the time of inception up until 5 or 6 years when we can see what has happened to that person. And when all this data is collected from the various institutions—and we hope to get 15 of the leading institutions in the country to do it—we ought to get some leads as to what is the cause of damage to the nervous system before and after birth, the results of which are feeble-mindedness, epilepsy, and cerebral palsy.

Senator HILL. Any questions, Senator?

Senator POTTER. No questions.

Senator HILL. Is there anything else you would like to add?

Dr. MERRITT. No.

Senator HILL. Well, let us thank you for this very fine and enlightening and informative testimony. It is tremendously helpful. We deeply appreciate your coming. We are very much obliged to you. Thank you very much.

ARTHRITIS AND METABOLIC DISEASES

STATEMENTS OF DR. ARTHUR COLWELL, PROFESSOR AND CHAIRMAN, DEPARTMENT OF INTERNAL MEDICINE, NORTHWESTERN SCHOOL OF MEDICINE, UNIVERSITY OF CHICAGO, AND DR. JOHN H. TALBOTT, CHAIRMAN, DEPARTMENT OF MEDICINE, UNIVERSITY OF BUFFALO

GENERAL STATEMENT

Senator HILL. Dr. Talbott and Dr. Colwell. All right, gentlemen. This is arthritis and metabolic diseases.

Dr. TALBOTT. Dr. Colwell is catching a plane, and I would like to have him speak first.

Dr. COLWELL. My plane leaves at 1, and I should leave by 12 or a little after.

(Discussion off the record.)

Senator HILL. Go right ahead, sir.

Dr. COLWELL. I would like to say, Senator Hill, that we are very well aware of your interest in health, your record in the field we admire from a distance, and it is a privilege to appear before the committee and to speak in behalf, in my case, of the field of study and teaching in the disease, diabetes mellitus.

For identification purposes, I would like to have the record show I am professor and chairman of the department of medicine at Northwestern University Medical School in Chicago and head of the division of medicine at Passavant Memorial Hospital.

DIABETES MELLITUS

The following personal record is cited as evidence of qualifications which permit me to speak, I hope, with some degree of authority about diabetes mellitus. For 35 years I have taken care of many patients with diabetes, taught many physicians about the disorder, and have conducted almost continuous research in that field. Books, monographs, and medical articles on the subject have been published under my authorship. I was president of the American Diabetes Association in 1951-52 and am a member of its governing council now.

In most of my 7 years now as chairman of a clinical department in a large medical school, it has been our privilege to use a half-dozen or more research and teaching grants and fellowships awarded by the National Institutes of Health for the study of cardiac, arthritic, diabetic, hypertensive, kidney, and other conditions. I would like to say that the efficiency with which our requests for aid have been received, studied, and administered has been most impressive to me.

The talents and capabilities of our investigators, the environment in which they work, and the feasibility of projects proposed for study have always been examined critically by the study sections but very fairly. Action has been prompt, courteous, and thoughtful. Creativity and independent thinking by our researchers have been respected, and no influence except that of assistance has been offered by the Institutes.

To one with a natural fear of administrative extravagance and delay, the integrity with which the research and teaching grant program of the Institutes has been handled has been most inspiring.

VALUE OF GRANT PROGRAM

Medical scientists working in the Clinical Center at Bethesda command our greatest respect. They represent the very best of clinical investigators, in our judgment at Northwestern. I have no hesitancy in predicting that history will reveal this last decade of medical research activity to be by far the most productive on record, up to the present time. It is common knowledge that the major impetus for this activity, helping to give this country undisputed leadership in medical affairs, has been the grant program of the Institutes of Health.

Teachers and researchers outside of industry are a dedicated lot whose missionary efforts are expedited remarkably by modest financial and material assistance. In medicine the usual pattern is more evident than in other areas, particularly in schools like our own which operate on tuition and endowment income, because people are in trouble when they are sick and cannot pay well as a rule for the help they need. Here the grant program of the Institutes has been a strategic investment in exploitation of those natural resources.

PREVALENCE OF DISEASE

Now a few words in behalf of the disease in behalf of which I am speaking for a liberal attitude. Diabetes mellitus is known to be present in about 1 percent—about 1 out of 100—of the population. Two or three times that number of people now normal will develop it in time. In a small proportion of cases a cause can be found and removed, usually in the form of some glandular disease or disorder such as thyroid, pituitary, or adrenal gland overactivity, but in fully 99 percent of all cases the actual cause is unknown. Insulin helps fully one-half of these people, but the disorder cannot be prevented nor cured. Many people who formerly died prematurely now live indefinitely with diabetes, so the number of living diabetics is increasing constantly.

Senator POTTER. Are there any new drugs or anything that has caused the great increase in the life expectancy of the diabetic person? Or general health conditions?

DEVELOPMENT OF INSULIN

Dr. COLWELL. I think we could claim without hesitation insulin is the reason why they live longer, and it was discovered fully 35 years ago as a result of research—on this occasion the University of Toronto—supported by local funds in a very modest manner. That was a spectacular development of this century, of course, about 35 years ago.

This is the reason for the increased longevity in the field of diabetes. I shall refer a little later to a new drug which has appeared within the last year which is of great interest to us right now. But insulin is the reason for the increased longevity.

Senator POTTER. I recall as a child a next-door neighbor, a boy, had diabetes, and his family was told at that time that he probably could

not live to be 16 years of age. And he is living today. He takes insulin. He is not a well man, but he is a middle-aged man, where the diagnosis had been that he probably would not live.

Dr. COLWELL. Prior to the discovery of insulin, children in their first 2 decades of life lived about 18 months on the average. Eighteen months to 2 years was the limit. It was a good deal like acute leukemia or acute malignancy.

Insulin now lets these people live, and so the population is increasing—the population of diabetics.

Senator POTTER. Thank you.

Dr. COLWELL. It does not cure them.

PREVENTION AND CURE OF DIABETES ANTICIPATED

Inactivity of the pancreas which makes insulin is believed to be the mechanism responsible for diabetes, but the gland is not diseased. It simply fails to respond to demand. I believe firmly that the reason why it fails to respond will be discovered by means of research and that it is not too much to expect prevention or cure when that happens.

Senator HILL. In other words, you feel that will be the next big step?

Dr. COLWELL. Yes; I do. I think that is one of the two big steps.

The other great mystery about diabetes, not solved by insulin and diet, is the premature damage to the blood vessels which develops all too frequently after 10 to 20 years of diabetes. And I daresay, Senator Potter, this is the reason why your friend next door is not too well—disease of the blood vessels. Kidney failure, blindness, strokes, and gangrene due to restricted blood supply are much more prevalent than in normal people.

POSSIBLE BLOOD VESSEL DISEASE

Senator HILL. Do you suppose that is due to the fact that there is something in the insulin that is generated by the pancreas that is not in the insulin that we ourselves produce? In other words, that these blood vessels are not getting something that they should be getting? Is that right? Would you say that?

Dr. COLWELL. Well, it could be, Senator Hill. It could very well be. We know that abnormal hemoglobin is made in the red blood cell. Abnormal insulin may be made by the diabetic pancreas. As far we know it seems a little remote to expect that that would be the cause of the blood-vessel disease, but we do not know what it is, and it might be that it could be that. It does develop after 10 or 20 years of diabetes.

In other older people, of course, it does antedate the onset of diabetes so in that case it could hardly be due to that factor.

But diabetes, like high blood pressure, jaundice and other things—there are certainly many different reasons for the disease diabetes. Possibly arteriosclerosis is one of them. When the exact cause of these arterial degenerations is discovered in diabetics—and we think it is likely to be because we have tools to work with and they are not available in other less precise chemical conditions—that knowledge we hope will be applicable in arterial disease in nondiabetics. So there is a tie-in here where if we discover the cause it may be applied

outside the diabetes field. And we do have a head start on many research activities because of the chemically identifiable nature of diabetes.

DEVELOPMENT OF NEW INSULIN VARIETIES

Insulin itself was the direct result of research in a medical school in Toronto. So was the vital part played by the pancreas, much earlier, not at Toronto, however, and the relationship of other endocrine glands later on. Recent discoveries which stand out prominently in our mushrooming state of medical knowledge are the recent identification of the chemical structure of insulin and the development of a variety of what we call depot insulin preparations which cut down the number of injections which a diabetic must take by thousands during a lifetime.

Right now there is feverish study—and this is the drug to which I referred a little earlier, Senator Potter—feverish study of a new derivative of the old antibacterial agent sulfanilamide. You remember sulfanilamide, one of the early antibiotics.

Senator HILL. One of the first ones, was it not?

Dr. COLWELL. I guess it was the first one in common use. There is a derivative of this which does reduce blood and urine sugar to normal in fully 50 percent of all diabetic patients. This has been the subject of feverish study during the last year particularly.

This preparation will probably be released for sale on prescription this month or next after about 18 months of experimentation in this country, including carefully supervised clinical trial in more than 5,000 diabetic patients.

I appeared before the Food and Drug Administration last Saturday in connection with the release of this drug for sale by prescription on the part of one company.

Another similar substance has been abandoned after trial in 7,000 patients because of too many toxic side reactions.

What interests me most of all is that when the mechanism of action of such sulfa compounds is elucidated it may become possible to restore diabetics to normal, not possible now in all but a few fortunate instances. The drugs appear to act by stimulating "lazy" insulin-secreting cells of the pancreas to go to work. So the mechanism by which they act may be more important than the drugs themselves in treatment.

OTHER EXAMPLES OF RESEARCH PRODUCTIVENESS

Other recent examples of productiveness through research in diabetes are demonstrations of substances which inhibit or antagonize insulin in the blood serum of certain diabetics, and the identification of certain new abnormal metabolic substances called glycoproteins and lipoproteins, in addition to the sugars and acids which are so well known, in the blood and tissues of diabetic patients. It is now possible to label insulin with radioactive iodine and trace its distribution by isotope-counting techniques after injection. Tagging of foodstuffs makes it incredibly easier to measure their utilization in the diabetic compared with the normal subject.

Several experimental forms of diabetes have been discovered, and their mechanisms of activity identified. Some progress has been made toward the measurement of insulin levels in the blood, which, if

successfully confirmed, will be of tremendous experimental and diagnostic benefit.

PROGRESS IN MEASUREMENT OF INSULIN

I was privileged to sit in on a conference yesterday morning in Bethesda between a group of physiologists from all over this country and two from England in which methods of measuring insulin in very, very minute quantities in the blood were discussed in great detail. And I am pleased that we are making substantial progress toward the measurement of insulin in terribly, terribly minute amounts in the blood. Heretofore we have been dependent on measuring blood sugar levels, but these are only indirect—they are not direct—measurements of the defect which occurs in diabetes.

In many other health fields voluntary health agencies raise funds from the public for research in their fields of interest. For some years, on the other hand, it has been the declared policy of the American Diabetes Associations not to ask the public for money. Thus, diabetes is in greater need of NIH funds for research than other well-known fields such as heart, cancer, tuberculosis, and poliomyelitis.

TEACHING AND FELLOWSHIP GRANTS

The relationship between research, teaching, and medical care is completely logical, as I see it. In order to give the individual the best of medical care, it is necessary to give physicians adequate training. Here teaching and fellowship grants are of inestimable value in this era of dried-up philanthropy and limited State income. But just as it is necessary to teach physicians how to provide good medical care, it is also necessary to learn before we can teach. In medicine, as in other areas, research is the route by which learning is accomplished. Progress demands the acquisition of new knowledge, which can be passed along in the form of better education.

In medicine this, in turn, leads to better care of the patient. We are fortunate in this enlightened country to have the ambition, energy, and talent to do productive medical research. Those scientists so motivated and those institutions in which they work must not be handicapped for lack of facilities. They reap no profit except the satisfaction of their own accomplishment. Financial support must come from sources other than tuition and endowment funds.

INCREASES NEEDED IN APPROPRIATIONS FOR ARTHRITIS AND METABOLISM

The enviable record of the National Institutes of Health must be maintained and expanded. Specifically, the Institute of Arthritis and Metabolism's present appropriation, now extremely modest by all comparisons, should be increased to meet the demands of earnest and eager institutions for support of medical teaching and research in diabetes.

Senator HILL. You say you want to leave at 12 o'clock, Doctor?

Dr. COLWELL. Yes; I should.

ACCOMPLISHMENTS

Senator HILL. All right. Well, we will not detain you. I am going to ask you the same question that you heard me ask our other

friends. Have you any one particular thing that you might emphasize or put your hand on in answer to the question: Well, now, what have the expenditures of funds for the Arthritis and Metabolic Diseases Institute brought forth?

Can you think of any one thing you might cite to us particularly in this field of diabetes?

Dr. COLWELL. Are you thinking of teaching or research, Senator Hill, or either one?

Senator HILL. I think of either one, or——

Dr. COLWELL. Well, in teaching there is no question, as Dr. Merritt pointed out, that in diabetes we have produced young men who are teaching and investigating as a result of these grants, which would have been impossible otherwise.

In research I think I could point to studies of the mechanism of action of these sulfa compounds as the striking example during the last year, dramatic example of the results of funds that have been appropriated in the past.

This drug arose in Germany. It did not arise in this country. But there has been tremendous activity in the study of the action of this drug which will undoubtedly help us to understand diabetes.

ESTIMATED FUNDS NEEDED

Senator HILL. Let me ask you this, Doctor: The House put in the bill some \$15,885,000 for this work. What would be your suggestion as to the need for the coming fiscal year?

Dr. COLWELL. I have not thought about this in terms of dollars, Senator Hill. I prefer not to think of it in terms of dollars. I am pleading for a liberal attitude. Only you can decide how much can be spent. We cannot.

I notice that the President recommended a \$2 million increase for the Institute. Diabetes is a relatively small fraction of the Institute's work. I am unable to express it in terms of dollars. I do not know.

Senator HILL. Any questions, Senator Potter?

Senator POTTER. In other words, you are just hoping for a generous consideration by the committee?

Dr. COLWELL. Liberal attitude and action.

Senator HILL. Well, Doctor, I see the hour of 12 o'clock has arrived. We would certainly want to thank you, sir, for your presence here this morning and for this most informative and helpful testimony. We appreciate it deeply.

Dr. COLWELL. I appreciate the privilege of being here and your courtesy in expediting my testimony.

Senator HILL. Thank you, sir.

Now, Dr. Talbott, we would be delighted to have you proceed.

Dr. TALBOTT. How much time do I have? When do you take your noonday recess?

Senator HILL. We are going to stay with you as long as you will stay with us.

Dr. TALBOTT. Thank you, sir.

Senator HILL. Don't rush yourself now.

Dr. TALBOTT. Well, fine.

Senator HILL. You proceed Doctor.

GENERAL STATEMENT

DR. TALBOTT. I will identify myself first. I am John H. Talbott. I am a graduate of Harvard Medical School and received my internship at the Presbyterian Hospital in the city of New York. During the 1930's I was a member of the faculty of Harvard Medical School and carried out my research work on arthritis and other metabolic diseases at the Massachusetts General Hospital.

During the war I was commanding officer of the Climatic Research Laboratory which was charged with the responsibility for the development and research of clothing and equipment for the Army.

At the end of the war I was appointed professor of medicine at the University of Buffalo School of Medicine and physician-in-chief at the Buffalo General Hospital.

Except for the war years, my major interests in research and teaching have been in the field of arthritis and metabolic diseases.

I am a member of the American Rheumatism Association, a member of the scientific committee of the Arthritis and Rheumatism Foundation, which is the guiding committee of the Arthritis and Rheumatism Foundation, and a member of the training grants committee on arthritis of the National Institute of Arthritis and Metabolic Diseases.

I have published a number of papers and several books in the field of arthritis.

I believe, therefore, that in all modesty I am qualified to express an opinion regarding the selected achievements in the past and the critical needs for the future of this large group of diseases that tends to cripple and deform hundreds of thousands of individuals in the United States annually.

RHEUMATIC DISEASES AND ARTHRITIC DISORDERS

The rheumatic diseases—the arthritic disorders—rightfully belong in the category of metabolic conditions. The term “metabolic disease” implies a chemical abnormality widely distributed throughout the body in contrast, for example, to an infectious disease in which a virus or bacteria gains entrance from the outside. Probably diabetes mellitus is the metabolic disorder best known to you.

Although the chemical factory in the pancreas most surely is involved in the cause of diabetes, the chemical changes probably involve most of the cells throughout the body, irrespective of whether these cells are in the brain, muscles, liver, or skin. Similarly, gout, an arthritic disorder that afflicts several hundred thousand individuals in the United States, is a metabolic disorder intimately concerned with the normally occurring chemical constituent, uric acid.

Probably one of the reasons why you are familiar with diabetes mellitus is because of the tremendous amount of research that has been done on this disease for many decades. Be this as it may, just as insulin is a vital component in diabetes mellitus, uric acid is the critical chemical substance in gout. If there is a smile on your face at the mention of gout, quite a reverse reaction might be present if you were the subject of an acute attack of gouty arthritis.

GOUT

Senator HILL. They have very different thinking about gout now than they did in the old days.

Dr. TALBOTT. Except you still see articles in the paper, sometimes in the old wives' column, that gout is a humorous disease. In fact, in one of the medical columns, Dr. Brady said there is no such thing as gout. Why he made such a statement I do not know.

Senator POTTER. It used to be attributed to overindulgence.

Dr. TALBOTT. High living. And it is very interesting that when I became concerned with this disease in Boston we got most of our patients in the clinic from the poor west side in Boston where living conditions in 1931 and 1932 were anything but rich and high.

Senator HILL. They did not eat caviar and drink champagne?

Dr. TALBOTT. They certainly did not. If they got a few hundred calories a day they sometimes were lucky.

Senator POTTER. Let me ask you this, Doctor: Does gout just affect the lower extremities or is it—

Dr. TALBOTT. It may affect most of the peripheral joints of the body. It may even affect the spinal cord. It is a generalized disease. We see it more often in the feet and there is where it cripples and it becomes obvious, but it may affect most of the peripheral joints.

The fact remains that gout is still considered a humorous malady. Fortunately, the agonizing pain no longer need be endured by the afflicted, thanks to research in this field, some of which is directly related to the National Institutes of Health program during the past decade.

RESEARCH IN GOUT

In other words, the National Institutes of Health got into the field of research in gout almost 10 years ago, and some of the important advances have been directly attributed to their research program.

Although uric acid occurs in each of us as a normal product of metabolism, the concentration of this chemical in the patient with gout may be double that in those of us who do not have the disease. Since the solubility of uric acid in normal persons is near the saturation point, it should not be surprising to learn that in conditions in which the concentration is increased appreciably, the tendency to precipitation in joints and other tissues is a real threat.

This is precisely what happens. When a sufficient quantity of uric acid is precipitated in the joints, an acute attack of gouty arthritis appears inevitable. The joints of the feet—this is with reference to your question—particularly the toes, are most susceptible and if the feet are acutely involved the patient is bedridden or chair-ridden and no longer is a productive member of society.

Approximately 10 years ago, even before the establishment of the National Institute of Arthritis and Metabolic Diseases, the section of the National Institutes of Health concerned with pharmacology became interested in supporting studies designed to unravel the mystery of the increased concentration of uric acid in the body of gouty patients. The National Institute supported, in a modest fashion, several programs in the gout field in medical schools and teaching hospitals in this country.

The results were rewarding. Within a period of 5 years there was conclusive evidence, confirmed in at least three independent laboratories, that the increased concentration of uric acid in the gouty person was related to a speeding-up process of intermediary metabolism. The mechanism has become better defined during the past 5 years which completes our first stage of the study.

We now know what happens to the uric acid in gout. Why it happens is for future investigations. It can be said that we are now at the 1922 stage of the study of diabetes mellitus. At that time it was clearly apparent that a deficiency of insulin was the vital cause in the etiology of diabetes mellitus. Since 1922 many researches have been devoted to why there should be a deficiency of insulin in diabetes. Through the support of the National Institutes of Health we hope that we will not need this long a time to discover the why of the uric-acid disturbance in gout.

ANALOGIES BETWEEN DISEASES USEFUL

Please forgive me for referring constantly to diabetes mellitus, but I believe that this disease furnishes several excellent analogies to gout. In teaching medical students and interns, I find such analogies extremely useful. I am confident that the members of this committee, because of their contacts with teachers and investigators in the medical sciences, are equally adept at comprehending medical concepts. Admittedly, our understanding of the role of insulin in diabetes is sadly deficient; the treatment of the disease has been highly satisfactory. Likewise in gout, although we do not know why there is a defect in the intermediary metabolism of uric acid, the knowledge that there is an increased formation of this substance has permitted therapy to proceed rapidly.

For several years now an effective agent has been available to help the body get rid of the increased amount of uric acid. Although we cannot prevent the increased formation, if we can effectively eliminate the increased amount from the body, theoretically we may restore the gouty patient to the normal category. This is exactly what happens when Probenecid is taken daily by the gouty patient. It is necessary to take only 1 or 2 tablets a day of this substance, tablets no larger than aspirin tablets, to cause a 30 or 40 percent decrease in the concentration of uric acid in the body. Although there is not a complete restoration to normal, the action is sufficiently powerful to counteract, in large part, the effects of the disease.

CONTROL OF GOUT

The combination of Probenecid and colchicine results in effective control of the malady and permits most patients with gout to live normal lives, eat a normal diet, and pursue happiness without compromise.

Through research and clinical trial, it has been clearly established that these drugs may be taken daily, year in and year out—we have some patients that have been on them continuously for more than 7 years—with a low incidence of toxicity or undesirable side effects.

Since gout is a chronic disease and remains with the patient so long as he is alive, it must be treated continuously. Thus, colchicine and

Probenecid accomplish for the gouty patient what insulin accomplishes daily for the patient with diabetes. Of course, the additional factor that the gout pills may be taken by mouth is obvious. The difference between these two diseases, however, will not long remain because we will have, as Dr. Colwell mentioned, in the not too distant future an oral preparation for the treatment of diabetes.

VALUE OF RESEARCH FUNDS EXPENDITURE

I have dwelt at considerable length upon gout and gouty arthritis. I have done so intentionally for at least two reasons. The moneys that have been spent upon research into the cause and treatment of gout have paid handsome dividends. If gout can be brought under control through research, other types of arthritis and rheumatism will follow. I need not tell you how slow research sometimes is. I wish I could tell you that the cause and treatment of other types of arthritis, such as rheumatoid arthritis or acute rheumatic fever or osteoarthritis, are just around the corner. You know as well as I do that there is little in the immediate future to justify such optimism. Whether we will have effective means of management tomorrow or next year or 5 years from now depends upon many factors.

Senator HILL. If I may interrupt you there, whenever I think about this medical research my mind goes to another field, and that is how long and how patient Edison was, how much time it took him, how patient he was to get the incandescent lighting, but once he got it, boy, we really went to town, didn't we?

Dr. TALBOTT. Well, penicillin for instance. We should have had penicillin many years before we did. Work was not done on it. And if you don't do research work you don't get your results.

Senator HILL. Sometimes it breaks fast and then sometimes it is very slow, is it not?

Dr. TALBOTT. That certainly is true.

The basic factor, of course, is the provision of funds for research. Such problems are solved in the research laboratory and nowhere else.

NEED FOR TRAINED INVESTIGATORS

But the provision for funds for research is but a part of the solution. We must have trained investigators who are qualified to use these funds intelligently, and we must have trained physicians specifically in the field of arthritis to manage the patients afflicted with joint disease. In the final analysis, your goal and mine is to restore to health the afflicted and to prevent others from becoming sick. These latter problems are for those trained specifically in the field of arthritis and joint disease.

One hears a great deal at the present time of the errors committed by our medical schools in training specialists rather than general practitioners. Any critical observer realizes that we need both types of individuals in this country. I would not want a physician who had had little or no training in the field of ophthalmology to perform a delicate eye operation on me. I would want a specialist highly skilled in this subject. Nor would I want a physician with only a casual interest in joint disease to be responsible for the management of my arthritis if I were faced with the possibility of crippling joint changes in a matter of a few years.

TREATMENT OF RHEUMATOID ARTHRITIS

Believe me sincere when I say that there is a tremendous difference between the response of a patient with rheumatoid arthritis under the care of a doctor skilled in the treatment of this malady when comparison is made with physicians who have little or no interest in such a chronic disease.

Senator POTTER. Are you referring now, Doctor, to some manipulative treatment?

Dr. TALBOTT. No; I am referring, out of all respect, to the general practitioner, who is too busy and who does not have the time, who does not have the interest, to go into the problem. The treatment of a patient with arthritis requires care and study and sympathetic management. If he has 50 patients to see in the afternoon, he cannot possibly do justice to a poor old soul who is crippled with arthritis.

Senator POTTER. You find a lot of people today who feel, if they have something, whether it is in their muscles or in their joints, that it is a type that requires manipulation. I was interested in your remarks that possibly they might do something to the joint that afterward could have a crippling effect. It is kind of a controversial subject, but I was wondering if you cared to comment on that.

Dr. TALBOTT. Let's put it this way: Without proper treatment, without the best proper treatment, harm may result, without implying who does the harm. But let's put it on the positive side. In order to get the best results we must have the best medical treatment.

TOTAL PERSONS AFFLICTED

It has been estimated that there are from eight to ten million persons afflicted with various types of arthritis in the United States at the present time. In many instances the disease is chronic, and time lost from work by the breadwinner or incapacity at home by a mother is overwhelming if measured in terms of dollars or hours or any other standard of measurement that you select. The problem is a major one, not a minor one.

As a member of the scientific committee of the Arthritis and Rheumatism Foundation, as a member of the training grants committee of the National Institute of Arthritis and Metabolic Diseases, but most of all as a professor of medicine who recognizes the great need for support of research, research fellowship, and training grants, I should like to present to you the budget recommended by the Council for the fiscal year 1958. The estimates are as follows:

Research grants.....	\$14, 000, 000
Research fellowships.....	\$350, 000
Training grants.....	\$3, 000, 000

I will expand on each of these categories briefly.

EFFECTIVE EXPENDITURE OF FUNDS

The need for basic research is obvious to each of us. It has been discussed above and requires little additional comment. Probably you are asking: Can such a sum of money be utilized effectively in the United States? In my opinion, definitely yes.

I have been informed recently by a member of the council, which information I am sure I am permitted to pass on to you, that follow-

ing the last meeting just a few weeks ago there was approximately \$700,000 in approved research grants that could not be paid because of insufficient funds. Even more startling is the fact that there were more than \$3,100,000 in new grants that could not be acted upon for the same reason.

If the current increase holds, and there is every reason to believe that it will because of more and more interest in this field, at least \$14 million will be required to satisfy the research requests for 1958.

SUPPORT OF RESEARCH FELLOWS

Research fellows: Support of most research fellows comes from the research grants. There are a few instances, however, in which it is profitable for a research fellowship to be granted for work in a laboratory that is not the recipient of a research grant. Thus, if one of my younger associates wished to spend a year studying colloid chemistry at the Massachusetts Institute of Technology in order that he would be better equipped to pursue a problem in arthritis, a request would be made for a research fellowship, since there is no research grant in arthritis—at least I do not think so—in operation in that Cambridge institution.

Research fellowships are important but percentage-wise comprise but a small fraction of the total program.

REQUEST FOR TRAINING GRANTS

Thirdly, the budget request for training grants is believed to be a factual one. As a member of the training grants committee it has been my privilege, as well as responsibility, to visit a number of medical schools in the United States during the past 18 months. In most instances I have visited medical schools where the training program in arthritis is in the planning stage or is just getting started. I can assure you I am astonished as I make my program site visits to learn the number of medical communities without trained doctors in the field of arthritis and rheumatism. I have visited medical communities that have ranged in size from 150,000 people to a population of a million and a half, in some instances supporting 2 medical schools with hardly a physician competently trained and interested in devoting most of his professional activities to the field of arthritis.

If you wanted a heart specialist, you probably could find one in most communities of 25,000 or over, irrespective of what part of the country you surveyed.

The contrast is striking. We need trained physicians to care for the several million persons afflicted with arthritis and we need them as soon as we can train them. I believe that the training grants program is the solution to this critical problem.

BUDGET ALLOWANCE

The current budget allows \$1,800,000 to this phase of the program. As a member of the training grants committee, we could have granted an additional \$500,000 at our meeting in February if moneys had been available. If the budget is not increased, there will be no funds available for new training grants until July 1, 1959. All of the moneys

are committed until that time. An estimate of the demands for the future would reveal a sum several times the current budget.

Let us take an example. There are approximately 80 medical schools in this country. Theoretically, each school could support a training program in each of the four fields under the National Institute of Arthritis and Metabolic Diseases, i. e., in arthritis, hematology, gastroenterology and diabetes. If each grant to each school approximated \$20,000—and that is a modest average grant—the sum total would be over \$6 million.

In conclusion, I wish to thank you for this rather lengthy dissertation on certain aspects of research and training in the field of arthritis and metabolic diseases. The figures submitted may seem high. I am confident, however, that when a patient is sick with one of these maladies, the figures should be considered to be a small price to pay for restoration of health.

Senator HILL. Doctor, we certainly want to thank you, sir, for your whole statement, and you certainly have been particularly helpful too in the way you have broken down the financial need, made out the case in very strong fashion, and then you told us exactly what should be done in these different categories.

ACCOMPLISHMENTS OF INSTITUTE

I want to ask you the same question that you have heard me ask the other witnesses. What would you say is perhaps the greatest accomplishment or some of the most telling or dramatic accomplishments by the Institute since it came into being? Of course, it is a young institute, just as is the Neurological Institute.

Dr. TALBOTT. I think the most important thing is to take the chronic disease problem out of the wastebasket and put it in its proper perspective as far as teaching and training are concerned.

We have not made progress in rheumatoid arthritis, which is the most crippling disease, as we hoped we might. It must be admitted we have not gone far. In gout we have made excellent progress, a tremendous amount.

Senator HILL. In what did you say?

Dr. TALBOTT. In gout and gouty arthritis.

Senator HILL. Oh, yes.

Dr. TALBOTT. We have made great strides. And that is the reason I concentrated on that, because we can talk about positive results. In rheumatoid arthritis we have made tremendous progress, but as far as therapy is concerned we have not had the cure, as we would like to.

Senator POTTER. How many people today would you say are suffering from arthritis?

Dr. TALBOTT. The estimates vary. Certainly a minimum of 8 million. Maybe as many as 10 million are handicapped in varying degrees. Now, we see people with severe arthritis still able to hold a job. Others with less severe arthritis are not very effective members of the community. But, certainly, a minimum of 5 percent of the population have some degree of arthritis.

ROLL OF INTRAMURAL PROGRAM

There is one thing that we should appreciate, and that is that, in the screening process, as far as the agents effective in treatment of

rheumatoid arthritis are concerned, the intramural program is playing a very major role, and this is terribly important as far as training programs are concerned. Dr. Bunim is the medical director.

Senator HILL. Any other questions, Senator?

Senator POTTER. No.

Senator HILL. Doctor, we certainly appreciate your presence here this morning.

Dr. TALBOTT. It was a pleasure for me to be here.

Senator HILL. We want to thank you so much for your splendid presentation. We are deeply grateful to you.

BOOK OF FACTS ON CRIPPLING DISEASES

I have been examining this book of facts—a fact sheet—given me by Mrs. Mary Lasker, and find that it contains a wealth of material concerning these crippling diseases about which we have taken testimony these past few days.

I will direct Mr. Downey to have included in the record of our hearings, at an appropriate place, this material. I believe some of it containing pictures cannot be used, but he will place in the record all of it which can be handled by the Printing Office.

(The material referred to appears at the conclusion of the hearings beginning on p. 1700.)

The committee will stand in recess until 10 o'clock Monday morning.

(Whereupon, at 12:25 p. m., Friday, May 10, 1957, the subcommittee recessed, to reconvene at 10 a. m., Monday, May 13, 1957.)

LABOR-HEALTH, EDUCATION, AND WELFARE APPROPRIATIONS, 1958

MONDAY, MAY 13, 1957

UNITED STATES SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, D. C.

The subcommittee met at 10 a. m., pursuant to recess, in room F-52, the Capitol, Hon. Lister Hill (chairman of the subcommittee) presiding.

Present: Senators Hill, Stennis and Thye.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

INDIAN COLONY, ELKO, NEV.

STATEMENT OF HON. ALAN BIBLE, A UNITED STATES SENATOR
FROM THE STATE OF NEVADA

EMERGENCY FUNDS REQUESTED

Senator HILL. The subcommittee will come to order.

We are happy to have with us this morning our colleague from the State of Nevada, Senator Bible.

Let me say, Senator, that we welcome you here before us and we will be glad to have you make any statement you see fit to make, sir.

Senator BIBLE. Thank you, Mr. Chairman.

Senator Hill, it is a pleasure for me to be here.

The purpose of my appearance before your committee here today is to call your attention to a situation existing in the Elko Indian Colony, Elko, Nev., and to request the committee's consideration of an appropriation of \$40,000 to meet the emergency.

The situation of which I speak, Mr. Chairman, concerns the deplorable conditions that have been allowed to develop over a period of years with respect to the sanitary facilities at this Indian colony in Elko. I am reliably advised that if immediate action is not taken to construct sanitary facilities there—and that includes sewage disposal and garbage disposal and running water facilities—I am advised that a serious outbreak of communicable diseases is imminent.

The land on which these Indians reside was conveyed to the Federal Government in 1931 to provide a place for the Indians migrating to the Elko area to live.

Adding to the emergency nature of the matter is the fact that the community of Elko has grown to the extent that it now has almost completely encircled the Indian colony; which, incidentally, is located within the corporate limits of the city of Elko.

SERIOUSNESS OF PROBLEM

I have received numerous wires, letters, and telephone calls from the people of Elko, all attesting to the seriousness of this problem, and the city has on one occasion sent a delegation to Washington to impress on Federal officials the need for immediate remedial action, and in requesting the Federal Government to assume its obligation in constructing adequate facilities.

REPORT OF INDIAN HEALTH DIVISION

Some time ago I requested the Indian Health Division of the Public Health Service to conduct an investigation of this problem, and I have the report submitted by the Indian Health Service to me, which I would like to have incorporated as a part of the record. It is not very long, being about two and a half pages. It shows the deficiencies in the water supply and sewage disposal and the garbage and refuse problem, and it makes an estimate for remedying the situation, the cost of which is in the sum of \$38,905.

I would like to have that included as my exhibit A.

Senator HILL. That will be included in the record immediately following your remarks, Senator.

Senator BIBLE. Thank you, Mr. Chairman.

I have likewise discussed this with the Public Health Service. They take the position, as shown by a letter directed to me under date of April 4, 1957, recognizing the condition, that they do not have the authority to take care of this problem.

Particularly pointing to paragraph 3 of that letter I have just referred to, I would like to have the letter also made a part of the record at this point.

Senator HILL. We will have that go into the record, too.

Senator BIBLE. I am aware of the bills mentioned in the letter I have just presented for inclusion in the record, and with the exception of the House of Representatives bill, H. R. 5953, which was introduced by Congressman Baring, of Nevada, they generally provide authority for the Department of Health, Education, and Welfare to undertake construction programs to correct gross sanitary deficiencies existing at the Indian colonies such as the one at Elko.

I am in accord with the purpose of these bills, but similar legislation was not favorably considered by the 84th Congress and these bills are still pending before the House and Senate Indian Affairs Subcommittees. Therefore, it seems probable to me that such general authority provided in these bills will not come in time to meet the emergency situation existing at the Elko colony.

The bill that Congressman Baring has introduced, H. R. 5953, is specific legislation, directed to correcting the situation at the Elko colony, and it has been recommended favorably by the Health and Science Subcommittee to the full House Interstate and Foreign Commerce Committee.

It is my fervent hope that this measure will receive prompt action in the House committee—and I understand it is to come up this week—and that it will be subsequently approved by the Congress of the United States.

It is for that reason that I purposely waited until this last day of your committee's hearings, on the appropriations for the Department

of Health, Education, and Welfare, in the hope that this bill, Congressman Baring's bill, will have traveled somewhat further along its legislative course, and that it would have been passed by the House and have been well on its way toward passage by the Senate. Since it has not, however, I feel it is my duty to the people of the city of Elko and the State of Nevada to apprise this committee of a similar situation that existed in the Reno-Sparks Indian Colony and what was done to correct the problem there.

RENO-SPARKS INDIAN COLONY

Your committee will recall, I am sure, that prior to 1955, health services for Indians were administered by the Secretary of the Interior. That responsibility was transferred to the Department of Health, Education, and Welfare, to the Public Health Service of that Department, by Public Law 568, of the 83d Congress, second session, which was approved August 5, 1954.

I would like to have a print of that Public Law 568 likewise at least adopted by reference in connection with this particular presentation that I am making. It shows the transfer.

Senator HILL. I am sure the committee will be happy to have that.

QUESTION OF AUTHORITY OF SECRETARY OF THE INTERIOR

Senator BIBLE. I would like to point out—and this is the significant part, as I see it—that during the years that the Department of the Interior was charged with the duty of administering the Indian health programs, the Secretary of the Interior, as well as the Congress and the Bureau of Indian Affairs, construed the Secretary's authority as being sufficiently broad to permit action to be taken in situations such as the one existing at the Elko colony, without specific legislative direction.

I would also like to refer the committee to the hearings on H. R. 8680, the Department of the Interior's appropriation bill for the fiscal year 1955. That is H. R. 8680. That is for the year 1955, and that is this particular volume, this voluminous document, showing the appropriations made that year for the Department of the Interior.

At pages 724 and 728, this situation, which is almost identical to the situation that exists in Elko, was gone into in detail by Senator McCarran. I believe at that time Senator Guy Cordon was the chairman of the committee, or he may have been chairman of the subcommittee.

Senator HILL. He was chairman of the subcommittee.

Senator BIBLE. That is correct. He was chairman of the subcommittee at that particular time.

Senator McCarran presented an identical situation to what I am attempting to present to you today, in these particular hearings. That concerned the Reno-Sparks Indian colony.

COMMITTEE REPORT

Subsequently, when the committee sent this particular appropriation bill to the Senate floor, the committee report, No. 1506, at page 13 stated as follows:

It has come to the committee's attention that a deplorable and dangerous sanitary condition exists at the Reno-Sparks Indian Colony which is located just

adjacent to the city of Reno, Nev. Lack of proper sewage and sanitary facilities poses a threat to the health of both the Indian occupants and the populations of the two adjacent cities. This situation has existed for several years. The colony is federally administered and is located on Federal land. The committee believes that the Bureau should have taken action to correct this situation some time ago. The committee is further informed that this situation exists at other Indian colonies. The committee directs that the Bureau make a survey of all of those colonies looking toward submitting estimates to the Congress in the 1955 budget in order that any other like conditions can be corrected.

SITUATION REMEDIED

When the Bureau of Indian Affairs appeared before the Appropriations Committee the next year, a request for \$94,500 to correct sanitary conditions at several Nevada Indian colonies was made. The committee acted favorably on the request, and the money was appropriated, and the projects have been completed. That situation has been remedied.

It is inconceivable, to me, after reading Public Law 568—which I made a part of this record by reference as exhibit C—that at the time of the transfer to the Public Health Service there was any lessening of authority to deal with these sanitation problems than had rested in the Interior Department.

AMOUNT REQUESTED

In view of this precedent and the extreme emergency of the situation now facing the Elko Indian colony, I respectfully urge the committee to appropriate \$40,000 for construction of sanitary facilities at the Elko colony and that the Secretary of Health, Education, and Welfare be directed to take immediate steps to remedy the situation if and when the appropriation request receives favorable action by the Congress.

I will be very happy, Mr. Chairman, to attempt to answer any questions.

Senator HILL. Senator Bible, was this matter presented to the House committee, to your knowledge?

Senator BIBLE. This matter was not presented to the House committee, to the best of my knowledge. The Congressman introduced the bill because of this question of authority, in the hope that he could secure passage of that bill in this present session.

The thing that worries me, Mr. Chairman, in appearing before you, is that, even if we are successful in obtaining this one act through the Congress of the United States, it would be too late to come back to the Congress to secure the money to take care of this very critical and emergency situation.

EMERGENCY SITUATION

Senator HILL. Do you feel that definitely there is a very critical emergency situation there?

Senator BIBLE. There is no question in my mind whatever about it.

Senator HILL. And you feel it must be dealt with now?

Senator BIBLE. That is correct.

And my document which I presented as exhibit A, which I did not read because I did not want to trespass unduly on your time, clearly points out that there is no water available, that they haul water by trucks to this particular carved-out area that is completely surrounded

by the city of Elko. They have open-air privies. The odors and unsanitary conditions are absolutely unthinkable; and, until you have actually gone over there to see it yourself, you would not know how bad this particular colony is.

But the title is vested in the United States Government for the Indian Bureau.

Senator HILL. Thank you, Senator. We are certainly grateful to you for your appearance here this morning and for bringing this matter to our attention. We appreciate it very much.

The letter received by you under date of April 5, 1957, addressed to you, from the Public Health Service of the Department of Health, Education, and Welfare, will appear in the record—I believe you referred to it as your exhibit B—as will the copy of the report dated April 2, 1957, from the Public Health Service, which you have presented as your exhibit A.

Senator BIBLE. Thank you, Mr. Chairman.

(The documents referred to follow:)

PUBLIC LAW 568—83D CONGRESS

CHAPTER 658—2D SESSION

H. R. 303

AN ACT

To transfer the maintenance and operation of hospital and health facilities for Indians to the Public Health Service, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That all functions, responsibilities, authorities, and duties of the Department of the Interior, the Bureau of Indian Affairs, Secretary of the Interior, and the Commissioner of Indian Affairs relating to the maintenance and operation of hospital and health facilities for Indians, and the conservation of the health of Indians, are hereby transferred to, and shall be administered by, the Surgeon General of the United States Public Health Service, under the supervision and direction of the Secretary of Health, Education, and Welfare: *Provided*, That hospitals now in operation for a specific tribe or tribes of Indians shall not be closed prior to July 1, 1956, without the consent of the governing body of the tribe or its organized council.

SEC. 2. Whenever the health needs of the Indians can be better met thereby, the Secretary of Health, Education, and Welfare is authorized in his discretion to enter into contracts with any State, Territory, or political subdivision thereof, or any private nonprofit corporation, agency or institution providing for the transfer by the United States Public Health Service of Indian hospitals or health facilities, including initial operating equipment and supplies.

It shall be a condition of such transfer that all facilities transferred shall be available to meet the health needs of the Indians and that such health needs shall be given priority over those of the non-Indian population. No hospital or health facility that has been constructed or maintained for a specific tribe of Indians, or for a specific group of tribes, shall be transferred by the Secretary of Health, Education, and Welfare to a non-Indian entity or organization under this Act unless such action has been approved by the governing body of the tribe, or by the governing bodies of a majority of the tribes, for which such hospital or health facility has been constructed or maintained: *Provided*, That if, following such transfer by the United States Public Health Service, the Secretary of Health, Education, and Welfare finds the hospital or health facility transferred under this section is not thereafter serving the need of the Indians, the Secretary of Health, Education, and Welfare shall notify those charged with management thereof, setting forth needed improvements, and in the event such improvements are not made within a time to be specified, shall immediately assume management and operation of such hospital or health facility.

SEC. 3. The Secretary of Health, Education, and Welfare is also authorized to make such other regulations as he deems desirable to carry out the provisions of this Act.

SEC. 4. The personnel, property, records, and unexpended balances of appropriations, allocations, and other funds (available or to be made available), which the Director of the Bureau of the Budget shall determine to relate primarily to the functions transferred to the Public Health Service of the Department of Health, Education, and Welfare hereunder, are transferred for use in the administration of the functions so transferred. Any of the personnel transferred pursuant to this Act which the transferee agency shall find to be in excess of the personnel necessary for the administration of the functions transferred to such agency shall be retransferred under existing law to other positions in the Government or separated from the service.

SEC. 5. The Act of April 3, 1952 (66 Stat. 35), and all other laws or parts of laws in conflict herewith, are hereby repealed.

SEC. 6. This Act shall take effect July 1, 1955.

Approved August 5, 1954.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE,
PUBLIC HEALTH SERVICE,
Washington, D. C., April 4, 1957.

HON. ALAN BIBLE,
United States Senate.

DEAR SENATOR BIBLE: Reference is made to your letter of March 21, 1957, concerning the deplorable conditions existing in the Indian colony at Elko, Nev. We appreciate receiving your suggestion that this office work closely with the authorities in the city and County of Elko, Nev., to stop the threat of disease facing the Indians and the city of Elko, and can assure you that steps have already been taken.

Sanitation services to Indians residing in Nevada are presently provided by the Nevada Department of Health under a contract with the Public Health Service. Technical and engineering program review and guidance are provided by the Public Health Service sanitation staff of the Phoenix area office. The area sanitary engineer has been in touch with the Nevada Department of Health, Elko city and county officials, and tribal officials with respect to this situation. He reports that a temporary solution has been made to the water problem by the extension of a small line from the city system to the Indian colony. However, a permanent water main installation and correction of the gross insanitary conditions resulting from totally inadequate waste disposal facilities are needed.

As pointed out in our letter to you of January 29, 1957 (with respect to the Indian colony at Murray Canyon near Ely, Nev.), the Public Health Service does not now have the authority to construct or provide essential sanitation facilities for Indians such as are needed at the Elko Indian colony. General authority type legislation to correct problems of this type is now before Congress (H. R. 246, H. R. 2894, and S. 1498). Also, H. R. 5953 introduced in the 85th Congress as interim emergency legislation, if enacted, would authorize the provision of needed sanitation facilities for the Elko Indian colony.

We shall continue to cooperate with the Nevada Department of Health and local officials on this matter. Within the resources and authority available to us, we shall make every effort toward the improvement of the sanitation conditions at the Elko Indian colony.

Sincerely yours,

JOHN W. CRONIN, M. D.,
*Assistant Surgeon General,
Chief, Bureau of Medical Services*

PUBLIC HEALTH SERVICE,
April 2, 1957.

Sanitary survey at Elko, Nev., Indian colony.

Dr. JAMES R. SHAW,

Chief, Division of Indian Health, Washington, D. C.

(Attention: Chief, Sanitation Services Branch, area sanitary engineer,
Division of Indian Health, Phoenix area office.)

During the week of March 24-30, 1957, a sanitary survey was made of the sanitary facilities of the Elko, Nev., Indian colony and estimates were prepared covering the cost of extending the water and sewer lines from the city of Elko

to the colony and the installation of modern sanitary facilities in each home. Prior to making this survey, the city officials were contacted, and it was found that the city was willing to provide water and sewer service to the Indian colony if sufficient funds could be made available to cover the cost of extending their facilities to the colony.

The Elko Indian colony consists of 25 small but rather substantial houses located on a tract of Government land which extends to the northern limits of the city of Elko on the north and to the city golf course on the east. The land is high and well-drained and is one of the most desirable sites in the Elko area; in fact, the colony is very near the nicest residential area in the city.

WATER SUPPLY

In the past, water has been obtained from an 8-inch deep well equipped with a deep-well turbine pump and driven by a 7.5-horsepower electric motor. This well is located within the colony and the yield has been sufficient to supply all needs. Water is distributed through a 3-inch galvanized line which runs some 700 feet through the village with 10 spigots located along the line from which the residents carry water in buckets to their homes. During last December the waterlines at the pump were frozen and before thawing the pump was turned on. The result was that the motor has burned out. Funds were collected from members of the colony and the motor was taken out and rewound. During this period the Indians were without water and the city of Elko hauled water by truck to keep them supplied. During the latter part of February, through carelessness on the part of the Indians, the lines around the pump were again frozen and the motor again burned out. This time sufficient funds could not be collected from the Indians and the colony was without water. Again the city of Elko hauled water until a 2-inch waterline could be run from the city to the colony as an emergency measure. At the present time the water supply of the Indians is furnished by the city. Mr. Henry Echemendy, city manager, advises that the city will continue to furnish water until the middle of June and after that some steps should be taken to work out a permanent arrangement for the Indians' water supply.

In making this survey it was felt that in view of the obvious lack of attention that has been given to the pump and the difficulties resulting from this lack of attention that it would be desirable to plan on extending the city waterline to the colony.

SEWAGE DISPOSAL

Originally privies were provided for each house but these structures have not been maintained; the pits are filled, the privies are filthy, and there is evidence that fecal matter is now being deposited on the ground in the vicinity of the homes. Efforts have been made to have the individual Indians dig new pits, move the existing privies, and fill the old pits—but without success. Residents of the city living near the Indians have complained of the odors and have expressed fear of an outbreak of intestinal diseases due to the lack of sanitation in the Indian village.

GARBAGE AND REFUSE

There is no garbage collection or disposal service and this material is dumped in the most convenient place, usually in the back of each house. It is hoped that some arrangement can be worked out with the city to extend their garbage collection service to include the Indian village.

The estimated cost of providing the needed sanitary facilities is as follows:

Water supply:		
1,200 feet of 4-inch water lines, at \$3.50	-----	\$4, 200
25 taps, at \$40	-----	1, 000
Sewers:		
1,200 feet of 8-inch sewer line, at \$3	-----	3, 600
Four manholes, at \$250	-----	1, 000
25 sewer connections, at \$10	-----	250
Addition to houses to accommodate plumbing fixtures, 6 by 8 feet, at \$7 per square foot times 25	-----	8, 750

Plumbing: To include the following items:

Commode, kitchen sink, shower head and valves, 20 gallon hot water heater, 50 feet of $\frac{3}{4}$ -inch galvanized waterline and 20 feet of Orangeburg sewer pipe, at \$500 times 25-----	\$12, 500
Engineering and contingencies, at 13 percent-----	4, 069
Overhead and profit, at 10 percent-----	3, 536
	<hr/> 38, 905

E. L. DUDLEY,
Area Sanitary Engineer.

Approved:

L. J. LULL, M. D.,
Area Medical Officer in Charge.

Senator HILL. We have with us this morning our colleague from Oregon, Senator Neuberger, who is very much interested in this matter of medical research and of health generally and who has been giving so much of his time and effort in trying to do something about these problems.

We are glad to have you with us, Senator. You may proceed to make your statement in your own way, sir.

CANCER RESEARCH

STATEMENT OF HON. RICHARD L. NEUBERGER, A UNITED STATES SENATOR FROM THE STATE OF OREGON

TRIBUTE TO CHAIRMAN

Senator NEUBERGER. Thank you very much, Mr. Chairman.

Before I read my prepared statement, I want to say—and I mean it with the utmost sincerity, Mr. Chairman—that there is no chairman of any subcommittee, particularly on the present subject, before whom I would feel more privileged to appear than yourself, Mr. Chairman.

One of the reasons that I decided to relinquish, at least temporarily, my career as a writer and to run for the first time in my life for a full-time political office was because I hoped in some slight degree to emulate your own leadership in two great fields which I think are vital to our country.

One field is the field of medical research, and the other is the support of education.

I do not know of any member of the Senate in our time who has shown greater leadership in both those essentials, and so I am particularly privileged to have you give me your time to appear here before you.

Senator HILL. Thank you very much, Senator.

Certainly we are delighted to have you here this morning. We would be very glad to have you present your subject now just as you see fit, sir.

GENERAL STATEMENT

Senator NEUBERGER. Thank you, Mr. Chairman.

Mr. Chairman and members of the committee, I appreciate very much the opportunity to appear before this subcommittee this morning to offer an amendment to appropriate \$500 million to the National Cancer Institute, with the proviso that this sum remain available until totally expended.

In a brief speech on the floor of the Senate on May 2, I outlined the reasoning behind this proposal and I would like to quote just a few paragraphs from those remarks:

My purpose is to put at the disposal of the men and women in this Institute, who are engaged in probably the most vital medical research of our time, all possible financial resources for the hastening of their urgent task.

I was shocked a few months ago when I noticed that the recordbreaking budget of the national administration, despite its \$72 billion size, actually would reduce by 3 percent the Federal funds appropriated for cancer research during the current fiscal year. Could any economy be more senseless and absurd than this—economy at the expense of our investigation into the causes of the most sinister disease plaguing mankind?

Last year I was informed by my friend Dr. Leonard A. Scheele, former Surgeon General of the United States, that the National Cancer Institute might use as much as \$500 million if the availability of the sum were known well in advance, and if extensive preparations might be made for the employment of skilled scientists and medical researchers far ahead of time.

Dr. Scheele pointed out, for example, that able investigators of the terrible riddle of malignancy would be assured that their salaries were no longer reliant on the uncertainties of the year-to-year congressional appropriations, and that thus there could be avoided the inevitable temptation to these people to abandon their research and laboratories for the greater financial rewards of private medical practice.

Mr. President, we are living today in a vast welter of political oratory, editorials, and articles about governmental economy. Yet I believe that economy which sacrifices research into the causes and possible cures of cancer is not economy at all, but instead a reckless gamble with human life.

If our people can spend \$15 billion a year on liquor and tobacco, if our Government can spend \$44 billion a year on armaments, if we can envision a disbursement of \$33 billion for roads, then we certainly can contemplate the long-range investment of at least half of \$1 billion over several years into the invaluable research and studies sponsored by the National Cancer Institute.

MAGAZINE ARTICLE

Mr. Chairman, as I pointed out in a recent magazine article, *Crash Program for Health*, I am only a private in the ranks of those seeking to mount a major offensive against the deadly killers of our time. The chairman of this committee, Senator Lister Hill, has been leading the fight for more funds for medical research for many years and he is deserving of the eternal gratitude of the American people. In his battle he has been aided by members of both political parties: Among others, Senators Margaret Chase Smith, Edward Thyne, Charles Potter and Styles Bridges on the Republican side; and on the Democratic side, Carl Hayden, Warren Magnuson, Matthew Neely, James Murray, and Wayne Morse.

DESTRUCTIVE POWER OF CANCER

In order to fight the enemy successfully, we have to know the exact size and dimensions of his destructive power. In the area of cancer, there are undeniable facts which document the growing menace of this mortal enemy of mankind.

Cancer kills 1 man, woman, or child every 2 minutes in the United States.

According to a recent study by the American Cancer Society, cancer eventually strikes 2 out of every 3 American families. Approximately 40 million people now alive in the United States will have some form of cancer during their lifetime, and 26 million of those now alive will die from cancer unless new preventive measures are found.

REDUCTION IN APPROPRIATIONS

In cutting the appropriation for the National Cancer Institute this year, was the administration practicing true economy? Let us look at just one segment of the problem.

Last year, Senator Magnuson offered an amendment doubling the inadequate sum provided by the administration for the medical research activities of the Veterans' Administration. In the floor debate preceding adoption of that amendment, I pointed out that cancer was costing the VA more than \$40 million yearly in direct hospital costs and compensation payments. I further pointed out that since 1 in every 4 of our veterans will have cancer unless medical research develops new treatments, more than 5 million living veterans will be hospitalized, or will be entitled to hospitalization, for cancer. If only 80 percent of the stricken veterans receive full hospitalization from the VA, they will cost the taxpayers more than \$5 billion.

Compare these figures with what the VA spent last year on medical research against cancer—less than \$1 million.

INADEQUACY OF RESEARCH FUNDS

Our entire research expenditure against cancer, including all Federal, State and voluntary contributions, was only \$45 million last year, the approximate cost of one atomic submarine.

Mr. Chairman, the main purpose of my amendment is to plan, for the first time, for an intelligent offensive against cancer.

In reading the testimony of distinguished cancer specialists who have appeared before this committee during the past few years, I have noted an increasing plea for long-range support of medical research against cancer. These eminent scientists, including Dr. Sidney Farber of the Children's Hospital in Boston, Dr. Cornelius P. Rhoads, director of the famed Sloan-Kettering Cancer Institute in New York, and many others, have pointed out, as we all know, Mr. Chairman, that yearly appropriations by the Congress provide no stability for long-range planning. They have agreed that unless you can provide a cancer investigator with reasonable assurance of long-range support, he is unable to recruit the scientists he needs for his work.

These scientists have reported to your committee that they have lost many men to industry because industry offers a scientist security of financial support over a period of years.

STATEMENT OF DR. SCHEELE

Dr. Scheele, who has had as much experience as any scientist in this Nation in the cancer field as former director of the National Cancer Institute and for 8 years Surgeon General of the United States Public Health Service, replied to my question about long-range support in the following words:

You would be certain that you could carry on your program from year to year without delay or interruption—

Dr. Scheele replied.

Your top doctors and scientists would know their continued employment, at fair and adequate pay, was assured. They would not be tempted to break off their work to enter lucrative private practice. In addition, you could follow every

possible lead or hope, no matter how remote or elusive it might seem. You would not have to budget so carefully and pursue only the most promising discoveries. In a war, the military often overspends because it might be fatal to the country to underspend. We could do that in the area of cancer research if we had a billion dollars or even half a billion dollars at our disposal.

SUPPORT OF SENATOR MARGARET CHASE SMITH

Senator Margaret Chase Smith has made a series of pleas for long-range medical research programs. In a speech on the floor of the Senate in January of last year, she pointed out that the Task Force on Federal Medical Services of the Hoover Commission had recommended 5-year block grants to medical institutions so that they could "plan their studies without fear of an abrupt end of financial support." The Hoover task force criticized the current annual research grant program as "uneconomic and lacking in stability."

In an interview in the March 15th issue of U. S. News & World Report, Percival F. Brundage, the Director of the Budget, came out for "more long-range planning." He said that he was asking all departments and agencies this year to submit 3-year programs covering the fiscal years 1959, 1960, and 1961.

ADEQUATE RESEARCH PROGRAM REQUIREMENTS

What is needed to develop a \$500 million research program against cancer? I think the following points must be emphasized:

1. First of all, you have to enunciate your major premise. The Government has to tell the research scientists of this country that it is determined to support a long-range program of this type. In other words, the first step is a clearly announced goal. When this is agreed upon, all obstacles soon fall by the wayside. For example, the clear determination of President Roosevelt to develop an atomic bomb was the decisive factor in overcoming the many obstacles in its development. The decisive determination of the President and the Congress to build 50,000 planes during World War II was the decisive factor in the achievement of a goal which was regarded as fantastic when it was first announced.

2. In order to develop a half-billion dollar research program against cancer, you have to develop a large training program for research workers. The negativists always cry out: "Where will we get the men?" We get the men, Mr. Chairman, by telling the medical schools and other medical institutions in this country that we are in business for keeps in this field, and we will help them train these men.

Where did industry recruit all the scientists for its far-flung research programs? Since 1945, industrial research has expanded from a few hundred million dollars a year to close to \$2 billion a year. This was achieved because industry recruited scientists, trained them and gave them stability of employment.

May I cite you one example of the way trained men can be attracted to a program?

WORK OF NATIONAL INSTITUTES OF HEALTH

The National Institutes of Health today operate on a budget of approximately \$183 million a year.

And I would just like to digress from my text to say that I realize very well, Mr. Chairman, that had it not been for your pioneering leadership in this field, the budget would not be \$183 million a year for the National Institutes of Health but only a relatively small fragment of that sum.

There are more than 4,000 scientists and ancillary personnel working at the National Institutes of Health. Just 10 years ago the entire budget for the NIH was only \$8 million and there were only a few hundred scientists and other workers out at Bethesda. Ten years before that, the present site of the NIH was a sleepy Maryland farm. In 1944, the then director of the National Institutes of Health told the Senate Committee on Education and Labor that he did not see how he could spend much more than the \$2 million he was then allotted for all of the medical research activities at the National Institutes of Health. He said he did not see how he could get the men. Came the determination of the Congress, led by yourself and others, Mr. Chairman, and then came the appropriations, and after that came the men.

I am happy to note that the National Institutes of Health, in cooperation with 63 medical schools and 16 dental schools, have begun a new program of training research workers. Medical students who have completed their sophomore year will be eligible for a 1-year stipend to train as research workers. However, this program is exceedingly modest. It will cost about \$600,000 during the coming year, and I believe that it should be expanded five- or ten-fold in the coming few years.

EXPANSION OF LABORATORIES AND FACILITIES

3. Another prime requisite for the growth of medical research is the expansion of this country's medical research laboratories and facilities. Acknowledging this need, you yourself, Mr. Chairman, and Senator Bridges sponsored a bill which provides \$30 million a year, for 3 years, in matching grants to medical institutions for the building of research facilities. This program is now in its second year, and the Surgeon General of the United States Public Health Service has pointed out that the medical institutions of this country have raised moneys to match Federal grants far in excess of the total \$90 million provided in this bill.

The scientists of this country are enthusiastically behind this project to create an adequate national research plant.

STATEMENT OF DR. COGGESHALL

As Dr. Lowell T. Coggeshall, former special assistant to the Secretary for Health and Medical Affairs and currently dean of the University of Chicago Medical School, pointed out in a recent communication:

To extend or rehabilitate their laboratories, universities are already spending more of their scarce dollars than they can afford.

Senator Smith has proposed that the research building program be extended for at least 2 years beyond its present termination in fiscal 1959. I heartily endorse this proposal, with the additional proviso that the annual matching sum from the Government be raised from \$30 million a year to at least \$50 million a year. In holding this program down to a very low ceiling, we are holding back the universities

and medical schools in their announced desire to greatly expand their research programs against the major diseases.

ANTICIPATED RESULTS

As we put together the various segments of a broad medical research program against cancer, what can we reasonably expect in the way of dividends? I think the following are just a few:

1. We will make a very important step in enlisting the full cooperation of industry in the screening of chemical compounds effective against cancer. The beginnings of this program have been sketched out by the National Cancer Chemotherapy Committee. But its full realization awaits long-range appropriations by the Congress. Industry cannot be expected to build new research facilities and hire new people unless it has assurance of continued partial support from the Government. If we can give this stability and assurance to industries now engaged in making planes and missiles, Mr. Chairman, why can't we give it to the pharmaceutical companies engaged in an all-out effort to develop cures for the major killers of our time?

2. We will make great progress in the early detection of cancer. For example, 2 years ago the Congress appropriated money for a pilot program in the detection of cancer of the cervix. Uterine cancer cell examination was applied for the first time to more than 100,000 women in Memphis, Tenn. Of these, 800 were found to have cancer. Half of these cancers were in an extremely early stage, with nearly all of them completely unsuspected. In this one small project, does anyone know how many lives we have saved and how much tragedy has been averted?

NEED FOR DIAGNOSTIC TOOLS FOR EARLY CANCER DETECTION

The American Cancer Society has estimated that thousands of additional lives could be saved each year if we could develop better diagnostic tools for the early detection of cancer. For example, in cancer of the breast, only 46 percent are now being saved, but 81 percent could be saved if we had better methods for early detection. In cancer of the lung, the most rapidly increasing form of cancer, we now save only 4 percent of those afflicted. With better diagnostic tools, we could save 1 in every 3.

3. If we support a large program, we can expect a great acceleration of our present successes against cancer. For example, cancer of the prostate only a few years ago was considered absolutely hopeless. Now, with the use of estrogen, we are saving 1 in 5 victims and we should increase this percentage in the years to come. The cure rate for operable cancer is now more than 30 percent, about double what it was just a few years ago.

We now have 25 chemical compounds which arrest cancer temporarily in different sites. As Dr. Rhoads has pointed out in testimony before this committee, Mr. Chairman, new chemicals have been developed that kill cancer cells selectively in transplanted animal cancer. We can now control some types of cancer for long periods with hormone treatments. Human cancer can now be grown outside of the body, and cultures are being shipped from laboratories in the United States to all parts of the world for broad experimentation.

DEVELOPMENT OF MACHINE TO EXAMINE CELLS

A new mechanical computing machine has been developed to analyze specimens. Through its use, 10,000 cells can be examined electronically in 1½ seconds. This machine, in 1½ seconds, can now do the work that required hundreds of hours of the time of our scarce pathologists and other specialists.

STATEMENT OF DR. RUSK

As Dr. Howard Rusk, medical editor of the New York Times, pointed out in a recent article:

Continuing research in isotopes, viruses, and chemicals point strong beams of the light of knowledge into the dark recesses of ignorance.

Yet in the same article Dr. Rusk admits that cancer is rising in its incidence in all parts of the world and is still fundamentally an enigma.

Can we whip this disease?

ADVANCEMENT OF MEDICAL RESEARCH

Look at our record against the communicable diseases. Only a generation ago, the three leading causes of death in this country were all diseases of a communicable nature: pneumonia and influenza, tuberculosis, and diarrhea and enteritis. These three disease groups then accounted for one-third of all deaths in this country. In 1918, a worldwide influenza epidemic took 20 million lives, including several million in this country. Look at the contrast in 1956. In that year, these three groups of communicable diseases together accounted for only one-twentieth of all deaths in this country.

Medical research had provided much of the answer: antibiotics, specific drugs effective against tuberculosis, and higher levels of public-health care.

The knowledge we have gained about communicable disease we have taken to many parts of the world. After World War II, our Public Health doctors stemmed raging epidemics of tuberculosis and pneumonia in Western Europe. In recent years our medical scientists working under the aegis of the World Health Organization, the Pan American Sanitary Bureau and the International Cooperation Administration have brought this new knowledge to many parts of Asia, Africa, and South America.

If we developed a cure for cancer, who could measure its value in terms of all mankind? Instead of frightening people because of the radioactive after effects of H bombs, we could bring them a priceless gift in terms of increased life and happiness. As the span of human life is extended in the underprivileged parts of the world, cancer rises in its incidence. It shows an upward swing in all parts of the world. What price, then, a cure against a universal killer?

OTHER ENEMIES OF MANKIND

I do not mean to restrict my arguments to cancer research alone. I cite it merely as an example. The same acceleration of medical research must be directed against heart disease, mental illness, the many neurological diseases and arthritis.

In the article quoted previously, Dr. Rusk points out that heart disease, cancer, and mental illness remain "the primary unsolved problems" of medical research. In our fight against all of these diseases we must develop the same strategy as against cancer: long-range financial support, expanded programs for training research workers and greatly increased research facilities.

Despite occasional prophets of gloom and doom, we are a great and growing people. We have the scientific potential to wipe these diseases from the face of the earth. We need only the determination to do it.

ADEQUATE LEGISLATION URGED

In conclusion, Mr. Chairman, I would like to say that I recognize that to make a \$500 million appropriation, or a substantial appropriation of any size available on a continuing basis from year to year, until expended by those in charge of these special programs, certain amendments to substantive legislation may be needed. If you, in your far greater knowledge of this, Mr. Chairman, should decide to sponsor legislation to authorize this, I would be very privileged, indeed, if you would allow me to be listed as one of your cosponsors.

I thank you very much for your patience and courtesy.

Senator HILL. We certainly want to thank you, Senator, for this very excellent and challenging statement you have made.

I was particularly happy to note your reference to President Roosevelt and the atomic bomb. I have said on the floor of the Senate and in other places that I thought we ought to approach this matter of medical research and the answer to these cripples and killers of mankind just as we approached the beginnings of the atomic bomb. In other words, if we go to work with a will and determination we are going to get these answers, just as we went to work with a will and determination in getting the bomb. Had we approached the task of investing the bomb in any other way we would not have gotten it, and where would we be today if we did not have the bomb?

I agree with you that we can get these answers. Of course, I recognize, however, that even as it was in the case of getting the atom bomb, we cannot say, like Sears, Roebuck does, that we can have it "by Saturday night."

A statement such as you bring here today challenges us anew to the realization that we must go forward and make every effort to get these answers.

NEED FOR LONG-RANGE PROGRAM

I might also say to my friend from Oregon that some weeks ago I wrote a letter to Dr. Shannon, Director of the National Institutes of Health, asking him to come forward with a helpful program for the long-range planning. In this letter I made reference to the article which the Senator from Oregon had written and made reference to the quotation that he had used, Dr. Scheele's quotation. We must go forward.

As the Senator from Oregon has also said, we will have to have basic legislation. It just happens that the Senator from Alabama is the chairman of the subcommittee of the Senate Committee on Labor and Public Welfare and also chairman of this subcommittee

meeting here this morning. If either this subcommittee or the Public Welfare Committee will get to the point where any such legislation will be considered, the Senator from Alabama will certainly be delighted to go forward with the Senator from Oregon in pressing legislation for this long-range planning, and not confine it to cancer alone but also in the fields of heart disease and mental illness and all these other cripples and killers of mankind.

I want to express my deep appreciation to the Senator from Oregon for his very excellent statement.

Senator NEUBERGER. Thank you so much, Mr. Chairman.

Inasmuch as you mentioned Dr. Shannon, I must point out to you that 4 weeks ago Mrs. Neuberger and I had the privilege of being taken through the National Institutes of Health and the Clinical Center by Dr. Shannon. Your ears may have burned that Sunday afternoon, because he and his associates on the staff said that it was your leadership that made possible the present dimensions of that program. I cannot imagine a Member of the Senate having any greater monument than that.

Senator HILL. That is very kind and very generous of you, sir.

I am delighted to note that Mrs. Neuberger is with us this morning also.

We certainly appreciate your presence, Senator.

Senator NEUBERGER. Thank you very much, sir.

Senator HILL. Next we will hear Dr. Talbot.

If you identify yourself for the record, sir, you may then proceed in your own way, and we will be glad to hear you.

CARDIAC RESEARCH

STATEMENT OF DR. DOUGLAS TALBOT, DAYTON, OHIO

BACKGROUND OF WITNESS

Dr. TALBOT. I am Dr. Douglas Talbot, from Dayton, Ohio. I am a Board-certified internist and cardiologist, doing cardiac research. My background is training at the Columbia Medical Center College of Physicians and Surgeons, a year's internship at the University of California Hospital, 5 years of residency in internal medicine and chief medical resident; 2 years in the United States Air Force as Chief of Medicine of the 2750th hospital.

I am now in private practice with Dr. John Keyes of the Mayo Clinic, in Dayton, Ohio, where we are doing cardiac research and practicing internal medicine.

Senator HILL. Doctor, how large a city is Dayton, Ohio, at the present time?

Dr. TALBOT. Sir, it is approximately 500,000 people, counting the surrounding area.

Senator HILL. That means that you have plenty of clinical material, does it not?

Dr. TALBOT. Sir, we have a wealth of clinical material.

We lack a medical school and a medical center. However, we have unlimited material, and we have great potential for research.

We do have some research being done at the Veterans' Administration, some done at, of course, the Aero-Medical Laboratories, where I

was associated for a year. And there is a group of individuals who are doing individual research.

IMPORTANCE OF PROBLEM

I certainly appreciate the opportunity to come down and speak to you, Mr. Chairman, because I feel that this is a frightfully important problem, the problem of obtaining funds for long-term cardiac research. I have been very interested in a particular phase of cardiac research that has not been perhaps touched upon quite as much by the predecessors who have testified at this session and who hold, in my opinion, the ranks of the outstanding cardiologists in the country.

Certainly Dr. Paul White is the dean of American cardiologists, and Dr. Irving Wright is also a man of great renown in this country for his cardiac research.

DIAGNOSES OF CORONARY ARTERY DISEASE

I have been particularly interested in the problem of diagnoses of coronary artery disease. Its incidence we know is appalling in that as of today 1,000 individuals in the United States will die of coronary artery disease. At the present time there are 1,250,000 deaths a year from coronary artery disease. It is by far and away the greatest killer today, and it is only within the last 10 or 15 years that advances have been made both in terms of the diagnosis and treatment.

I think to interject a personal note into this, Mr. Chairman, I will say that some 6 years ago, shortly after I finished my internship and started in my residency training, my own father was in the Air Force at that time and was retiring. He was given a complete physical examination by both a civilian medical center and also the excellent separation physical examination by the Air Force. He was pronounced fit after a cardiogram, but he died 2 days later, of a massive myocardio-infarction. This simply demonstrates the fact that he was one of a number of people who up until that time suffered severe coronary artery disease with no evidence of it by the type of physical examination and the type of examination that was being done at that time.

I think that coronary artery disease has been felt to be an inevitable companion of age, a result of the wear and tear that an individual goes through in the years that he lives. I think that has been one of the greatest problems in the research of this disease.

NEW LIGHT SHED ON PROBLEM

It was not actually until the monumental work of the big-switch operation in Korea by Dr. Enis that new light has been shed upon the problem of coronary artery disease.

As you will remember, Dr. Enis set up a frontline attempt in Korea. He autopsied 300 of our topline soldiers. These 300 soldiers had a mean average age of 22. They were considered to be the flower of American youth. The autopsies were done on their hearts to determine the degree of arteriosclerosis on these unfortunate individuals that had been killed in battle. The restriction was placed upon them that they should have no chest wounds, that their deaths should have been incurred by either head or abdominal wounds, or other wounds aside from the chest.

It was a shocking figure to find that of these 300 men, at the age of 22, that 76 percent of these individuals had evidence of marked coronary artery disease. Seventy-six percent of the 22-year old boys then in the United States have evidence of coronary artery disease, if we should interpret coroner Enis's work.

This meant, indeed, that coronary artery disease was not an inevitable companion of age but it occurred in youths as well as in the aged.

Subsequent examinations have demonstrated this to be certainly true, as we have seen it in 7-year-old children. We have seen it actually—as it has been reported—causing death in infants of the age of 3 or 4 months.

DISEASE NOT NECESSARILY COMPANION OF AGING

The concept, then, would have to be changed that coronary artery disease and also the diseases in the cerebral portion of the brain were a companion of aging. This whole concept would have to be changed that this was a metabolic dynamic process that seemed to come and go.

It would be even safe to assume, from an experimental standpoint, that if a patient had a plaque in his coronary artery or a plaque in his brain which might cause a stroke or hemoplegia, that this plaque might be here today and gone 6 months from now. And, vice versa, you might be free today, and 6 months from now, it might be there.

But it was not a static, progressive thing. It was a process that seemed to wax and wane due to a number of factors.

WORK DONE IN PATHOLOGY DETERMINATION

It then became obvious that the first thing that we must attempt to do would be to find out what the pathology was, in other words what was the abnormality that was occurring in the coronary arteriation. A tremendous amount of work has been done in this country, and also a tremendous amount of work has been done in the lowland countries and in the Scandinavian countries. There were 2 factors, if one took a coronary artery, there were 2 factors, then, that appeared to be responsible for these changes.

Factor No. 1 was that there appeared to be a change in the wall of the coronary artery itself. Subsequent investigation has revealed some of those changes in the wall. We know the wall to be composed of a thin inner lining and then there is a thick muscle layer, and there appears to be a disruption of this inner lining so that liquid containing fat particles migrate from the center of this blood vessel out into the walls and forms the first evidence for plaque formation.

Here the groundwork is laid for the beginning of an atheromata, or plaque, as it is known, whether it be in the brain, or the heart.

Secondly, there appears to be the next major change, which is a change in the fat content of the blood.

FAT ELEMENTS IN BLOODSTREAM

Now, we all know that fat is carried in the bloodstream not in the form of fat per se but it is broken down into several elements. We have heard a great deal of the term "cholesterol." We also know that there are other fat elements, the so-called phospholipides, and other

neutral fats. These fat elements, cholesterol, phospholipids and neutral fats, are not carried by themselves but are hooked on to a protein much as a van is hooked on to a truck.

These fat elements are known as hypoproteins.

These hypoproteins circulate in the bloodstream, and one of the changes that appears to take place is what I prefer to call the fat thermostat in the bloodstream goes away, and instead of 2 or 3 of these giant fat molecules, composed of the fat elements plus protein, there are now 300 or 3,000 or 3 million in a given bloodstream of the heart or brain. In other words, the blood is being flooded now with fat, and the wall is now prepared, and the two fundamental factors are now reached for the beginning of atheromatous plaques to be formed.

This, to be sure, is a simplified version, and it is simplified partially because it is born out of our ignorance and partially because we are still having to make certain assumptions experimentally not proved, although we consider them quite likely.

Now that the atheromata has formed, it is just a question of time before that atheromata takes 1 of 2 courses. That atheromata either dissolves or the atheromata may grow larger, and very frequently there is hemorrhage into the base of the plaque. And if there is hemorrhage into the base of the plaque, there may be sudden occlusion of the artery. In other words, the lumen may be completely closed off, blood can no longer reach the distal portion of the blood vessel, and, what is more important, oxygen cannot reach the distal portion of the blood vessel. The heart muscle dies or the brain tissue dies, and the patient suffers the classical symptoms of a coronary or a stroke.

If we then assumed, as we have, that these are the two major pathological processes, there then came the next fascinating problem of what causes these two major processes to occur, these two abnormalities.

We know now that there are several factors, and I am sure that I am getting now into a very controversial field. These are fields in which the medical profession does not agree completely. But I feel that from calling upon our own experience, that we would simply have to draw our own conclusions as to these factors.

PART PLAYED BY DIET IN FORMATION OF ABNORMALITIES

There appears to be no question, in the minds of most investigators, that diet plays an important part in the formation of these two abnormalities.

During World War I, the Germans were blockaded by the Allies and there was a sharp decline in the number of strokes of coronary heart disease noted. It was documented but was not followed up. It was not until World War II, when the Lowland countries, Scandinavian countries, particularly Norway, who are excellent statisticians, underwent this same experience and noticed the sharp fall of coronary artery attacks and the incidence of stroke in the country, that again this phenomenon was noticed.

But this time it was followed up, and shortly after the war and since there has been a tremendous amount of work done on the relationship of diet to strokes and to coronary artery disease.

This has been done by many investigators, certainly by Dr. White's group, Dr. Ansel Keyes' group, Dr. Morrison, Dr. Griffith, Dr. Katz. One can go on naming innumerable investigators in this country.

There is also Dr. Lindholm, Dr. Schfergen, several groups in Sweden have also contributed to the work.

The classical work, of course, has been among the Bantus, where they are on a practically fat-free diet, with a low incidence of coronary artery disease.

STUDY OF HEART ATTACK CASES

A fascinating study was done where five cases of heart attacks were asked to be documented among the hundreds of thousands of prisoners of war that we had in the Far East particularly, and we were unable to document those cases.

Apparently, coronary artery disease, per se, due to atherosclerosis, or arteriosclerosis, was almost nonexistent among our own prisoners of war.

A study done among the Italians, taking the northern Italian, versus the southern Italian, who cooks his food in butter and uses a great deal of fat as compared to the northern Italian, also demonstrates this.

A fascinating bit of work was done among the Guatemalans, taking the Guatemalans living in the jungle versus the Guatemalans living in the cities, where the jungle Guatemalans are largely vegetarians while the city Guatemalans eat fats.

It is so on throughout the world.

That is the case in Madrid, where the poorer classes eat no fats while the higher classes in Madrid, who are the more privileged, in terms of food, do eat fats. They were able to demonstrate a marked discrepancy in coronary artery disease.

TWO TYPES OF FATS

So there is no question that diet plays a role there, and the big question is what the role is that diet plays. We used to think it was animal versus vegetable fats, and that had to be quickly given up. Now we feel that the important thing is saturated versus unsaturated fats, the unsaturated fats being Mazola or corn oil, soy bean oil, cottonseed oil, and, to a lesser degree, the peanut oils.

We know, for example, that, indeed, the Eskimo has a great deal of fat in his diet, but due to Paul White's work again, we find that this fat is an unsaturated type of fat.

There is no question that the American public today is enjoying the highest fat content of its diet in the history of these United States. The figure for the average individual in the United States is apparently between 45 and 55 percent fat. This is a question in which a great deal more work is going to be done, and we are going to hear a great deal more about it.

This is certainly one factor that has influenced these two abnormalities.

FACTOR OF STRESS

The second factor that has influenced these two abnormalities—and this gets into perhaps an even more controversial field—is the factor of the stress. We do not mean physical stress, because facts

have come to light that indicate that physical exercise, keeping a patient in good physical tone, is extremely important, but we feel that stress applies more to the daily stresses of living than every individual undergoes in his own life, regardless of the walk of life that he is in, regardless of the profession or way of life that he pursues.

There is no question but what stress reacts unfavorably on fat metabolism, there is no question but what stress apparently has a profound effect upon the wall of the coronary arteries.

In animal experimentations done by Dr. Katz, he was able to take 50 chickens and feed them cholesterol, and these patients all developed severe coronary artery disease. We were able to take a number of dogs and feed them cholesterol, and then the dogs were placed under severe stress. None of it was physical stress, but they were simply placed in a condition with sirens blowing, with little shocks of electricity going through the cages, which kept these animals under stress. We were able to produce classical myocardial infarctions in the dogs, with electrocardiograph or electrocardiac conformation.

We are in the midst of some studies now with people, measuring adrenocortical outputs in the urine, so that we know the ACTH or steroid outputs. We have found there is a marked correlation between the individual under stress and a marked rise in his blood fats and a marked rise in the urinary excretion of his adrenal steroids.

OBJECTIVE MEASUREMENT OF STRESS

Of course, we are looking for this because we are looking for an objective measure of stress.

If you take 10 people and place them in the same job, in the same community, with the same family situation, each individual reacts differently. We are attempting to find an objective measurement of stress in those individuals.

One could deal all day and dwell for many hours on the problems of stress in coronary artery disease. I think there is strong clinical evidence and experimental evidence that stress does play a part in it.

ABNORMALITIES DUE TO HORMONES

No. 3 of the factors that affect these two abnormalities are hormones. We know that women have enjoyed immunity to a certain extent from coronary artery disease.

If one draws a graph, one gets the so-called mere image. If one draws a graph between the incidence of coronary artery disease and the age of women, one will see, in other words, that the incidence rises sharply and abruptly after the age of 40 to 45 and there is a sharp decrease after the age of 40 to 45 in the titers of female hormones or the so-called estrogens in the blood. Those are "mere image," because we know that women after menopause, when they have a decrease in the blood estrogen levels, they also have an increase in coronary artery disease.

So that we know that estrogens play a striking part there. We know that adrenal hormones play a part.

We know that if we can give animals ACTH or coronary hormones, that their arteries get much worse when we give them cholesterol and they are placed under stress than an animal that is given no coronary hormones or no adrenal hormones.

We know the thyroid plays a part, and there is now a great deal of work going on in Texas, and also at California, looking for the lipotropic factor, so-called. That is a factor from the pituitary, which controls the fat content of the blood and controls lipid metabolism in a given individual.

This problem of the role of hormones has great therapeutic interest to us because the treatment of coronary artery disease by estrogens holds great promise in the male particularly.

As you know, a great deal of work has been done actually at Walter Reed Hospital in Washington and, of course, a tremendous amount of work has been done out at the National Institutes of Health on this problem.

VITAMIN FACTORS

We know that there are other factors, the vitamin factors, which might be factor No. 4 and can certainly be included because we know you could take an abnormal lipide pattern in a given individual and feed him large doses of parodoxine and nicotinic acid, and we know we could change the lipide pattern in individuals and we know we can change it in animals.

We know that the vitamin B complex particularly is playing more and more an important part in our understanding of basic cellular enzyme chemistry. And, of course, that is where the real problem lies.

Why does a given individual suddenly develop these abnormalities?

It must be because there is an abnormality of their basic cellular enzyme chemistry.

POSSIBLE ANSWER FOR CANCER AND HEART DISEASE

If I might make a prediction, Mr. Chairman, I predict that the answer for cancer, the answer for heart disease, is going to come at this level. It is going to come in an understanding of cellular enzyme chemistry.

More and more as we push the threshold of this experimental work and investigational work back, we come back down to an understanding of basic chemistry in the individual cell. When we understand that completely, I think the answer to this is going to be a great deal clearer.

PROGRESS OF WORK

I have taken quite a bit of time to simply give you some background. Perhaps you would be interested in learning something about the work that we have been doing for the past 6 years.

We think that we are on the road to something new, and that is: the early diagnosis of coronary artery and cerebral artery disease in the patients before they develop clinical symptoms. It is a subject that is frightfully important. It was important to us in the Air Force because we had to put our pilots under a great deal of stress because of the difficulty that these individuals had in flying at tremendous altitudes.

In working in the Aero-Medical Laboratories as cardiac consultant, in working with pressure chambers, it was imperative to us to know which of the pilots could withstand flights at 100,000 feet and which of them could withstand the tremendous pressure changes. It

became obvious that a routine physical examination or routine electrocardiogram—and, sadly enough, a routine cholesterol—was not the answer to our problems.

CORONARY PROFILE DEVISED

So, Mr. Chairman, we devised, some 5 years ago, the so-called coronary profile.

The coronary profile is simply a number of tests through which an individual is placed and graded, with the specific goal in mind of evaluation of his cardiovascular status. His lipide chemistry is evaluated and given a 45 percent rating. In his lipide chemistry we evaluate his cholesterol, his athero-index, and his lipide proteins, alpha and beta.

Now, the cholesterol, as you are all aware, is one of the fat molecules we talked about. The athero or arterio cholesterol index is the ratio of phospholipids to cholesterol. And the beta and alpha lack of proteins are the giant molecules which circulate into the bloodstream.

These are by a 45 percent rating. Then the physical examination is given a 20 percent rating. And I will take a moment to show you that 5 percent of the rating is on the peripheral vascular system.

In other words, we are interested in what the peripheral arteries look like, in terms of filling and emptying. We are interested in the blood pressure because we do know there is a tremendous correlation between atherosclerosis and blood pressure elevation. A patient with blood pressure elevated, according to the Master's criterion has 400 times greater chance of developing atherosclerosis than a normal individual has.

Then we look at the eyegrounds.

It is quite interesting to note that listening to the heart does not enter into the coronary profile system, because listening to the heart is no help at all.

METHODS OF LISTING

Twenty percent of the rating of these examinations is based on the cardiogram, a rest in EKG and then rest in stress electrocardiogram, and by breathing. We do a test by having the patients run up and down stairs, and we place the patients in 90 percent nitrogen breathing.

We then spend 10 percent of the profile on examination by X-ray and reshoot oblique and take peculiar shots of the heart, looking for calcification along the ascending arch of the aorta, and looking for enlargement of the different chambers of the heart.

For we know today that there are a tremendous number of silent myocardial infarcts. Dr. Spain, in New York, has suggested on a thousand autopsy studies that perhaps as many as 50 percent of the male individuals in the United States today have small coronaries which are never evident clinically. They are tacked up to indigestion, to flu, to muscular aches and pains in the chest, where in fact they are truly small infarcts.

Five percent of the profile is on the history. We find, for instance, if the patient had a history of coronary insufficiency, that the rest of the profile falls into line. And that is why we have only given 5 percent to that.

We realize that this examination is a great deal of argument for this different grading. I presented this work at the American College

of Physicians in January of this year, at the regional meeting, and one of the discussions that we had afterwards concerned the grading or balance of these different factors. But there is no question that we must take a complete examination with emphasis on the various cardiovascular aspects.

If one takes the profile and compares this profile to a routine examination which is done, say, at any of the large medical centers in the United States, one sees that normally only 30 percent of the profile would be covered in a routine examination.

Now I have one last word about the profile system.

STUDY ON PROBLEM OF CHOLESTEROL

There has been a great deal of study done recently on the problem of cholesterol, and we have talked about getting cholesterol examinations in the various centers as an indication of the lipids of your blood. If you go into a doctor's office and get a cholesterol and your cholesterol is elevated, that means you have high circulating lipids and you should go on fat-free diets or whatever your doctor decides to put you on.

This has been completely contrary to our experience and I do not want to take up your time here, Mr. Chairman, but we are presenting a paper in June of this year, in which we are presenting cholesterol as an indication of the lipid metabolism of the bloodstream.

What we did was take 25 known myocardial infarcts and 25 normal individuals, and we measured their cholesterol, at the same time measuring the rest of their lipids throughout the bloodstream. In measuring their cholesterols, we then plotted that against the percent deviation from normal, and we found a very interesting thing.

We found that if you measured the cholesterol, the phospholipids, the Beta lipid protein and the athero index in the same individuals, and plotted it as a percent deviation from normal, in both 25 normals and 25 infarcts, then it would be safe to assume that these individuals should have the same percent deviation from normal. If their cholesterol was high, then it would seem that their Beta protein and athero index and their phospholipids should be high.

This was not the case at all. We found when these patients were graphed out, there was no correlation in the rest of the lipids. Therefore it comes back to our original assumption that you are not safe in assuming that a patient's lipid metabolism is high because his cholesterol is high. One must measure all of the elements of the metabolism if one is to make any assumptions at all concerning the patient's lipids in his blood.

RESULTS OF EXAMINATION PROFILE

Once this examination profile is done, the patient is then rated, and we do not attempt to rate him because of any quantitation but place him into 1 of 3 zones. It places him in the green zone if he has no abnormality and loses little of the profile. It places him in the yellow zone if he loses more, and if his profile is grossly abnormal, it places him in the red zone.

Now, we examined 136 individuals. All of these patients were untreated, and we took a group of 41 patients, another group of 49

patients, and then 45 patients. Of these patients, 49 patients were in the red zone, 41 patients were in the yellow zone, and 45 were in the green zone.

These patients were followed along for a period of 3 years, and here are our results.

In the red zone, one can see that the incidence of coronary abnormalities is tremendous while in the green zone it is relatively minor.

If one summarizes these, one can see that of the 49 individuals in the red zone, 53 percent of these patients developed coronary abnormalities, or had coronary abnormalities before we saw them.

Actually, breaking that down, 57 percent of these patients were completely asymptomatic in the red zone and went on to develop coronary abnormalities even though they had all been cleared by routine physical examination. The figure in the yellow zone was 22 percent and it was 7 percent in the green zone.

We therefore felt safe to assume that our profile system, while not an answer, by any means, is an approach to the early diagnosis of coronary artery disease, and we feel that it is an approach that could be used to determine these abnormalities before the patient develops gross evidence or clinical evidence of myocardial infarction or myocardial insufficiency.

Work like this is slow, it is a time-consuming thing.

It is discouraging, but it is work that we believe is going to lead us to the answer. When this answer is going to come we do not know; maybe it will be in 2, 5, or 10 years.

HELP WITH PROGRAM DESPERATELY NEEDED

But we so desperately need this program that you have sponsored, Senator Hill, and I think that the recommendations of the American Heart Council should be seriously considered, in the light of the fact that all over the country there is this type of work going on, and if we are going to solve this problem of coronary artery disease we need this help.

The feeling that I have of the importance of this is the fact that it means dissemination of information that this is no longer a disease or abnormality to which there is no answer. There is an answer, and we need not be disturbed or feel that we are in a desperate situation with coronary artery disease or with cerebral artery disease. The answer will come, and we are going to find it if we are given the proper amount of time and help.

I certainly appreciate the opportunity of coming down to see you.

Senator HILL. Thank you, Dr. Talbot. We appreciate your being here this morning, and we certainly do appreciate your thorough and complete statement.

Thank you very, very much, Doctor.

Dr. TALBOT. Thank you, sir.

LETTER REGARDING AMENDMENT

Senator HILL. Before proceeding to hear Mr. Harlow, we will place into the record at this point a copy of a letter dated May 10, 1957, addressed to Senator Hayden, who is the chairman of our full committee. The letter has reference to an amendment to the appropriation bill, the amendment being proposed by Senator Neuberger, con-

templating an appropriation of \$500 million to the National Cancer Institute.

(The letter referred to follows:)

MAY 10, 1957.

HON. CARL HAYDEN,
United States Senate.

DEAR SENATOR HAYDEN: Thank you for your request for comment on the amendment to the appropriation bill for this Department which was proposed by Senator Neuberger on May 2, 1957.

The amendment contemplates an appropriation for activities of the National Cancer Institute in the amount of \$500 million (to remain available until expended) in lieu of the annual appropriation of \$46,902,000 included in the bill as passed by the House. The proposal deals directly with the basic problem of stability of support for medical research which takes a long time to complete. This problem is of continuing concern to a great many people who are interested in medical research and is not limited to the field of cancer.

It appears to me that the problems of medical research can best be solved by a consolidated rather than by a piecemeal approach. For this reason, I am engaged in the process of establishing a group composed of leaders of medical research, leaders in the university world, and leaders in such other fields as industrial research and the foundations to study and advise the Department on the whole problem of medical research.

Considerable change has been made in recent years in the character of support for research projects under the current method of annual appropriations. For example, the average period of support for grants is now 3.2 years as contrasted with 1.8 years in 1951. The average size of grants has increased by 30 percent since 1955. In short, the system has been, and is being, changed to provide more stable support for broader areas of investigation.

The system also serves as the central force in the establishment of a number of planned collaborations designed to explore specific research areas in a systematic fashion. The planned study now in process which has attracted most attention is the cancer chemotherapy program.

As Dr. Shannon stated in his letter to Senator Hill dated April 5, 1957, copy attached, the progress of medical research depends upon two factors in addition to adequate funds—adequate facilities, and most important, manpower of high caliber in adequate numbers. At this point it appears that the expansion of the pool of trained manpower and of laboratory facilities is more important to the furtherance of medical research than are additional large sums for the current support of research. The facilities and manpower situation is the primary problem of advancing research and our budget and legislative proposals are directed to these problems.

The proposed amendment to the budget to provide \$500 million without fiscal year limitation raises substantive problems of budget consideration by both the executive and legislative branches that are deserving of serious consideration. The Congress has over the years supported the medical research programs of the National Institutes of Health and particularly the National Cancer Institute quite generously which has permitted conducting a research program at a level which permits taking advantage of significant research opportunities and support of research projects which meet the scientific standards required for support. Therefore, the provision of additional funds in this manner does not necessarily mean a larger research program but it would remove the program from the annual budget review procedure for a period of years.

It seems to me that this annual review of progress and plans is an important management and program determination both within the executive branch as well as by the Congress and should be continued. Further, there would seem to be no particular merit in singling out cancer research for such special treatment.

With respect to the problems of stability of support for medical research, it is proposed to include this as a major element of the study of medical research we are undertaking.

For these reasons I recommend the enactment of the annual appropriation for the National Cancer Institute of \$46,902,000 as requested rather than the proposal of \$500 million without fiscal year limitation.

Sincerely yours,

_____, *Secretary.*

PUBLIC HEALTH SERVICE

RETIRED PAY OF COMMISSIONED OFFICERS

STATEMENT OF ROY L. HARLOW, CHIEF FINANCE OFFICER, PUBLIC HEALTH SERVICE

APPROPRIATION ESTIMATE

"Retired pay of commissioned officers: For retired pay of commissioned officers, as authorized by law, and payments under the Uniformed Services Contingency Option Act of 1953, **[\$1,450,000]** \$1,570,000."

Amounts available for obligation

	1957 appro- priation	1958 budget estimate	1958 House ¹ allowance
Appropriation or estimate.....	\$1, 450, 000	\$1, 570, 000	0
Unobligated balance brought forward.....	5, 908	0	0
Unobligated balance no longer available.....	— 908	0	0
Total obligations.....	1, 455, 000	1, 570, 000	0

¹ The Appropriations Committee recommended language to place this account on an annual indefinite basis. This language was stricken by the House on point of order.

Obligations by activities

Description	1957 appro- priation	1958 budget estimate	1958 House allowance
Retirement payments and survivor's benefits (total obligations).....	\$1, 455, 000	\$1, 570, 000	-----

EFFECT OF HOUSE ACTION

Retirement payments and survivors' benefits

The budget estimate for this activity was \$1,570,000. The House Appropriations Committee recommended language to place this account on an annual indefinite basis. This language was stricken by the House on point of order. Since retired pay is a mandatory expense, the effect of the action will be to require retired officers and annuitants to process actions through the Court of Claims in order to collect the payments due them. It is recommended that the language approved by the House Appropriations Committee be restored.

Obligations by objects

	1957 appro- priation	1958 budget estimate	1958 House allowance
12 Pensions, annuities, and insurance claims.....	\$1, 455, 000	\$1, 570, 000	-----

Table of increase and decrease of retirements

	Fiscal year 1953	Fiscal year 1954	Fiscal year 1955	Fiscal year 1956	Estimate fiscal year 1957	Estimate fiscal year 1958
Retired for:						
Disability.....	11	9	9	12	10	10
Age.....	7	3	6	7	3	6
Years of service.....	6	0	4	6	6	5
Other.....	1	0	0	0	0	0
Total retirements.....	25	12	19	25	19	21
Dropped:						
Death.....	5	8	6	6	6	6
Other.....	0	5	2	2	0	0
Total dropped.....	5	13	8	8	6	6
Net increase or decrease in officers on retired roll, end of fiscal year.....	20	-1	11	17	13	15
Officers on retired roll, end of fiscal year...	231	230	241	258	271	286

PREPARED STATEMENT

Senator HILL. Now we will hear you, Mr. Harlow.

To which item do you wish to address yourself first?

Mr. HARLOW. Retired pay of commissioned officers, Mr. Chairman.

We have filed a statement on that, which I think explains the situation very clearly.

Senator HILL. That statement will appear in full in the record.

(The statement referred to follows:)

STATEMENT BY CHIEF FINANCE OFFICER, PUBLIC HEALTH SERVICE, ON RETIRED
PAY OF COMMISSIONED OFFICERS, PUBLIC HEALTH SERVICE

Mr. Chairman and members of the committee, this estimate of \$1,570,000 is for retired pay of commissioned officers of the Public Health Service and for payments to survivors of officers who die while on the retired list. The commissioned corps of the Service corresponds to the commissioned corps of the Army, and its members receive the same active duty pay and allowances as officers in corresponding grades of the Army. However, retirement pay of Public Health Service officers is governed by the Public Health Service Act which provides for retirement for age, disability, or after specified periods of active service.

Annuities are now being paid to survivors of eight deceased retired officers who had previously elected a reduced retirement pay under the provisions of Public Law 239, 83d Congress.

As of March 31, there were 263 officers on the retired list and it is expected that this number will increase to 271 by June 30, 1957. A net increase of 15 officers has been estimated for 1958, bringing the total to 286 by June 30, 1958.

EFFECT OF HOUSE ACTION

This item was deleted by the House. Since retired pay is a mandatory expense, the effect of the action will be to require retired officers and annuitants to process actions through the Court of Claims in order to collect the payments due them. It is recommended that the language approved by the House Appropriations Committee be restored.

ANNUAL INDEFINITE APPROPRIATION

Mr. HARLOW. Our concern at the moment is that the appropriation which the House committee changed from an annual amount to an indefinite appropriation was eliminated on the floor of the House on a point of order. Of course, it needs to be restored because the retired

pay of the commissioned officers of the Public Health Service is one of the statutory obligations of the Government.

Senator HILL. Very well, sir. As you say, it is a statutory, positive, definite commitment on the part of the Government.

Mr. HARLOW. Yes, sir.

Senator HILL. Is there anything else you would like to add in connection with this particular item, sir?

Mr. HARLOW. No, sir; I think that is sufficient.

Senator HILL. Thank you very much, sir.

Now do you want to address yourself to the National Library of Medicine item?

Mr. HARLOW. Colonel Rogers will present that, Mr. Chairman.

Senator HILL. Very well.

Colonel Rogers, we will be very pleased to hear your statement at this time.

OPERATIONS, NATIONAL LIBRARY OF MEDICINE

STATEMENT OF COL. FRANK B. ROGERS, DIRECTOR, NATIONAL LIBRARY OF MEDICINE

APPROPRIATION ESTIMATE

"National Library of Medicine; For expenses, not otherwise provided for, necessary to carry out the National Library of Medicine Act (70 Stat. 960), \$1,450,000."

Amounts available for appropriation

	1957 appro- priation	1958 budget estimate	1958 House allowance
Appropriation or estimate	0	\$1, 450, 000	\$1, 450, 000
Additions:			
Transfers from—			
"Operations and maintenance, Army"	\$995, 250	0	0
"Military personnel, Army"	9, 388	0	0
Comparative transfers from—			
"Operations and maintenance, Army"	307, 000	0	0
"Military personnel, Army"	3, 129	0	0
Total obligations	1, 314, 767	1, 450, 000	1, 450, 000

Obligations by activities

Description	1957 appropriation		1958 budget estimate		1958 House allowance	
	Posi- tions	Amount	Posi- tions	Amount	Posi- tions	Amount
Library operations	222	\$1, 314, 767	225	\$1, 450, 000	225	\$1, 450, 000

1504 LABOR-HEALTH, EDUCATION, WELFARE APPROPRIATIONS

Summary of changes

1957 actual appropriations-----	0
Transfers:	
To transfer Library to Public Health Service:	
"Operation and maintenance, Army"-----	\$1, 302, 250
"Military personnel, Army"-----	12, 517
Adjusted 1957 appropriation-----	1, 314, 767
1958 appropriation request-----	1, 450, 000
Net change requested-----	+ 135, 233

	Positions	Estimate	Positions	House allowance
For mandatory items:				
Extra day of pay-----		\$3, 958		\$3, 958
Retirement contribution-----		57, 828		57, 828
		61, 786		61, 786
For program items:				
Reclassification of librarian positions; action now pending approval of Civil Service Commission-----	0	24, 500	0	24, 500
Expansion of program-----	3	14, 479	3	14, 479
Equipment-----	0	34, 468	0	34, 468
Total change requested-----	+3	+135, 233	+3	+135, 233

Obligations by objects

	1957 appropriation	1958 budget estimate	1958 House allowance
Total number of permanent positions-----	222	225	225
Full-time equivalent of all other positions-----	1	1	1
Average number of all employees-----	215	218	218
Number of employees at end of year-----	219	222	222
01 Personal services-----	\$1, 005, 735	\$1, 048, 000	\$1, 048, 000
02 Travel-----	8, 700	8, 700	8, 700
03 Transportation of things-----	3, 000	3, 000	3, 000
04 Communication services-----	11, 200	11, 200	11, 200
05 Rents and utility services-----	8, 350	8, 350	8, 350
06 Printing and reproduction-----	118, 100	118, 100	118, 100
07 Other contractual services-----	19, 700	19, 700	19, 700
08 Supplies and materials-----	54, 922	54, 900	54, 900
09 Equipment-----	82, 860	117, 350	117, 350
11 Grants, subsidies, and contributions: Contribution to retirement fund-----	0	58, 500	58, 500
13 Refunds, awards, and indemnities-----	200	200	200
15 Taxes and assessments-----	2, 000	2, 000	2, 000
Total obligations-----	1, 314, 767	1, 450, 000	1, 450, 000

New positions requested, 1958

Title	Grade	Number	Annual salary
Library operations:			
Librarian-----	GS-8-----	1	\$4, 970
Library assistant-----	GS-3-----	2	6, 350
Total positions and annual salaries-----		3	11, 320
Deduct lapse-----			820
Net cost of positions-----			10, 500
Add night differential-----			460
Total-----			10, 960

STATEMENT BY DIRECTOR, NATIONAL LIBRARY OF MEDICINE, PUBLIC HEALTH SERVICE ON OPERATIONS, NATIONAL LIBRARY OF MEDICINE, PUBLIC HEALTH SERVICE

Mr. Chairman and members of the committee, since this is my first appearance before your committee you may wish to have a brief résumé of my background and record of service.

I am Lt. Col. Frank B. Rogers, Medical Corps, United States Army, on detail to the Public Health Service as Director, National Library of Medicine, 7th Street and Independence Avenue SW., Washington, D. C. I was born in Norwood, Ohio, December 31, 1914, and educated in the public schools of Cincinnati, Ohio. I hold the degrees of bachelor of arts (Yale, 1936), doctor of medicine (Ohio State, 1942), and master of science in librarianship (Columbia, 1949). My Army experience includes service as a faculty member of the Medical Field Service School, as battalion surgeon in the 35th Infantry Regiment during the Luzon campaign, and as division surgeon of the 25th Infantry Division in Japan immediately following the war. I became Director of the Library in 1949 and have served in that capacity since that date.

ESTABLISHMENT OF NATIONAL LIBRARY OF MEDICINE

The National Library of Medicine was created in the Public Health Service by Public Law 941, 84th Congress. The new library is the successor organization to the Armed Forces Medical Library and continues the 120-year-old tradition established by that institution.

MISSION AND FUNCTIONS

The statutory mission assigned to the National Library of Medicine is to assist in the advancement of medical and related sciences, and to aid in dissemination and exchange of scientific and other information important to the progress of medicine and to the public health. In fulfillment of this mission the library acquires and preserves books, periodicals, prints, films, and recordings pertinent to medicine; it organizes these materials for use by appropriate cataloging, indexing, and bibliographical listing, and publishes the resulting efforts; it provides reference and research assistance through the medium of loans of material, photocopying, and other devices.

LIBRARY HOLDINGS AND SCOPE

The National Library of Medicine's holdings exceed 980,000 pieces—books, journals, theses, pamphlets, prints, and films. It is 1 of the 3 largest research libraries operated by the Federal Government, and one of the largest research libraries in a special subject discipline anywhere in the world. Material of clinical and research importance flows into the library from every country on the globe; German, French, Icelandic, Turkish, Russian, Chinese, Hungarian, Portuguese and Swedish publications all make their contributions to the library's collection. More than 10,000 serial titles are regularly recorded. Each year the library acquires 80,000 monographs and journal pieces, the housing of which requires over a half mile of linear shelf footage. Each month its loan service places more than 10,000 items in the hands of medical research workers throughout this country.

PUBLICATIONS AND SERVICES

The library catalogs all of its acquisitions, and each year issues a printed record of this work for all to see and use. The library publishes a monthly index to the current periodical literature of medicine in which over 100,000 journal articles are listed by author and subject. Interlibrary loans, bibliographical and photoduplication services make it possible for the doctor, civilian or military, to have at his beck and call all of the library's resources. Every month the library staff answer over 600 reference questions.

Recent special contributions made by the library include a bibliography on cancer chemotherapy, prepared in cooperation with the Committee on Chemotherapy of the National Advisory Cancer Council. At present, the library is working on an extensive bibliography on tranquilizers and hallucinogens in cooperation with the Psychopharmacology Service Center, National Institutes of Health.

VALUES

It would be difficult to exaggerate the widespread influence the library has on advances in the medical sciences through its functions as a fundamental source and wellspring for the dissemination of medical information. One of the cardinal necessities of health research is access to books and journals in the medical and related fields. Unless workers have access to such materials, research is seriously handicapped and research grants may be wastefully spent. No other medical agency of the Federal Government serves the future of medical research more intimately and more widely than does the unequalled collection of books, journals and bibliographic services brought together in the National Library of Medicine.

Medical bibliography is a matter of concern to the entire medical profession and to the scientific world; it must both reflect and guide the purposes and methods of scientific inquiry. In the National Library of Medicine the Nation possesses a priceless and irreplaceable collection of literature, of all times, from all places, and in all languages. The services the library renders physicians, dentists, hospital administrators, public health workers, educators, sanitarians, and workers in every field of health lie at the very heart of the process of scientific research, and provide a most important impetus to the advancement of the frontiers of medical knowledge and the alleviation of disease and human suffering.

BOARD OF REGENTS

The past 6 months under the aegis of the Public Health Service has been a period of transition for the library. That period is now pretty well over and we have shaken down satisfactorily into new, but only slightly different, administrative patterns. The Board of Regents of the National Library of Medicine was established to advise, consult with, and make recommendations to the Surgeon General on important matters of policy in regard to the library. It was appointed by the President on February 18, confirmed by the Senate on February 22, and held its first meeting in Washington on March 20. A second meeting was held on April 29. At this meeting the Board of Regents selected a site for the new building on the grounds of the National Institute of Health. The Board reviewed and rendered advice on the major policies of the library's operation. The Board consists of the Surgeons General of the 4 uniformed services, the Chief Medical Director of the Veterans' Administration, the Assistant Director for Biological and Medical Sciences, National Science Foundation, the Librarian of Congress, and 10 distinguished civilians from the fields of medicine, surgery, dentistry, public health, medical education, medical research, and medical bibliography.

1958 BUDGET ESTIMATE

The budget estimate of \$1,450,000 for fiscal year 1958 provides for continuation of operations at the 1957 level with increases for night hours of service, purchase of new and replacement equipment partially deferred in 1957, payments to the retirement fund, and the cost of reclassification of librarian series positions.

MISSION OF NATIONAL LIBRARY

Colonel ROGERS. Mr. Chairman, the National Library of Medicine, created in the Public Health Service by Public Law 941 of the 84th Congress, succeeds the Armed Forces Medical Library, which was founded in 1836.

The mission of the National Library of Medicine is to assist the advancement of medical and related sciences, and to aid the dissemination and exchange of scientific and other information which is important to the progress of medicine and public health.

In fulfilling its mission, the library acquires and preserves books, periodicals, prints, films, and recordings pertinent to medicine. It organizes these materials for use by appropriate cataloging, indexing, and bibliographical listing, and publishes the resulting efforts. It also provides reference and research assistance through the medium of loans of material, photo-copying and other devices.

The holdings of the National Library of Medicine exceed 980,000 pieces, comprising books, journals, theses, pamphlets, prints, and films. It is 1 of the 3 largest research libraries operated by the Federal Government and 1 of the largest research libraries in a special subject discipline in the world. Each month its loan service places over 10,000 items in the hands of medical research workers throughout the country.

BUDGET ESTIMATE

The budget estimate of \$1,450,000 for the fiscal year 1958 provides for continuation of operations at the 1957 level, with increases for night opening of the library, purchase of new and replacement equipment which was partially deferred in 1957, support of contributions to the retirement fund, and the cost of reclassification of librarian series positions.

Senator HILL. If I might interrupt at that point, Colonel, I might state that I had the privilege of presiding at the subcommittee meetings that we had on public welfare last year when we considered the amount for the creation of the National Library of Medicine. At that time we had the pleasure of hearing from you and other distinguished witnesses. So I might claim to have at least some familiarity with the importance of the library and the outstanding service that it has rendered.

Have you filed your full statement with the committee, sir?

Colonel ROGERS. Yes, I have, Mr. Chairman.

Senator HILL. Thank you, sir. That statement will appear in full in the record.

HOUSE ACTION

The House gave you the full budget estimate; is that correct?

Colonel ROGERS. That is correct. They gave us the full amount.

Senator HILL. Are you going ahead now with the planning for the building?

Colonel ROGERS. Yes, sir; we are.

The architectural firm has been appointed. It is the firm of O'Connor & Kilham, of New York City, which has extensive experience in building great libraries. They built the Firestone Library at Princeton University, the new Colgate Library, the new library at the University of Louisville. They are proceeding with plans for the new building.

Senator HILL. When do you expect to have the plans completed?

Colonel ROGERS. I expect that, under the best circumstances, the plans, through working drawings, will be completed early next spring.

Senator HILL. Will it take that long a time to complete those plans?

Colonel ROGERS. Yes, sir, it will.

We expect that it will be September before we can reach the stage just prior to the working drawings stage. Then the working drawing stage will be an enormous task that will probably take until spring to complete.

START OF CONSTRUCTION

Senator HILL. Then is my understanding correct that you would not be ready to go ahead with the construction of the building until some time next spring, even if you did have the funds for construction?

Colonel ROGERS. That is true. It will be some time after next spring before we can go ahead with construction of the building.

Senator HILL. As I say, Colonel, I think I have a pretty good idea of the tremendous importance of this library, and the work that you are doing in the library.

We certainly appreciate your appearance before us here this morning.

Colonel ROGERS. Thank you, sir.

Senator HILL. Now, Mr. Harlow, I understand your next item will be the salaries and expenses for the Public Health Service. Do you want to address yourself to that now?

Mr. HARLOW. Yes; Mr. Chairman.

PUBLIC HEALTH SERVICE

SALARIES AND EXPENSES

STATEMENT OF ROY L. HARLOW, CHIEF FINANCE OFFICER, PUBLIC HEALTH SERVICE

APPROPRIATION ESTIMATE

"Salaries and expenses: For the divisions and offices of the Office of the Surgeon General and for miscellaneous expenses of the Public Health Service not appropriated for elsewhere, including preparing information, articles, and publications related to public health; and conducting studies and demonstrations in public health methods; **[\$3,172,000]** \$5,150,000."

Amounts available for obligation

	1957 appropriation	1958 budget estimate	1958 House allowance
Appropriation or estimate.....	\$3,892,000	\$5,150,000	\$5,100,000
Additions: Transfer from "Maintenance and operations, Army" Public Law 941, 84th Cong.....	21,000	0	0
Total obligations.....	3,913,000	5,150,000	5,100,000

Obligations by activities

Description	1957 appropriation		1958 budget estimate		1958 House allowance	
	Positions	Amount	Positions	Amount	Positions	Amount
Program by activities:						
1. Public health methods and reports.....	94	\$1,218,000	110	\$1,800,000	110	\$1,800,000
2. Management and central services:						
(a) Immediate Office of the Surgeon General.....	32	262,000	38	341,800	38	341,800
(b) Division of Administrative Services.....	94	530,000	109	666,800	105	640,000
(c) Division of Finance.....	125	706,400	138	855,625	138	855,625
(d) Division of Personnel.....	117	764,600	136	1,002,000	133	984,175
(e) Public inquiries and information.....	21	121,600	22	138,400	22	138,400
(f) Other central services and contingent items.....	11	310,400	11	344,775	11	340,000
Total obligations.....	494	3,913,000	564	5,150,000	557	5,100,000

EFFECT OF HOUSE ACTION

Activity No. 1: Public health methods and reports

The full amount requested of \$1,800,000 and 110 positions was allowed by the House. This is an increase of \$582,000 over the 1957 base. This increase includes \$86,327 for mandatory items; \$495,673 to permit attainment of the program level contemplated under the legislation providing for the national health survey program of which \$113,837 is for 16 new positions and consultants, \$236,900 for additional contractual service with the Census Bureau, and \$144,936 for other objects.

Activity No. 2: Management and central services

The House effected a reduction of \$50,000 and 7 positions from the proposed increase of \$655,000 and 54 positions for this activity.

The proposed increase of \$50,000, which was disallowed, will result in the elimination of 4 positions from the property and supply management program, and 3 positions from the personnel program.

The increase allowed will cover mandatory items in the amount of \$146,973, and will permit partial restoration of staffing reductions which have been made over the past several years in the Office of the Surgeon General. Since 1950 there has been an uninterrupted diminution of staff due to absorption of increased costs that were largely uncontrollable. Such absorbed costs include portions of various pay increases, salaries of telephone operators, and increased charges for tabulating duplicating and switchboard services. Restoration of staffing is needed to permit effective administration of the Public Health Service program, to which the enactment of recent legislation has added substantial responsibilities. Such legislation includes the Health Amendments Act of 1956, the National Health Survey Act, the Water Pollution Control Act amendments of 1956, the Dependents' Medical Care Act, the National Library of Medicine Act, the Health Research Facilities Act of 1956, and the Alaska Mental Health Enabling Act.

Obligations by objects

	1957 appropriation	1958 budget estimate	1958 House allowance
Total number of permanent positions.....	494	564	557
Full-time equivalent of all other positions.....	2	10	10
Average number of all employees.....	462	543	537
Number of employees at end of year.....	480	557	550
01 Personal services.....	\$2,739,600	\$3,256,100	\$3,216,100
02 Travel.....	83,700	197,000	193,400
03 Transportation of things.....	9,000	15,900	15,900
04 Communication services.....	182,800	202,500	198,500
05 Rents and utility services.....	500	7,300	7,300
06 Printing and reproduction.....	133,600	159,400	159,400
07 Other contractual services.....	717,200	1,056,600	1,056,600
08 Supplies and materials.....	26,200	36,900	36,900
09 Equipment.....	18,950	38,150	38,150
11 Grants, subsidies, and contributions (contribution to retirement fund).....	0	176,600	174,200
15 Taxes and assessments.....	2,650	4,750	4,750
Subtotal.....	3,914,200	5,151,200	5,101,200
Deduct charges for quarters and subsistence.....	1,200	1,200	1,200
Total obligations.....	3,913,000	5,150,000	5,100,000

1510 LABOR-HEALTH, EDUCATION, WELFARE APPROPRIATIONS

New positions requested, 1958

Title	Grade	Positions	Annual salary
1. Public health methods and reports:			
Public health program specialist	GS-11	2	\$12,780
Statistician	GS-9	1	5,440
Laboratory technician	GS-7	1	4,525
Medical staff technician	GS-7	1	4,525
Clerical assistant	GS-5	4	14,680
Clerical assistant	GS-4	1	3,415
Senior grade officer		4	42,800
Full grade officer		2	13,626
Total positions and annual salaries		16	101,791
Less lapses			17,554
Net cost			84,237
2. Management and central services:			
Administrative staff assistant	GS-15	1	11,610
Organization and methods examiner	GS-15	1	11,610
Administrative staff assistant	GS-14	1	10,320
Do	GS-13	2	17,980
Financial operations officer	GS-12	1	7,570
Information specialist	GS-12	1	7,570
Personnel officer	GS-12	4	30,280
Property management specialist	GS-12	3	22,710
Financial operations officer	GS-11	4	25,560
Personnel officer	GS-11	4	25,560
Property management specialist	GS-11	4	25,560
Financial operations officer	GS-9	1	5,440
Property management specialist	GS-9	2	10,880
Financial operations assistant	GS-7	1	4,525
Personnel assistant	GS-7	2	9,050
Clerical assistant	GS-6	2	8,160
Financial operations assistant	GS-5	1	3,670
Clerical assistant	GS-4	10	34,150
Financial operations assistant	GS-4	1	3,415
Clerical assistant	GS-3	3	9,525
Director grade officer		2	22,867
Senior grade officer		2	23,086
Full grade officer		1	9,614
Total positions and annual salaries		54	340,721
Less lapses			20,274
Net cost			320,447

Summary of changes

1957 actual appropriation	\$3,892,000
Transfers from "Maintenance and operations, Army"	+21,000
Adjusted 1957 appropriation	3,913,000
1958 appropriation request	5,150,000
Net change requested	+1,237,000

	Positions	Estimate	Positions	House allowance
For mandatory items:				
Extra day of pay		\$9,200		\$9,200
Retirement contribution		151,928		151,928
Annualization of positions new in 1957		71,722		71,722
Social security		450		450
Total		233,300		233,300
For program items:				
For national health survey program	16	495,673	16	495,673
For immediate Office of the Surgeon General	6	55,576	6	55,576
For property management and general services activities	15	105,206	11	78,406
For financial management and audit program	13	105,402	13	105,402
For training and recruitment program, Division of Personnel	19	199,954	16	181,529
For information services	1	9,527	1	9,527
For central services—communications, etc.	0	32,362	0	27,587
Total change requested	+70	+1,237,000	+63	+1,187,000

STATEMENT BY CHIEF FINANCE OFFICER, PUBLIC HEALTH SERVICE, ON SALARIES AND EXPENSES, PUBLIC HEALTH SERVICE

Mr. Chairman and members of the committee, justification for this appropriation is presented under two principal activities, "Public health methods and reports" and "Management and central services." The first part of my statement will cover the budget request as submitted to Congress, after which I shall discuss the effect of action taken by the House.

Public health methods and reports, \$1,800,000

The estimate for this activity reflects an increase of \$582,000 over the current year. This increase includes mandatory items of payments to the retirement and social security funds, \$37,800, and pay above the 52-week base, \$2,430; as well as \$541,770 for the national health survey program for its first full year of operation.

The National Health Survey Act was adopted by the Congress and approved by the President on July 3, 1956. After thorough hearings on the proposal Congress determined (1) that the latest information on the number and relevant characteristics of persons in the country suffering from heart disease, cancer, diabetes, arthritis, and rheumatism, and other diseases, automobile and other accidental injuries, and handicapping conditions is seriously out of date; and (2) that periodic inventories providing reasonably current information on these matters are urgently needed for purposes such as appraisal of the state of health of our population; adequate planning of any programs to improve their health; research in the field of chronic diseases; and measurements of the number of persons in the working ages so disabled as to be unable to perform gainful work.

Many of the national statistics used in program planning and in medical research today are of doubtful accuracy. The last national health survey was completed in 1937. The only other data are based on a few small local surveys, the results of which cannot be used to build up an accurate composite picture, or may even give a misleading picture, of the Nation's health.

Each year Congress appropriates moneys for research, training, demonstrations, and other activities in the health field. State legislatures and county and municipal bodies appropriate funds for health purposes. All of these agencies require accurate, comprehensive, and current data if they wisely plan the efficient use of their staffs and other resources to accomplish their missions. Among the many questions apt to arise are such as these:

Are the funds spent for research on each of the various diseases and disabilities reasonable in the light of the relative importance of such diseases and disabilities?

Might new avenues of research be suggested by accurate and up-to-date information about the incidence of a given disease in the population by age, sex, place of residence, occupation, and the like?

Are the major health problems of today changing by reason of advances in medical science and public health techniques?

Private health organizations have equally pressing need for such information. Industrial health and safety programs would be influenced by such data. Drug, pharmaceutical, medical equipment, and other industrial concerns would have many uses for these basic statistics in planning the direction of their activities. Voluntary health agencies, in the same way, would benefit in many ways from the availability of these data. A large number of agencies concerned with every aspect of the Nation's health have requested that the survey include items which they need, and the survey plan established is designed to meet these needs.

In brief, everybody interested in the health of our people—the medical profession whose members attend them in their sickness, the public-health workers who must be alert to changes in disease patterns and devise means and methods to control them, the manufacturers who prepare medications and make hospital equipment—would find reliable and current information of great help to them in their fields of endeavor.

To get the program underway, the Congress appropriated \$700,000 for fiscal 1957. Before the end of the year, the complement of headquarters personnel will be substantially complete. Advisory committees of statistical experts and representatives of health and related fields in Federal, State, and nongovernmental areas, have been organized and consulted, and the questionnaire for the survey of sample households has been developed. The actual fieldwork of interviewing the households is to be done by the Bureau of the Census on a reimbursable cost basis. A pretest of the fieldwork and the questionnaire was completed in February. The experience of the pretest is being evaluated. The nationwide survey is scheduled to start about May 1. In the meantime, the study of methods and survey techniques has begun, and work is underway on the design of the special

studies which are to obtain additional morbidity information that cannot be gotten in household interviews.

More than half of the amount requested—\$236,900—will be needed to pay the Census Bureau for both a full year's fieldwork and an increased number of interviews per month which is planned for the coming year. The remainder is needed for the special studies which are to be undertaken in the coming year, for the first year of full operation of the study of methods, and for a full year's salaries and other expenses for the headquarters staff. The program is now underway; the field organization is established and the work of collecting data on a nationwide basis will begin about May 1.

Management and central services, \$3,350,000

Last year we gave you some statistics showing the relationship of this activity to the programs of the Service, comparing the situation in 1950 and our proposal for 1957. For example, the total positions in the Service had increased 34 percent since 1950 while management and central service positions had decreased 18 percent. Similarly, I would like for you to consider some significant comparisons in the 1958 budget proposals as related to our situation in 1950, as follows:

	Percent
Increase in total PHS positions.....	44
Decrease in management and central service positions.....	11
Dollar increase in all direct operations (this excludes all grants and construction items).....	149
Dollar increase in management and central service operations.....	54
Decrease in management and central service positions per \$1,000,000 of direct program.....	65
Decrease in management and central service positions per 100 total PHS positions.....	38

The statistics emphasize a fact of which we are painfully aware in the Surgeon General's Office—that there has been a constant reduction of staff due to absorption of increased costs that were beyond our control in most instances. Such absorbed costs include portions of legislative pay increases, salaries of telephone operators, and increased charges for duplicating, tabulating, switchboard service, and moving. From time to time we have had more positions in our budgets and Congress has made appropriations in the belief that some relief was being given, but we actually had no benefit. For example, in 1956 we had 409 positions and asked for 420 in 1957, an increase of 11. You appropriated \$2,657,600 (\$38,000 less than requested) and an increase of 6 positions, but now we find that it will support only 400 positions, 15 less than you thought you were giving us, and actually 9 less than we had in 1956.

During the past year, there has been legislation which adds substantially to the responsibilities of the Public Health Service and which increases the demands on management and central services. Such legislation includes the Health Amendments Act, the National Health Survey Act, Water Pollution Control Act Amendments, Dependents' Medical Care Act, National Library of Medicine Act, Health Research Facilities Act, and the Alaska Mental Health Act.

So, starting from the 400 positions in 1957, we need to add at least 54 positions, which we would use for the following purposes:

Six in the immediate office of the Surgeon General where the most pressing need is for a staff to do program analysis and appraisal of the many diverse and complicated activities of the Service.

Fifteen in the Division of Administrative Services to establish and maintain an adequate property management program and to evaluate general service activities in the field.

Thirteen in the Division of Finance, 10 of which would be used to provide the Internal Audit Branch with sufficient staff to conduct an annual audit of the 34 major accounting points and 84 satellite stations. We now have only seven positions and the contribution of this small group to the management efforts of the Service has been outstanding, but the coverage is quite inadequate. The other three positions are for the Fiscal Branch where we are developing backlogs in the handling of accounting transactions and vouchers despite a lot of overtime work.

Nineteen positions are for the Division of Personnel, where we are understaffed in such phases of personnel work as program coordination, personnel relations, recruitment, utilization, training, and processing.

And, finally, we want to add one position in the fields of public inquiries and information. We handle each year about 52,000 mail and telephone inquiries

for health information. The new legislation mentioned earlier in my testimony is bound to bring in many additional requests. Some of these inquiries are easy to handle, of course, but many of them deal with scientific and technical subjects and have to be handled with care.

EFFECT OF HOUSE ACTION

The entire reduction of \$50,000 made by the House will apply to the activity "Management and central services." It will result in the elimination of seven of the new positions that were proposed in the estimate. Four of these positions will be from the property and supply management program while three will be from the personnel program.

PRINCIPAL ACTIVITIES

MR. HARLOW. Mr. Chairman and members of the committee, the justification for this appropriation is presented under two principal activities, "Public health methods and reports" and "Management and central services." The estimate for "Public health methods and reports" reflects an increase of \$582,000 over the current year. This increase includes mandatory items of payments to the retirement and social-security funds in the amount of \$37,800, and pay above the 52-week base, amounting to \$2,430, as well as \$541,770 for the national health survey program for its first full year of operation.

NATIONAL HEALTH SURVEY ACT

The National Health Survey Act was adopted by the Congress and approved by the President on July 3, 1956. After thorough hearings on the proposal Congress determined, first, that the latest information on the number and relevant characteristics of persons in the country suffering from heart disease, cancer, diabetes, arthritis and rheumatism, and other diseases, automobile and other accidental injuries, and handicapping conditions is seriously out of date; and, secondly, that periodic inventories providing reasonably current information on these matters are urgently needed for purposes such as appraisal of the state of health of our population; adequate planning of any programs to improve their health, research in the field of chronic diseases, and measurements of the number of persons in the working ages so disabled as to be unable to perform gainful work.

1957 APPROPRIATION

To get the program underway, the Congress appropriated \$700,000 for fiscal 1957.

Before the end of the year, the complement of headquarters personnel will be substantially complete. Advisory committees of statistical experts and representatives of health and related fields in Federal, State, and nongovernmental areas, have been organized and consulted, and the questionnaire for the survey of sample households has been developed.

The actual fieldwork of interviewing the households is to be done by the Bureau of the Census on a reimbursable cost basis. A pretest of the fieldwork and the questionnaire was completed in February. The experience of the pretest is being evaluated. The nationwide survey is scheduled to start about May 1.

And, Senator, since this was written, the survey has actually gotten underway.

Senator HILL. I saw an article in the New York Times advising that the work was now underway. That is correct; is it?

Mr. HARLOW. Yes, sir.

MANAGEMENT AND CENTRAL SERVICES

In connection with the activity "Management and central services," I would like for you to consider some significant comparisons in the 1958 budget proposals as related to our situation in 1950. The comparisons are as follows:

The increase in total Public Health Service positions amounts to 44 percent.

Decrease in management and central service positions is 11 percent.

The dollar increase in all direct operations—and this excludes all grants and construction items—is 149 percent.

The dollar increase in management and central service operations is 54 percent.

The decrease in management and central service positions, per \$1 million of direct program, is 65 percent.

The percentage decrease in management and central service positions, per 100 total Public Health Service positions, is 38 percent.

Senator HILL. Did you say decrease, Mr. Harlow?

STAFF REDUCTION

Mr. HARLOW. Yes, sir.

The statistics emphasize a fact of which we are painfully aware in the Surgeon General's office—that there has been a constant reduction of staff due to "absorption" of increased costs that were beyond our control in most instances.

ADDITIONAL RESPONSIBILITIES

During the past year, there has been legislation which adds substantially to the responsibilities of the Public Health Service and which increases the demands on management and central services. Such legislation includes the Health Amendments Act, the National Health Survey Act, Water Pollution Control Act amendments, Dependents' Medical Care Act, National Library of Medicine Act, Health Research Facilities Act, and the Alaska Mental Health Act.

Senator HILL. All of those responsibilities and duties add considerably more to the work of the Public Health Service; do they not?

Mr. HARLOW. Yes, sir.

So, starting from the 400 positions in 1957, we need at least 54 additional positions to cover neglected areas of administration and to discharge new responsibilities.

The entire reduction of \$50,000 made by the House will apply to the activity "Management and central services." It will result in the elimination of 7 of the new positions that were proposed in the estimate. Four of these positions will be from the property and supply management program while three will be from the personnel program.

Senator, I have included in my prepared statement a statement with respect to the National Health Survey, not because I know so much about it myself but because it is a program financed by this appropriation and it was necessary to put something in the record about it.

If there is any additional information you want, we have with us Dr. Linder, the program director for that activity. He will be glad to supplement anything I have said if you think it desirable that he do so.

Senator HILL. I heard the testimony before the legislative committee in behalf of this legislation for the last session of Congress. I think I am quite familiar with the program and the intent and purposes of this survey and the need for this survey.

Senator THYE, do you have any questions you would like to ask?

\$50,000 HOUSE REDUCTION

Senator THYE. Yes, Mr. Chairman. I would like to ask about the reduction made by the House.

How serious a situation would develop, Mr. Harlow, in the event we were unsuccessful in restoring these funds that have been denied in the House appropriation?

Mr. HARLOW. Senator, the \$50,000 would, as I have stated, result in the elimination of 7 positions.

Senator THYE. Yes. I followed your statement as you went through that.

But the simple question I have is: Just how would the program suffer? What would be the hazards and the failures?

Mr. HARLOW. Senator, we think we can do very well with the amount that the House has allowed. Of course, however, the management activities of the Surgeon General would be just a little less thorough than they would have been otherwise.

Senator THYE. "Just a little less" thorough?

Mr. HARLOW. Yes, sir.

Senator THYE. It has been my understanding that the Surgeon General has been "absolutely" thorough, and there has never been any hesitation at any time in my mind about it. Never have I had any hesitation about that.

Senator HILL. We have always made that statement.

Senator THYE. That is the way I feel right now.

If the idea is that you think that the \$50,000 would sort of bolster him and make him more thorough, then I am not at all concerned, because the Surgeon General, in my opinion, is absolutely thorough now.

Mr. HARLOW. He is a thorough gentleman, I agree with that 100 percent.

Senator THYE. I am referring to the whole function of that Department. I have all the confidence in the world in his Department.

In fact, I might say you certainly got yourself on thin ice right now with the remark you made.

NEED FOR ADEQUATE STAFF

Mr. HARLOW. I did not mean it exactly as you have interpreted my statement, Senator. The Surgeon General has to have staff people to gather information and digest it and present facts to him as a basis on which to make his decisions. I do not say that, as a result of lack of staff work, the Surgeon General makes erroneous decisions.

Senator THYE. I am fully aware of what you meant by that.

TAXPAYERS MINDFUL OF TAX BURDEN

But when I asked the question, what I had in mind was this: You realize, of course, as well as I do, just what the situation is. I just returned from my State the middle of last night. I had been there for a Friday night meeting. I have been around these public offices for quite a few years now, not only here but also in the States. I will say that I have never seen a time when the taxpayer was as mindful as he is now of the tax burden imposed upon him, and I have never seen him quite as determined—and I now speak of Congress as a whole—that. “Either you do better with our money or we are just going to express ourselves most forcefully where we know our little voice can be recorded.”

I am telling you this because we are up against an irritated taxpayer. I myself just got through paying some taxes recently and I have real estate taxes coming due. I can get irritated myself without even saying anything about my colleagues, because of the burden that I have imposed upon myself as a taxpayer.

Mr. HARLOW. Senator, I am a taxpayer also, and no taxes are painless, as far as I am concerned. But it does seem to me that we have two situations to consider. The first is to consider the amount of money just as an amount that is appropriated; secondly, to consider what you get from the dollars you do appropriate.

It is through such services as we are able to get from items like this that determines, at least in some degree, what you get for the dollars you appropriate for all of the activities of the Public Health Service.

Senator THYE. I have always felt, from the standpoint of the Surgeon General's Department, that the public has had the greatest service possible. Therefore I am hesitant to express any feeling of economy in that Department.

That is what led me to ask the question. I wanted to have some conception of the hazard that would be placed before the people in the event we did not succeed in obtaining for you the amount specifically recommended.

That is all I have.

Thank you, Mr. Chairman.

Senator HILL. Thank you, Mr. Harlow.

Your complete prepared statement will appear in the record.

Mr. HARLOW. Thank you, sir.

Mr. KELLY. Senator Thye, may I express my appreciation for your kind statements about the Public Health Service. I will certainly convey them to the Secretary.

Senator THYE. There is no question in my mind at all about Public Health because I have had an opportunity to observe Public Health long before I came to Congress. I have always had the highest respect for Public Health.

Senator HILL. Dr. Overholser, we are glad to have you back with us this morning. You are next on our schedule.

ST. ELIZABETHS HOSPITAL

SALARIES AND EXPENSES

STATEMENT OF WINFRED OVERHOLSER, M. D., SUPERINTENDENT
OF ST. ELIZABETHS HOSPITAL

APPROPRIATION ESTIMATE

"Salaries and expenses: For expenses necessary for the maintenance and operation of the hospital, including [purchase of one passenger motor vehicle,] clothing for patients, and cooperation with organizations or individuals in the scientific research into the nature, causes, prevention and treatment of mental illness, [\$2,737,000] \$3,265,000."

Funds available for obligation

	1957 appropriation	1958 budget estimate	1958 House allowance
Direct appropriation.....	\$2,737,000	\$3,265,000	\$3,000,000
Proposed supplemental.....	133,000	0	0
Total.....	2,870,000	3,265,000	3,000,000
Reimbursements from other accounts.....	993,580	1,095,530	1,005,750
Reimbursements from non-Federal sources.....	10,908,120	12,229,470	11,234,250
Total available.....	14,771,700	16,590,000	15,240,000

Obligations by activities

Description	Number positions	1957 appropriations	Number positions	1958 budget estimate	Number positions	1958 House allowance
1. Operation and maintenance of hospital.....	2,684	\$14,427,005	2,956	\$16,147,996	2,684	\$14,886,396
2. Operation of farm.....	8	36,948	8	39,616	8	39,616
3. Operation of cafeteria.....	14	90,332	14	93,218	14	93,218
4. Training program.....	11	217,415	11	220,770	11	220,770
5. Research.....	0	0	14	88,400	0	0
Total obligations.....	2,717	14,771,700	3,003	16,590,000	2,717	15,240,000

EFFECT OF HOUSE ACTION

The House, in appropriating funds for salaries and expenses for St. Elizabeths Hospital for fiscal year 1958, allowed \$3 million, a reduction of \$265,000 from the amount requested. The reduction translated into total funds available (i. e. direct appropriation and reimbursements) amounts to \$1,350,000. Exclusive of the denied staff increases, the House allowance falls approximately \$435,600 (\$85,800 appropriation and \$349,800 reimbursements) short of providing funds for mandatory wage board increases, employee uniforms, etc., and other essential items of supplies and equipment in 1958. The reduction in funds requested would have the following effect on hospital activities:

Activity 1. Operation and maintenance of hospital

The allowance for this activity amounts to a reduction of \$1,261,600 (\$249,000 in direct appropriation and \$1,012,600 in reimbursements) under the request. The reduction would:

(a) Deny 272 additional positions urgently needed for the operation and maintenance activities of the hospital. Thus no relief could be afforded a staff inadequate in size for many years and now burdened increasingly with additional responsibilities resulting from the changing nature of the patient population and the growth and complexity of the physical plant. Modern drugs, improved treatment techniques, and new concepts of patient care now available greatly enhance the mental patients' chances of recovery and return to the community. The use of these new drugs, procedures, and treatment concepts, however, results

in the need for substantially more staff than that required for custodial type care, particularly since many patients benefiting were previously regarded as treatment failures.

The lack of sufficient medical officers, psychologists, social workers, therapists, technicians, ward staff, etc., to make effective use of these advances in psychiatric knowledge would make it impossible in many instances to provide the "most enlightened" curative treatment to patients. Likewise, the lack of adequate staff in the administrative and maintenance areas will indirectly but ultimately have an adverse effect on the standards of care and treatment of patients.

(b) Total funds available under the House allowance for 1958 would be \$15,240,000 (\$3 million appropriation and \$12,240,000 reimbursements), a total increase of \$639,756 (\$263,000 appropriation and \$376,756 reimbursements) over funds available from the 1957 enactment. Mandatory items of cost arising subsequent to enactment of the 1957 budget (wage board increases, nurse position reallocations, retirement contributions for 1957 staff, annualization of positions new in 1957) alone total \$719,730. Thus the total increase in funds allowed will actually be \$80,000 under the amount required for mandatory increases which must be met in 1958.

The reduction in funds requested would also make it impossible to provide other vital items totaling \$355,600 as follows:

Minor building repairs.....	\$10, 000
Supplies and materials.....	210, 600
Equipment.....	135, 000
Total.....	355, 600

The failure to provide sufficient funds to permit an adequate supply and equipment program will have a very serious effect on hospital operations. There are few discretionary items in the supply and material account. The hospital must obviously continue to furnish drugs, medicines, clothing, and food to the patients, and to supply necessary utilities. Actual issues of supplies and materials have been in excess of funds available for inventory replacement both in 1956 and 1957. Continuation of this practice in 1958 would be most harmful to the entire supply program and might well result in denying necessary items to the patients. With respect to equipment, failure to obtain the amount requested will mean that equipment replacement will have to be on an emergency basis and we shall rapidly approach the state prevailing some years ago.

The shortages outlined above (i. e. \$80,000 for mandatory increases and \$355,600 for other essentials, exclusive of staff increases) total \$435,600. Without these funds (\$85,800 in direct appropriation and \$349,800 in reimbursements), the hospital cannot maintain even its present standards of patient care and will be forced to make cuts approximately as follows:

Food: \$100,000 or approximately 5 percent below 1957 issues.

Other supplies including drugs and medicines: \$175,600 or approximately 12 percent below 1957 issues.

Equipment: \$160,000 or approximately 80 percent below 1957 approved budget.

These reductions will seriously hamper the hospital in its efforts to discharge fully its statutory duty—the furnishing of "the most humane and enlightened curative treatment" to the mentally ill.

Activity 2. Operation of the farm

The House allowed the full amount of the request which will permit the continuation of farm activities at the 1957 level.

Activity 3. Operation of the cafeteria

The full amount of the request for this activity was allowed permitting the continuation of operations at the current year (1957) level.

Activity 4. Training program

The House allowed the full amount of the request for this activity. The funds will permit the continuation of training activities at the 1957 level. The training program provides a source for medical and nursing staff recruitment through the training of medical, psychiatric, and dental interns, student nurses, and other groups concerned with the care and treatment of psychiatric patients.

Activity 5. Research program

The House disallowed the total amount requested (\$88,400) for the initiation of a new research program in 1958. The hospital, in past years, has conducted

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as an integral part of its main operation, scientific activities dealing with the nature, causes, prevention, and treatment of mental illness. The full potential of the program has never been reached, however, due mainly to the fact that the hospital has had no specific funds or personnel assigned to research as such. Research activities as have been possible have been conducted on staff members' personal time, inasmuch as the ever-increasing demand for professional services to patients left little time for research during regular hours.

Clinical research activities contemplated under the rejected program could be expected to contribute to the store of knowledge relating to the treatment of the mentally ill.

Obligations by objects

Object	1957 appro- priation	1958 budget estimate	1958 House allowance
01 Personal services.....	\$11, 126, 826	\$12, 023, 210	\$11, 171, 173
02 Travel.....	2, 750	2, 750	2, 750
03 Transportation of things.....	3, 415	3, 415	3, 415
04 Communication services.....	15, 150	15, 300	15, 150
05 Rents and utility services.....	121, 350	121, 350	121, 350
06 Printing and reproduction.....	11, 750	11, 750	11, 750
07 Other contractual services.....	102, 300	105, 400	92, 300
08 Supplies and materials.....	3, 311, 349	3, 478, 765	3, 185, 302
09 Equipment.....	140, 000	213, 250	75, 000
11 Grants, subsidies, and contributions to retirement fund.....	0	678, 000	625, 000
13 Refunds, awards, and indemnities.....	3, 300	3, 300	3, 300
15 Taxes and assessments.....	8, 200	8, 200	8, 200
Subtotal.....	14, 846, 390	16, 664, 690	15, 314, 690
Deduct charges for quarters, subsistence and laundry.....	-74, 690	-74, 690	-74, 690
Total obligations.....	14, 771, 700	16, 590, 000	15, 240, 000

Detailed list of new positions, 1958

ACTIVITY 1. OPERATION AND MAINTENANCE OF HOSPITAL

Title	Grade	Position	Annual salary
Medical officer.....	GS-12.....	3	\$25, 935
Clinical psychologist.....	GS-11.....	1	6, 390
Organization and methods examiner.....	GS-11.....	1	6, 390
Assistant finance officer.....	GS-10.....	1	5, 915
Assistant electrical engineer.....	GS-10.....	1	5, 915
Assistant director of nursing service.....	GS-9.....	1	5, 440
Assistant nurse supervisor.....	GS-9.....	1	5, 440
Clinical psychologist.....	GS-9.....	1	5, 440
Employment assistant.....	GS-9.....	1	5, 440
Librarian.....	GS-9.....	1	5, 440
Nurse instructor.....	GS-9.....	1	5, 440
Organization and methods examiner.....	GS-9.....	1	5, 440
Personnel assistant.....	GS-9.....	2	10, 880
Social service supervisor.....	GS-9.....	1	5, 440
Librarian.....	GS-7.....	1	4, 525
Nurse.....	GS-7.....	13	58, 825
Occupational therapist.....	GS-7.....	2	9, 050
Organization and methods examiner.....	GS-7.....	1	4, 525
Personnel assistant.....	GS-7.....	1	4, 525
Pharmacist.....	GS-7.....	1	4, 525
Procurement assistant.....	GS-7.....	1	4, 525
Social service worker.....	GS-7.....	2	9, 050
Assistant chief gardener.....	GS-6.....	1	4, 080
Dental technician.....	GS-6.....	1	4, 080
Clerk (board of examiners).....	GS-5.....	1	3, 670
Medical technician.....	GS-5.....	1	3, 670
Personnel assistant.....	GS-5.....	1	3, 670
Recreation leader.....	GS-5.....	1	3, 670
Clerk, account.....	GS-4.....	2	6, 830
Clerk, typist.....	GS-4.....	4	13, 660
Secretary (stenographer).....	GS-4.....	2	6, 830
Storekeeper.....	GS-4.....	1	3, 415
Attendant.....	GS-3.....	57	180, 975
Barber.....	GS-3.....	1	3, 175
Beautician.....	GS-3.....	2	6, 350
Clerk, dental.....	GS-3.....	1	3, 175
Clerk, stenographer.....	GS-3.....	2	6, 350
Clerk, typist.....	GS-3.....	5	15, 875
Clerk, ward.....	GS-3.....	2	6, 350
Clerk, X-ray.....	GS-3.....	1	3, 175

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Detailed list of new positions, 1958—Continued

ACTIVITY 1. OPERATION AND MAINTENANCE OF HOSPITAL—Continued

Title	Grade	Position	Annual salary
Dictating machine transcriber.....	GS-3.....	1	\$3, 175
Occupational therapy aide.....	GS-3.....	4	12, 700
Physical therapy aide.....	GS-3.....	1	3, 175
Cable splicer.....	WB-17 ¹	1	4, 867
Painter.....	WB-13.....	1	4, 451
Machinist.....	WB-12.....	1	4, 347
Floor covering and shademan.....	WB-12.....	1	4, 347
Painter.....	WB-11.....	4	16, 972
Electrician.....	WB-08.....	2	7, 862
Elevator mechanic.....	WB-08.....	2	7, 862
Housekeeper, assistant.....	WB-08.....	3	11, 793
Seamstress.....	WB-07.....	2	7, 654
Housekeeper, assistant.....	WB-06.....	1	3, 723
Baker's helper.....	WB-05.....	1	3, 619
Truckdriver.....	WB-05.....	1	3, 619
Gardener's helper.....	WB-04.....	1	3, 266
Kitchen helper.....	WB-04.....	2	4, 742
Housekeeping aide.....	WB-03.....	1	2, 912
Creamery man.....	WB-03.....	1	2, 267
Kitchen helper.....	WB-03.....	2	4, 534
Kitchen helper (supplies).....	WB-03.....	1	2, 267
Laborer.....	WB-03.....	2	5, 824
Laundry receiver and sorter.....	WB-03.....	2	4, 452
Kitchen helper.....	WB-02.....	10	22, 256
Ward aide.....	WB-02.....	99	251, 262
Total activity 1.....		272	887, 443

ACTIVITY 5. RESEARCH PROGRAM

Director of research.....	GS-15.....	1	\$12, 690
Pharmacologist.....	GS-14.....	1	10, 320
Social scientist.....	GS-14.....	1	10, 320
Assistant director of research.....	GS-13.....	1	10, 065
Research psychologist.....	GS-13.....	1	8, 990
Social scientist.....	GS-11.....	2	12, 780
Research nurse.....	GS-9.....	1	5, 440
Research social worker.....	GS-9.....	1	5, 440
Laboratory technician.....	GS-7.....	2	9, 050
Secretary.....	GS-5.....	1	3, 670
Clerk, stenographer.....	GS-4.....	2	6, 830
Total activity 5.....		14	95, 595
Total new positions (gross).....		286	983, 038

¹ Wage board.

Summary of changes

1957 appropriation.....	82, 737, 000
Estimated reimbursements.....	11, 901, 700
Supplemental estimate pending before Congress.....	133, 000
Total new obligational authority for 1957.....	14, 771, 700
1958 appropriation request.....	3, 265, 000
Estimated reimbursements.....	13, 325, 000
Total new obligational authority for 1958.....	16, 590, 000
Net change requested.....	1, 818, 300

	1958 estimate		House allowance	
	Number positions	Amount	Number positions	Amount
For mandatory items:				
Contribution to retirement fund, Public Law 854.....		\$625, 000		\$625, 000
Wage Board resurveys.....		36, 987		36, 987
Annualization of positions new in 1957.....		7, 360		7, 360
Reallocation of nurses.....		20, 000		20, 000
Subtotal.....		689, 347		689, 347
For program items:				
Operation and maintenance of hospital.....	272	1, 040, 553	0	-221, 047
Research program.....	14	88, 400	0	0
Subtotal.....	286	1, 128, 953	0	-221, 047
Total.....	286	1, 818, 300		468, 300

Statement of average daily patient population

	1956 actual	1957 estimate	1958 estimate
Reimbursable:			
Public Health Service (Indians).....	71	68	68
District of Columbia (residents).....	5, 205	5, 077	5, 077
District of Columbia (voluntary).....	79	96	96
U. S. Soldiers Home.....	41	48	48
Veterans' Administration.....	349	350	350
United States—State prisoner.....	1	1	1
Reimbursable total.....	5, 746	5, 640	5, 640
Nonreimbursable:			
U. S. Army.....	245	235	230
Canadian insane.....	57	56	55
U. S. Coast Guard.....	16	15	14
District of Columbia nonresidents.....	218	220	220
U. S. Marine Corps.....	21	21	20
U. S. Navy.....	95	90	85
District of Columbia prisoners.....	319	346	348
United States military prisoners.....	30	28	28
United States prisoners.....	131	127	127
Public Health Service.....	50	50	50
Virgin Islands.....	152	162	172
Miscellaneous.....	40	40	41
Nonreimbursable total.....	1, 374	1, 390	1, 390
Total patients.....	7, 120	7, 030	7, 030

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APPROPRIATION ESTIMATE

"Major repairs and preservation of buildings and grounds: For miscellaneous construction, alterations, repairs, and equipment, on the grounds of the hospital, including preparation of plans and specifications, advertising, and supervision of construction, **[\$270,000]** \$55,000, to remain available until June 30, **[1958]** 1959: *Provided*, That any part of this amount may be transferred to the General Services Administration."

Funds available for obligation

	1957 appro- priation	1958 budget estimate	1958 House allowance
Appropriation.....	\$270, 000	\$55, 000	\$55, 000
Unobligated balance from prior years.....	301, 394	3, 600	3, 600
Total available.....	571, 394	58, 600	58, 600

Obligations by activity

Description	1957 appro- priation	1958 budget estimate	1958 House allowance
1. Building repairs and improvements.....	\$402, 838	\$24, 200	\$24, 200
2. Ground maintenance and improvements.....	102, 192	0	0
3. Utility facilities, repairs and improvements.....	62, 764	34, 400	34, 400
Total obligations.....	567, 794	58, 600	58, 600

Obligations by object

Object	1957 appro- priation	1958 budget estimate	1958 House allowance
06 Printing and reproduction.....	\$4, 000	\$500	\$500
07 Other contractual services.....	162, 494	7, 500	7, 500
08 Supplies and materials.....	600	0	0
10 Lands and structures.....	400, 700	50, 600	50, 600
Total obligations.....	567, 794	58, 600	58, 600

APPROPRIATION ESTIMATE

"Construction, treatment and cafeteria building: For expenses necessary for the preparation of plans and specifications for a treatment and cafeteria building at Saint Elizabeths Hospital, \$180,000, to remain available until expended: *Provided*, That any part of this amount may be transferred to General Services Administration."

Funds available for obligation

	1957 appro- priation	1958 budget estimate	1958 House allowance
Appropriation (total available).....	0	\$180, 000	\$180, 000

Obligations by activity

Description	1957 appro- priation	1958 budget estimate	1958 House allowance
Design, supervision, etc. (total obligation).....	0	\$180, 000	\$180, 000

Obligations by object

Object	1957 appropriation	1958 budget estimate	1958 House allowance
06 Printing and reproduction.....	0	\$7,500	\$7,500
07 Other contractual services.....	0	172,000	172,000
08 Supplies and materials.....	0	500	500
Total obligations.....	0	180,000	180,000

STATEMENT BY WINFRED OVERHOLSER, M. D., SUPERINTENDENT OF ST. ELIZABETHS HOSPITAL, ON SALARIES AND EXPENSES, ST. ELIZABETHS HOSPITAL

Mr. Chairman and members of the committee, I should like to describe briefly the program objectives and appropriation increases for St. Elizabeths Hospital as covered in the 1958 budget request now before the committee, and to explain the effect of reductions made by the House.

HISTORY AND FUNCTIONS

St. Elizabeths Hospital was established by the act of March 3, 1855, as the Government Hospital for the Insane. It became St. Elizabeths Hospital by the act of July 1, 1916. The hospital provides care and treatment for several classes of mentally ill persons, including those residing in the District of Columbia, beneficiaries of the Veterans' Administration, Public Health Service, insane persons charged with or convicted of crimes in the United States courts including the courts of the District of Columbia, certain United States citizens found insane in Canada, the Canal Zone, and the Virgin Islands, certain Foreign Service personnel, and members of the military admitted prior to July 16, 1946.

Funds for the operation of the hospital are obtained through a direct appropriation covering most of the Federal beneficiaries and by reimbursements for care rendered other groups, principally residents of the District of Columbia.

1958 INCREASES

The 1958 budget as submitted to you provides for a total increase of \$1,818,300 (\$895,000 in direct appropriation and \$1,423,300 in reimbursements) over funds for the current fiscal year derived from the 1957 appropriation and a proposed supplemental for the same year. The additional funds required in 1958 are principally for (1) urgently needed staff increases, (2) a new research program, (3) mandatory contributions to the retirement fund, (4) stabilization of inventories, and (5) essential equipment replacements.

PATIENT LOAD

Requirements for 1958 are based on an anticipated patient load of 7,030. The downward trend in patient population which began approximately 18 months ago has apparently ceased and the load has actually increased slightly in the last few months. There are present indications that the load will probably level off at approximately the 1958 estimated figure.

PERSONAL SERVICES

With respect to the additional staffing requested, it would seem pertinent at this point to review briefly the personnel problems which have confronted the hospital in recent years. A continuing and mounting personnel shortage has existed at St. Elizabeths Hospital for some years. Adjustments in recent years in personal service funds have been generally inadequate to overcome the increasing burden placed on the hospital by the changing nature of the patient population—notably the constantly increasing average age—and major changes in treatment techniques and requirements.

The problem has increased greatly in the last few years due to advances in psychiatric knowledge which have changed considerably the care and treatment programs of progressive mental hospitals. Modern drugs, particularly tranquilizing drugs, have, for example, changed the atmosphere of the psychiatric ward. Patients previously unapproachable, medically speaking, are now amenable to,

and indeed demand, the improved treatment techniques and procedures now possible. Today, there is less requirement for custodial care and more demand for active therapeutic programs. Substantially more staff is required to carry out these programs.

The hospital completed in the latter part of the past fiscal year an extensive analysis of its existing staff assignments and of the actual personnel requirements in order to provide reasonable adequate standards of care and treatment of patients. The study included a review of the need for increases in the administrative and maintenance staffs, where serious shortages have existed which have an indirect but material effect on services rendered patients. An analysis of the data developed in this study showed the need for 1,146 additional employees to enable the hospital properly to perform its assigned task, that is "furnishing the most humane and enlightened curative treatment" to the mentally ill.

Recognizing the obvious difficulties in recruiting and training such a number of new employees, as well as budgetary implications, the hospital proposes a 4-year plan of staff increases. Accordingly, the 1958 request provides for a gross increase of 286 positions, 14 of which are for the initiation of a new research program. The 272 additional positions requested for the operation and maintenance of the hospital are primarily medical and ward staffing positions but also include badly needed additions to understaffed administrative and maintenance units.

Estimated average employment in 1958, after lapses for anticipated delays in filling new positions, etc., is 2,951, a net increase of 236 over the current year estimate. This results in a patient-to-employee ratio of 2.4 to 1, a conservative ratio in comparison with other well-run psychiatric hospitals.

RESEARCH PROGRAM

St. Elizabeths in past years has conducted, as an integral part of its main operation, scientific activities dealing with the nature, causes, prevention, and treatment of mental illness. The full potential of the program has never been reached, however, due mainly to the fact that the Hospital has had no specific funds or personnel assigned to research as such. Moreover, in recent years, such research activities as have been possible, have been conducted on staff members' personal time, inasmuch as the everincreasing demand for professional services to patients left little time for such work during regular hours.

The hospital proposes in 1958 to establish a research unit to supplant partially the relatively uncoordinated research possible in the past and to broaden the program to take advantage of the many advances in psychiatric knowledge. Fourteen additional positions are requested for the initiation of this program.

RETIREMENT FUND

The 1958 budget also provides an additional amount of \$678,000 for mandatory contributions to the civil service retirement fund in accordance with the provisions of title IV of Public Law 851, 84th Congress. The amount represents 6½ percent of basic salaries of all positions subject to the Retirement Act and covers contributions for the period July 14, 1957, to June 30, 1958.

SUPPLIES AND MATERIALS

Substantial reductions have been effected in the hospital's inventories of supplies and materials over the past few years. Anticipated consumption in excess of stock replenishment will have reduced these inventories to minimum operating levels by the close of fiscal year 1957. The 1958 budget request will provide only sufficient funds to maintain inventories at the 1957 level.

Rehabilitation work presently underway on the hospital's coal handling and storage facilities has prevented the storage of coal and has forced the hospital to depend on day-to-day deliveries for its fuel. The danger of operating a hospital facility without an adequate stockpile of fuel is obvious. Completion of the rehabilitation work by the close of the current fiscal year will again permit the storage of coal. Additional funds requested in 1958 will provide a reasonable inventory approximating the requirements for an average winter month.

EQUIPMENT

The original 1957 budget provided \$210,000 for the replacement of equipment. However, several mandatory items of cost arising subsequent to formulation of the 1957 budget estimates, particularly price increases in coal and fuel oil, have necessitated the use of equipment funds for other purposes, reducing the amount available in the current year (including funds anticipated in the proposed 1957 supplemental) to an estimated \$140,000. This will result in the deferment of many badly needed items.

Funds requested in 1958 provide only for the restoration of the equipment account to the level originally approved for 1957. These funds would be used for replacement of the most essential items directly related to the care and treatment programs of the hospital, principally ward furniture, mechanical, electrical, and dietary equipment.

EFFECT OF HOUSE ACTION

The House, in appropriating funds for salaries and expenses for St. Elizabeths Hospital for fiscal year 1958, has approved the recommendation of its Committee on Appropriations that funds requested for this purpose be reduced \$265,000. The reduction translated into total funds available (i. e., direct appropriation and reimbursements) amounts to \$1,350,000. Exclusive of staff increases, the House allowance falls approximately \$435,600 (\$85,800 appropriation and \$349,800 reimbursements) short of providing for the additional mandatory and other essential items in 1958.

The committee report states that the allowances will be sufficient to cover mandatory increases in 1958 but will not provide for any additional personnel. It further indicates that the allowances are based to some extent on the assumption that the patient load of the hospital will continue to decline. Actually, the amounts allowed will fall approximately \$80,000 (\$15,600 in direct appropriation and \$64,400 in reimbursements) short of covering even the mandatory increases in 1958. With respect to patient load, it is my opinion, based on patient population statistics of the hospital, that the downward trend in load has ceased and that the load will remain at substantially the level estimated in the budget for 1958. Not only has there been no decrease in population over the past 5 or 6 months, but there has actually been an increase of approximately 50 patients since September 1956. I feel confident that the actual patient load for 1958 will deviate less than 1 percent one way or the other from the estimate contained in our budget submission.

The reduction in allowances proposed by the House would have the following effect on hospital operations:

(a) Additional positions urgently needed for the operation and maintenance activities of the hospital could not be added. Thus no relief could be afforded a staff inadequate in size for many years and now burdened increasingly with additional responsibilities resulting from the changing nature of the patient population and the growth and complexity of the physical plant.

Modern drugs, improved treatment techniques, and new concepts of patient care now available enhance greatly the mental patients' chances of recovery and return to the community. The use of these new drugs, procedures, and treatment concepts, however, results in the need for substantially more staff than that required for custodial type care, particularly since many patients benefiting were previously regarded as treatment failures. The lack of sufficient medical officers, psychologists, social workers, therapists, technicians, ward staff, etc., to make effective use of these advances in psychiatric knowledge will be to deny in many instances the "most enlightened" curative treatment to patients. Likewise, the lack of adequate staff in the administrative and maintenance areas will indirectly but ultimately have an adverse effect on the standards of patient care and treatment.

(b) The House allowance would eliminate funds for the modest research program proposed for 1958. Much has been accomplished in the field of psychiatric research—much remains to be done, particularly with respect to clinical research. St. Elizabeths is endowed with one of the essentials for such research—the patient. Clinical research activities contemplated under the rejected program could be expected to contribute to the store of knowledge relating to the treatment of the mentally ill.

(c) Total funds available under the House allowance for 1958 would be \$15,240,000 (\$3 million in appropriation and \$12,240,000 reimbursements), a total increase of \$639,756 (\$263,000 appropriation and \$376,756 reimbursements) over funds available from the 1957 enactment. Mandatory items of cost arising

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subsequent to enactment of the 1957 budget, that is, additional items which must be met in 1958, may be summarized as follows:

Wage board increases.....	\$87, 370
Nurse reallocation.....	20, 000
Annualization of positions new in 1957.....	7, 360
Retirement contributions for 1957 staff.....	625, 000
Decrease in holiday pay.....	-20, 000
Total.....	719, 730

Thus it can be seen that the total increase allowed by the House (\$639,756) will actually be \$80,000 under the amount required for mandatory increases alone.

Also, no funds would be available for other vital increases totaling \$355,600 as follows:

Minor building repairs.....	\$10, 000
Supplies and materials.....	210, 600
Equipment.....	135, 000
Total.....	355, 600

The failure to provide sufficient funds to permit an adequate supply and equipment program will have a very serious effect on hospital operations. There are very few discretionary items in the supply and material account. We must obviously continue to furnish drugs, medicines, clothing, and food to our patients and supply utilities. Actual issues of supplies and materials have been in excess of funds available for inventory replacement both in 1956 and 1957. Continuation of this practice in 1958 would be most harmful to the entire supply program and might well result in denying necessary items to the patients. With respect to equipment, failure to obtain the amount requested will mean that equipment replacement will be on an emergency basis and we shall rapidly approach the state prevailing some years ago.

The hospital cannot maintain even its present standards of care and treatment unless adequate supplies and equipment are made available.

The reduction of funds made by the House will seriously hamper the hospital in its efforts to discharge fully its statutory duty—the furnishing of “the most humane and enlightened curative treatment” to the mentally ill.

REQUEST FOR RESTORATION OF FUNDS

It is our belief that neither the House Committee on Appropriations nor the House of Representatives had any intention of lowering the standards of care now given to patients of St. Elizabeths Hospital. In order to maintain these standards, it is necessary that sufficient funds be provided in 1958 to include the full cost of mandatory increases and essential supply and equipment requirements.

We therefore respectfully request the favorable consideration of this committee to our appeal for restoration of \$85,800 in the salaries and expenses appropriation to provide for the following:

Item	Direct appropriation	Reimbursements	Total cost
Mandatory increases.....	\$15, 600	\$64, 400	\$80, 000
Other essential items.....	70, 200	285, 400	355, 600
Total.....	85, 800	349, 800	435, 600

Restoration of the amount requested will permit the hospital to continue the present standards of care and treatment to patients.

GENERAL STATEMENT

Senator HILL. Dr. Overholser, I understand you have filed your statement with the committee.

Dr. OVERHOLSER. Yes, sir.

Senator HILL. The entire statement will appear in the record at the conclusion of your oral statement.

Dr. OVERHOLSER. Thank you, Mr. Chairman.

HOUSE REDUCTION

Senator HILL. I notice the House made a reduction of \$265,000 in your request; did they not?

Dr. OVERHOLSER. Yes, sir.

Senator HILL. You may proceed in your own way, now, Doctor.

Dr. OVERHOLSER. I will be as brief as I can, sir. I realize you are pressed for time.

The action taken in the House on the 1958 budget would eliminate all increases for additional staff, the research program, inventory stabilization, and equipment replacement.

Senator HILL. Was this reduction made by the House committee, or was it made by the full House?

Dr. OVERHOLSER. By the committee.

The hospital respectfully requests restoration by this committee of sufficient funds, namely, \$85,800, in direct appropriations, to include the full cost of mandatory increases and to provide adequate supplies and equipment in 1958. The amount requested will permit only the continuation of our current standards of patient care.

The other items, such as major repairs and construction of a treatment and cafeteria building, were acted upon favorably in the House. The only question comes up with the \$85,800.

STATUTORY OBLIGATIONS

Senator HILL. What this means is that you are asking for \$85,800 in order to enable you to meet your statutory obligations, is that correct?

Dr. OBERHOLSER. Yes, sir.

There is a wage board increase included in that. One obligation consists of the mandatory contributions to the civil service retirement fund. Then there is the reallocation of the nurses. The balance of it would be to pull our inventory up to where it normally ought to be.

Senator HILL. In what amount would that balance be?

Dr. OBERHOLSER. I can give you the exact figure, sir. The other essential items besides the mandatory increases will come to \$70,200.

Senator HILL. Would the inventory item be only some \$15,000?

Dr. OBERHOLSER. No, sir. That is the mandatory increase.

Senator HILL. I thought the mandatory increase would be some \$75,000.

Dr. OVERHOLSER. No, sir. That is the other essential items. The mandatory increase is \$15,600.

Senator HILL. Then in order to bring your inventory up to what it has been in the past you would need an additional \$75,000, is that correct?

Dr. OVERHOLSER. Yes, sir. That is for operating equipment and supplies.

Senator HILL. Then that \$85,800 restoration you are asking is out of the reduction made by the House, in the amount of \$250,000; is that correct?

Dr. OVERHOLSER. That is correct.

Senator HILL. Do you have any questions, Senator Thye?

Senator THYE. No questions, Mr. Chairman.

Senator HILL. Dr. Overholser, we are certainly glad to have had you with us this morning, and your complete prepared statement will appear in the record.

Dr. OVERHOLSER. Thank you, Mr. Chairman.

Senator HILL. I believe Mr. Schottland is next.

Before you leave, Dr. Overholser, I would like to say that we are always glad to have you here before us. We feel that you are doing fine work out there.

Dr. OVERHOLSER. Thank you, sir.

SOCIAL SECURITY ADMINISTRATION

STATEMENT OF CHARLES I. SCHOTTLAND, COMMISSIONER OF SOCIAL SECURITY

STATEMENT BY COMMISSIONER

My name is Charles I. Schottland. I am Commissioner of Social Security and I would like to make a few general statements in connection with the detailed consideration which you will give to the budget requests of the various bureaus of the Social Security Administration. These requests will be discussed in detail by the bureau directors. However, I shall be available for any questions which the committee may have in the course of their presentation. At this particular time I would like to review the substantial expansions which were made in our programs by the Congress since we last appeared before this committee and to comment on trends and relationships among the various programs.

Social Security Amendments of 1956

The Congress, during the closing days of the last session, enacted into law the Social Security Amendments of 1956 which included some of the most fundamental changes in the Social Security Act since it was originally enacted in 1935. Some indication of the magnitude and importance of the new legislation may be shown by the fact that old-age and survivors insurance benefits are increased over the long run by about \$1.5 billion a year, Federal funds for public assistance are increased by about \$170 million a year, and old-age and survivors insurance coverage becomes almost universal. The new legislation covers a wide range of subject matter, the most important of which are—

1. Provision for the payment of cash benefits to persons age 50 and over who are totally disabled.

2. Lowering the minimum retirement age for women from 65 to 62 but with actuarially reduced benefits for women workers and wives.

3. Extension of old-age and survivors insurance coverage to some 900,000 additional civilian workers—other legislation extended coverage to about 2,850,000 in the military service.

4. Payment of insurance benefits to persons disabled prior to age 18 who were or are dependent on retired or deceased workers.

5. Increase in the OASI tax rate of one-quarter of 1 percent each on employees and employers, and three-eighths of 1 percent on the self-employed to finance disability benefits.

6. Increased Federal participation in all four public-assistance programs: old-age assistance, aid to dependent children, aid to the blind, and aid to the permanently and totally disabled.

7. Provision for Federal grants to the States for medical care of public assistance recipients on 50-50 matching basis up to \$6 on the average per month for adults and \$3 for children.

8. Provision for Federal financial participation in State public assistance activities which promote self-support and self-care and help maintain and strengthen family life.

9. Provision of Federal grants for training of public assistance personnel.
10. Provision for Federal participation in the financing of a program of cooperative research and demonstration projects in social security.

11. Increased Federal child welfare authorization from \$10 million to \$12 million effective with fiscal year 1958.

Impact of amendments on workloads

I think it can be said that few agencies of Government have had legislative changes which resulted in such substantial program and workload expansions as we have within the last year. For example, the reduction in the eligibility age for women to age 62 alone has already resulted in the receipt of over 620,000 claims by the Bureau of Old-Age and Survivors Insurance and the Bureau's total operations will be increased by about 30 percent over the preamendment level projected for this current fiscal year. While it is not possible to measure the workload increases of the Bureau of Public Assistance or the Office of the Commissioner in like terms, the impact of the amendments upon the activities of these offices was likewise real, immediate and substantial.

Where are we today in our programs

Programwise, during the current fiscal year more than 10 million individuals will receive payments under the OASI program, totaling in excess of \$6 billion. We also now have almost universal coverage of all workers under the program, the only major groups with substantial earnings not now covered being Federal employees and doctors of medicine. Administratively, as a result of the recent amendments, the workloads and backlogs of this Bureau are at an alltime high and the time lag in processing claims applications is very much longer than usual. Nevertheless, we are making real efforts to render a high standard of service to the American people at a consistently low administrative cost—a cost much lower than either the friends or critics thought possible 20 years ago.

I would like to make a brief comment or two about our public assistance programs. The statements of purpose in all four of our assistance programs under the recent amendments now specify that in addition to financial assistance, their purpose is also to enable States to furnish appropriate welfare services to help assistance recipients toward self-dependent living. In aid to dependent children, emphasis is directed toward maintaining and strengthening family life. In the aged program, services are to be directed toward self-care, while program objectives for the blind and disabled are directed toward assisting individuals toward self-support and self-care. It is now clear that our job is not only to help people in distress, but to help them out of their distress through encouraging and assisting them to care for themselves. We have a real opportunity in the Federal Government today to take the leadership in a program of rehabilitation, self-support and related objectives as set forth in the 1956 amendments. The details of this program will be discussed later in greater detail as will the program of financial assistance for training of public assistance workers and the program of cooperative research and demonstration projects in social security.

We will give major emphasis in 1958 to assessing the roles now played by our programs in meeting the needs of the aged and in strengthening these roles since the programs of the Social Security Administration are of vital importance to the economic security of our rapidly growing aged population. Almost three-fourths of the retired aged look to the insurance or the assistance program for a major source of income. Increasingly, the programs touch on aspects that go beyond income maintenance alone. As previously indicated, the 1956 amendments strengthened the ability of the assistance program to meet medical care needs and placed emphasis on services to help aged recipients to achieve self-care. More and more, beneficiaries and other aged people are turning to the Social Security Administration for information on community services and the staff of our offices are increasingly involved in community programs in aging.

In view of the increase in the child population, considerable attention has been and must continue to be given to the various programs for children. Between now and this time tomorrow 11,500 babies will be born in the United States and we now have about 57 million children under age 18. This has a serious impact on all our programs. The aid to dependent children program today assists more than 1.7 million children and involves an expenditure of Federal funds amounting to about \$440 million annually. The number of children receiving benefits under the OASI program is rapidly increasing and in the not far distant future will replace the aid to dependent children program as the largest income maintenance program for children. Most people do not realize that 1,360,000 children currently receive such insurance benefits, many of whom would otherwise be receiving aid to dependent children.

Based upon current population estimates, the child population will increase by almost 25 percent in the next 10 years. Consequently, we must be alert to problems associated with this increase and direct our efforts accordingly. The programs of the Children's Bureau have already had additional demands made upon them, in part attributable to the increased child population, in part to

increased costs, and in part due to gaps in their programs. The States continue to report that additional Federal funds are required to make services available to more children in more geographic areas. The budget estimate provides an additional \$2,139,000 for this purpose. In 1958 the Children's Bureau will continue to give major emphasis to assisting States and communities in developing and extending services for mentally retarded children and children who are delinquent. Also it is proposed to continue appropriation language in 1958 which provides that \$1 million of maternal and child health grants funds shall be used exclusively for special projects for mentally retarded children.

EFFECT OF HOUSE ACTION

As previously indicated, the Bureau Directors will discuss the appropriations for their organizational units in detail and will also point out the effect of the House action in acting upon such appropriations. However, I would like to give special emphasis to three appropriation items which I feel deserve the special consideration of this committee. These are the appropriation request for a training grant program to increase and improve the supply of professionally trained welfare personnel, the estimate for a program for cooperative research or demonstration projects in social security, and the appropriation estimate for salaries and expenses, Bureau of Public Assistance. The training grant program and the cooperative research program, which were authorized by the 1956 amendments, are important elements of what we consider a constructive approach for dealing with some of the most complex problems in the social-security field particularly those involving dependency and the weakening of family life. If we are to have a real opportunity to substantially reduce the large outlays for public assistance, we must improve our understanding and handling of problems of this nature. The House in acting upon these items on the floor disallowed them in their entirety although the Appropriations Committee had made provision in full for training and had provided one-half of our estimate for research. In the case of the Bureau of Public Assistance, that Bureau would be required to assume obligations as a result of the 1956 amendments to the Social Security Act which we do not feel can be financed within the House allowance. With your permission, we will talk more specifically to these three items later in the hearings.

GENERAL STATEMENT

Senator HILL. All right, Mr. Schottland, we will be glad to have you proceed now, sir.

Have you filed your complete statement with the committee?

Mr. SCHOTTLAND. Yes, Senator. But in the interest of timing, I will not read it. I will just make some extemporaneous remarks.

Senator HILL. The statement will appear in full in the record and you can proceed in your own way, sir.

PROGRAM AFFECTED IN NEW LEGISLATION

Mr. SCHOTTLAND. In the last days of the 1956 session of Congress, as all of you are aware, the Congress enacted Public Laws 880 and 881, which included some of the most fundamental changes in the Social Security Act since its enactment in 1935. These are changes which resulted in a tremendous increase in our expenditures and in our workloads. There were at least 12 major changes or new programs added by these enactments.

A new social insurance program was established for the totally and permanently disabled. It involved additional taxes, the creation of a separate trust fund, the whole series of relationships with States and the medical profession. The age of eligibility for women was lowered from 65 to 62. Coverage was extended to some 850,000 civilians and almost 3 million military personnel.

In addition, public assistance was seriously affected by Public Law 880. The Federal share of assistance payments was raised from \$35

to \$39, involving an additional expenditure of about \$160 million. There was a new formula for medical care; the concepts of self-support and self-care were added as purposes of public assistance.

A training program was authorized for public assistance workers and there was authorization for a constructive approach in the co-operative research program in social security.

All these have had a tremendous impact on our workloads, and this, added to the fact that our population is growing rapidly of itself adds some problems. Every day we have another thousand aged added to our population. That increases our problems in the old age and survivors insurance and old age assistance programs. Every day some thousands of babies are born, adding problems in the aid-to-dependent childrens program and in the programs of the Childrens' Bureau.

I would just like to emphasize one thing and then I am through with this overall statement.

ITEMS APPEALED

We will be presenting to you the budgets which we have submitted, and particularly stressing appeals on four items. Those are the "closed end" appropriation for State administrative costs, training of public-assistance workers, cooperative research, and salaries and expenses of the Bureau of Public Assistance.

We will discuss these more fully in the course of the hearing and I will be glad to answer any questions you may have.

Senator HILL. Do you have witnesses here who will go into more detail on those four items?

Mr. SCHOTTLAND. That is correct.

Senator HILL. Do you have any questions, Senator Thye?

Senator THYE. I have no questions, Mr. Chairman. Thank you.

Senator HILL. Your full complete prepared statement will appear in the record, Mr. Schottland.

Senator HILL. Now that we are through with Mr. Schottland, I note that Senator Allott is here.

Senator Allott, would you like to make a statement to the committee?

RURAL LIBRARY SERVICES PROGRAM

STATEMENT OF HON. GORDON ALLOTT, A UNITED STATES SENATOR FROM THE STATE OF COLORADO

PREPARED STATEMENT

Senator ALLOTT. Yes, Mr. Chairman, I did want to leave a prepared statement with the committee in support of the rural library services program, in which I believe I joined the distinguished chairman of the committee when the bill was introduced last year.

Senator HILL. The distinguished chairman is one of the sponsors of that legislation.

Senator ALLOTT. Since I understand that is now pending before this subcommittee of the Committee on Appropriations, and if it is in order, I would like at this time to leave my statement with you in support of the appropriation for that program.

Senator HILL. Senator, we would be delighted to have you do that. We will include it in the record, sir.

Senator ALLOTT. I would rather do that than take more of the committee's time.

Senator HILL. We appreciate your coming before us, Senator, and particularly in behalf of that item.

Senator ALLOTT. Thank you, sir.

Senator HILL. Your statement will appear in the record at this point.

(The statement referred to follows:)

STATEMENT BY SENATOR GORDON ALLOTT, MAY 13, 1957, WITH REFERENCE TO THE RURAL LIBRARY SERVICES PROGRAM

Mr. Chairman, it has been more than 150 years since Thomas Jefferson said that he thought "nothing would do more exceeding good than a free library in every county." I am advised that at this juncture, fewer than one-half of the counties of this great Nation have adequate library service.

As one who has been intimately associated with the rural areas of the State of Colorado during most of my life, I am convinced that there is no other approach whereby we gain so much real education at so little cost as through our libraries. By necessity most of the rural libraries have had to struggle along and make do as best they could. Real economy has been and always will be the password among these dedicated library people who try to do so much with so little. But my principal concern, and the reason I joined Senator Hill and others in sponsoring the bill that last year was enacted into law as Public Law 597 of the 84th Congress, was to develop library service in the areas that are completely without such service now.

Last year when we were considering the authorizing legislation, and again this year, I have been tremendously impressed by the letters from my people. I have been impressed by the wide variations in their background and positions. Most are not from professional educators and librarians, but from farmers and mechanics and other working people and their wives. Many of them stated their concern for the problems connected with the Federal budget, and recognized that traditionally library services have been considered a job for local governments and local people to take care of. But they expressed great hopes for the program as a demonstration of what can be done, and as a method of drawing out local participation in this much-needed program.

I am fully aware of the tendency for short-term Government programs to become permanent. I want it made a part of this record, as it was a part of the record when this bill was authorized, that this program is to last for only 5 years. John Richards, president of the American Library Association, testified last year that the program should be limited to 5 years. In that time it was felt that a tremendous stimulation and enlargement of existing library service could be effected. I concurred then. I concur now.

But it will be difficult to say at the end of 5 years that the people who wanted this program have got what they asked for if during the entire 5 years we give you only a part of the program as it was envisioned and authorized. The people who need this service would have every reason to ask that it be extended another 5 years if during the first 5 they get only half of what they were in effect promised. Then having extended it beyond the 5 years it will not be difficult to extend it further.

No, Mr. Chairman, I believe the Congress should not involve itself in that kind of game. We authorized a 5-year program of \$7½ million and that is what we should carry out, not only because we have held out that we would do so, but because there is a great need for it. I sincerely urge that this committee approve an appropriation of the full amount authorized by the Rural Library Services Act.

STATEMENT OF SENATOR STENNIS

Senator HILL. Senator Stennis, a member of our subcommittee, must leave for another subcommittee meeting. Before doing so he desires to make a statement in behalf of the full authorization, \$7,500,000, for grants for library services. I concur fully with his position and it will be a pleasure to hear from him.

SUPPORT FOR LIBRARY PROGRAM

Senator STENNIS. Mr. Chairman, I would like to begin my remarks by urging the committee's support for the \$7,500,000 figure for the library-service program. This activity, which makes available to our farm people the facilities of libraries which heretofore have been restricted to the metropolitan areas, has found the most cordial reception at all levels. It is an example of what can be done through Federal-State cooperation, and those who live with this program and believe in it feel most gratified about its administration. After referring to the healthy climate of cooperation between the State and Federal offices, the director of the Mississippi Library Commission has characterized it as "librarianship at its best" as contrasted with "bureaucracy at its worst."

The rapidly changing scientific concepts of our age have brought a concentrated emphasis on education which is unparalleled in American history. The people are eager for knowledge and anxious to keep up with current developments, and those who need this help most are those who benefit from this program's operation. I sincerely hope that the committee will be able to support the \$7,500,000 appropriation this year, and believe that no education money could be more wisely spent than for the support of this library-service program.

Mr. Chairman, I would now reaffirm my special interest and support for appropriations for payments to States for Public Health Service. The grant-in-aid program is making a lasting contribution in assisting States and localities in providing a basic and essential type of public health program.

During my annual visits throughout Mississippi, I have had an opportunity to observe the health program and I have been greatly impressed with the outstanding projects under way, designed to come to grips with our basic health problems.

PROGRESS IN DISEASE PREVENTION

Mississippi has made great progress in the past several years in prevention and eradication of diseases. For example, deaths caused by pellagra have been reduced from 266 in 1938 to 7 in 1955. During this same period, deaths from scarlet fever have been reduced from 7 to none; diphtheria, from 79 to 2; whooping cough, from 150 to 34; and measles, from 78 to 6.

Impressive progress has also been made in infective- and parasitic-disease deaths in Mississippi, and especially in diseases affecting the respiratory and digestive systems and in diseases attacking other vital organs.

Included in the infective and parasitic group are diseases such as malaria, typhoid fever, and tuberculosis, which regularly appeared as principal causes of death in early years. In Mississippi, malaria took the lives of over 1,200 people in 1913 as compared to none in 1955. Typhoid caused 669 deaths in 1913 as compared to none in 1955, and tuberculosis caused over 2,500 deaths as compared to 211 in 1955.

The real proof of the importance of the State assistance program is how many lives are being saved and how many people are alive because of this program and the miracles of modern medicine. The simplest way to show the results of these changes is by comparison of the ex-

pectations of life at birth. During the last 20-year period the average life expectancy in Mississippi has increased almost 10 years, from 56 years of age in 1930 to almost 66 years of age in 1950. The national picture is equally encouraging, and this increased life expectancy is the measure of our progress.

Mississippi can be justly proud of this teamwork approach which has had the full backing and acceptance at the county and local level.

RESEARCH AND PREVENTIVE MEDICINE

But our work in the field of research, study and preventive medicine is not finished. Diseases which were not so important in the past have now become a primary concern. Heart disease, which was not even classified separately in the early years, now ranks as the leading cause of death. Diseases in the central nervous system have increased and are now the second leading cause of death. Cancer has moved from 10th place in 1920 to 3d place in 1955. These problems must be faced and conquered through medical discoveries made possible by organized research programs.

The funds requested in the budget for State grants are modest in terms of benefits. Many of our small communities cannot finance the total program needed and depend heavily upon State and Federal assistance.

HILL-BURTON HOSPITAL PROGRAM

Mr. Chairman, I have been especially interested in the Hill-Burton hospital program which has been conducted so effectively in Mississippi. This program has made available hospitals in many counties which would not have been possible otherwise for the next 50 or 60 years. I would like for greater emphasis to be placed on part C of the Hill-Burton program than is recommended in the budget for 1958.

Of special interest is the increased use of our hospital facilities. The growing availability of hospital care has undoubtedly been responsible for much of the improvements in health and life expectancy. The rapid increase in deliveries of live births in hospitals clearly illustrates this point. In 1943 only 26 percent of the Mississippi births were live as compared to over 62 percent in 1955. As recently as 1946, there were 199 maternal deaths in Mississippi as compared to 76 in 1955. With the increased number of hospitals now available, nearly 100 percent of all children are delivered in hospitals and clinics.

Mississippi is now blessed with hospitals in many counties and communities, and these facilities would not have been possible without Federal assistance. This program is sound and I hope that the committee will continue to support this worthy cause.

Thank you, Mr. Chairman, for this opportunity to urge a more adequate allowance for this worthy program, a program to which you have made so many contributions in getting the authorization enacted.

Senator HILL. Together we will see what can be done in our subcommittee to effect our desires to make available the full authorization.

Senator HILL. Mr. Schottland, who is going to make your next presentation?

Mr. SCHOTTLAND. Next is the Bureau of Old-Age and Survivors Insurance. Mr. Christgau is the witness.

Senator HILL. All right, Mr. Christgau, we will be glad to have you proceed in your own way, sir.

BUREAU OF OLD-AGE AND SURVIVORS INSURANCE

SALARIES AND EXPENSES

STATEMENT OF VICTOR CHRISTGAU, DIRECTOR, BUREAU OF OLD-AGE AND SURVIVORS INSURANCE

APPROPRIATION ESTIMATE

"Salaries and expenses, Bureau of Old-Age and Survivors Insurance: For necessary expenses, [including the purchase of one passenger motor vehicle for replacement only; and payment, not to exceed \$3,800, to Bureau employees to reimburse such employees for expenses incurred by reason of the failure to relocate the Bureau in the District of Columbia;] not more than [\$97,000,000] \$131,000,000 may be expended from the Federal old-age and survivors insurance trust fund: *Provided*, That such amounts as are required shall be available to pay the cost of necessary travel incident to medical examinations for verifying disabilities of individuals who file applications for disability determinations under title II of the Social Security Act, as amended: *Provided further*, That [thereafter funds available for administrative expenses of the Bureau shall be available for payment of rent for quarters for district offices in the District of Columbia] *this appropriation shall be available for research and development of electronic or automatic equipment, by contract, which shall be coordinated with similar activities and requirements of other Government agencies: Provided further, That any such contract shall contain appropriate provisions to protect the interest of the Government and the public, including provisions relating to the disposition of rights in any inventions made or developed in the course of work under the contract.*

"Advances to States, next succeeding fiscal year: For making, after May 31 of the current fiscal year, advances to States under section 221 (c) of the Social Security Act, as amended, for the first quarter of the next succeeding fiscal year, such sums as may be necessary from the above authorization may be expended from the Federal old-age and survivors insurance trust fund."

Amounts available for obligation

	1957 estimate		1958 estimate		House allowance	
	Position	Amount	Position	Amount	Position	Amount
Appropriation or estimate.....	21, 162	\$121, 500, 000	21, 174	\$131, 000, 000	21, 029	\$130, 000, 000

Obligations by activity

Description	1957 appropriation		1958 budget estimate		House allowance	
	Position	Amount	Position	Amount	Position	Amount
1. Maintenance of accounts of earnings.....	4, 280	\$20, 845, 664	4, 471	\$23, 627, 204	4, 471	\$23, 516, 644
2. Development, determination, and certification for payment of claims for retirement and survivors insurance benefits.....	9, 360	54, 379, 437	8, 756	50, 292, 770	8, 663	49, 729, 683
3. Recertification monthly of awarded claims for retirement and survivors insurance benefits.....	2, 964	14, 707, 401	3, 448	18, 601, 935	3, 448	18, 540, 105
4. Preservation of insurance rights of disabled persons and disability insurance benefits.....	2, 391	19, 497, 255	2, 318	24, 906, 486	2, 266	24, 668, 505
5. Hearings and appeals.....	207	995, 328	218	1, 418, 614	218	1, 416, 106
6. Actuarial services.....	15	96, 044	15	106, 712	15	106, 503
7. Administration.....	1, 945	10, 978, 871	1, 948	12, 046, 279	1, 948	12, 022, 454
Total obligations.....	21, 162	121, 500, 000	21, 174	131, 000, 000	21, 029	130, 000, 000

EFFECT OF HOUSE ACTION ON 1958 APPROPRIATION REQUEST

The House of Representatives reduced the Bureau's 1958 appropriation request from \$131 million to \$130 million. The Committee on Appropriations did not specify how the \$1 million reduction was to be allocated so the Bureau has tentatively distributed the reduction as follows:

ALL ACTIVITIES—REDUCTION IN CIVIL-SERVICE RETIREMENT CONTRIBUTIONS

The Bureau's budget estimate included \$6,037,606 for civil-service retirement contributions based on 26 pay periods in fiscal year 1958. It has been determined since the President's budget was submitted that these contributions will apply only to 25.1 pay periods for our Bureau in fiscal year 1958. Thus requirements for this purpose have been recalculated and found to be \$5,828,612 or \$208,994 less than included in our budget estimate. This reduction has been distributed by activities according to salary payments subject to civil-service retirement deductions.

Activity 1. Maintenance of accounts of earnings

The Bureau has provided in its estimates requirements for the start of an orderly replacement of equipment program spanning 3 years. Much of the Bureau's equipment has been in use since the beginning of the program 20 years ago. In addition a considerable amount of equipment was acquired through surplus as Bureau staff increased. All the equipment marked for replacement meets General Service Administration standards for replacement and a large part of it is in such condition that it is no longer economical or feasible to continue repairs. The budget estimate included \$187,753 for replacement of equipment in this activity. This amount has been reduced by \$75,240. The reduction in funds for replacement of equipment in this and the other operating activities will delay the completion of the replacement program and defer costs to later years. The reduction in civil-service retirement contributions for this activity amounts to \$35,320.

Activity 2. Development, determination, and certification for payment of claims for retirement and survivors insurance benefits

Most of the increased workloads caused by the 1956 amendments were in activities 2 and 4. In addition, the preamendment workloads received for this activity were substantially greater than estimated; the principal deviation was in the claims of self-employed farmers. The combination of these two factors forced the Bureau in 1957 to process the claims workloads at the sacrifice of safeguards which are necessary for good administration and to operate at a level of service to the public which is less than desirable. They also necessitated the postponement of lower priority work and the deferment of annual leave into fiscal year 1958—neither of which are provided for in the 1958 appropriation request. In distributing the House cut, a reduction has been made in the personal services estimate for this activity of 93 positions and \$367,157. This reduction together with the unbudgeted carryover of lower priority work into fiscal year 1958 will require the Bureau to continue some operations under the undesirable pressure conditions which it had hoped to correct in 1958. In the main, inability to staff adequately will mean cutting short the interviews of claimants and beneficiaries in our district offices and continued undermanning of the Bureau's contact stations. Even before the enactment of the 1956 amendments, the long waiting time of the public at contact stations was a serious problem. In addition, the estimate for replacement of equipment is reduced by \$106,480 from \$265,929 to \$159,449 (effect same as explained in activity 1). The reduction in civil service retirement contributions for this activity amounts to \$89,450.

Activity 3. Recertification monthly of awarded claims for retirement and survivors insurance benefits

The amount estimated for replacement of equipment has been reduced by \$28,600 from \$71,503 to \$42,903 (effect same as explained in activity 1). The reduction in civil service retirement contributions for this activity amounts to \$61,830.

Activity 4. Preservation of insurance rights of disabled persons and disability insurance benefits

The budget estimates for personal services have been reduced by 52 positions and \$203,849. As in activity 2, the reduction in staff will mean less time devoted to development of disability claims. The amount for replacement of equipment in this activity was reduced by \$9,680 from \$24,290 to \$14,610. The reduction for civil service retirement contributions for this activity amounts to \$24,452.

Activities 5 through 7. Hearing and appeals, actuarial services, and administration

The only changes in budget estimates for these activities were reductions in civil service retirement contributions by the following amounts:

Activity 5	\$2, 508
Activity 6	209
Activity 7	23, 825

Obligations by objects

Object classification	1957 appropriation	1958 budget estimate	House allowance
Total number of permanent positions	21, 162	21, 174	21, 029
Average number of all employees	19, 885	20, 842	20, 699
Average salaries and grades:			
General service grades:			
Average salary	4, 366	4, 435	4, 438
Average grade	5. 6	5. 6	5. 6
01 Personal services	\$98, 145, 883	\$96, 200, 343	\$95, 629, 337
02 Travel	2, 741, 407	2, 389, 166	2, 389, 166
03 Transportation of things	584, 884	436, 685	436, 685
04 Communication services	1, 703, 332	1, 751, 114	1, 751, 114
05 Rents and utility services	7, 817, 728	8, 662, 274	8, 662, 274
06 Printing and reproduction	1, 768, 666	1, 608, 486	1, 608, 486
07 Other contractual services	974, 219	659, 015	659, 015
Advances to States	4 631, 088	10, 634, 015	10, 634, 015
08 Supplies and materials	1, 379, 791	978, 447	978, 447
09 Equipment	1, 725, 660	1, 618, 825	1, 398, 825
11 Grants, subsidies, and contributions		6, 037, 606	5, 828, 612
15 Taxes and assessments	27, 342	24, 024	24, 024
Total obligations	121, 500, 000	131, 000, 000	130, 000, 000

New positions requested, 1958

Title	Grade	Positions	Amount
1. Maintenance of accounts of earnings:			
Manager.....	GS-11.....	3	\$19,170
Assistant manager.....	GS-11.....	1	6,390
Other.....	GS-8.....	1	4,970
Do.....	GS-4.....	3	10,245
Do.....	GS-3.....	1	3,175
Total.....		9	43,950
2. Development, determination, and certification for payment of claims for retirement and survivors' insurance benefits:			
Manager.....	GS-11.....	28	178,920
Assistant manager.....	GS-11.....	2	12,780
Other.....	GS-8.....	15	74,550
Do.....	GS-7.....	1	4,525
Do.....	GS-4.....	20	68,300
Do.....	GS-3.....	2	6,350
Do.....	GS-2.....	3	8,880
Total.....		71	354,305
3. Recertification monthly of awarded claims for retirement and survivors' insurance benefits:			
Manager.....	GS-11.....	6	38,340
Assistant manager.....	GS-11.....	1	6,390
Other.....	GS-8.....	7	34,790
Do.....	GS-7.....	4	18,100
Do.....	GS-4.....	4	13,660
Do.....	GS-3.....	1	3,175
Do.....	GS-2.....	2	5,920
Total.....		25	120,375
4. Preservation of insurance rights of disabled persons and disability insurance benefits:			
Manager.....	GS-11.....	3	19,170
Other.....	GS-8.....	1	4,970
Do.....	GS-4.....	2	6,830
Do.....	GS-3.....	4	12,700
Do.....	GS-2.....	2	5,920
Total.....		12	49,590
5. Hearings and appeals:			
Member of appeals council.....	GS-14.....	1	10,320
Hearings examiner referee.....	GS-14.....	3	30,960
Total.....		4	41,280
7. Administration:			
Assistant chief of branch.....	GS-14.....	1	10,320
Assistant regional representative.....	GS-14.....	5	51,600
Actuarial mathematician.....	GS-13.....	1	8,990
Assistant chief of branch.....	GS-13.....	1	8,990
Chief of section.....	GS-13.....	2	17,980
Organization and methods examiner.....	GS-13.....	2	17,980
Social insurance research analyst.....	GS-13.....	1	8,990
Mathematical statistician.....	GS-12.....	1	7,570
Social insurance research analyst.....	GS-12.....	9	68,130
Staff assistant.....	GS-12.....	8	60,560
Social insurance research analyst.....	GS-11.....	4	25,560
Actuary.....	GS-9.....	1	5,440
Analytical statistician.....	GS-9.....	1	5,440
Social insurance research analyst.....	GS-9.....	1	5,440
Survey statistician.....	GS-9.....	1	5,440
Total.....		39	308,430
Total, all activities.....		160	917,930

Summary of changes

	Positions	Money
1957 actual appropriation.....	18,357	\$97,000,000
1957 supplemental request to administer Social Security Amendments of 1956.....	2,805	24,500,000
Total appropriation and request.....	¹ 21,162	121,500,000
Nonrecurring items:		
Nonrecurring costs in 1957 attributable to the 1956 amendments.....		-2,290,250
Premium overtime pay costs not offset by savings.....		-437,479
Special projects conducted in 1957.....	-64	-360,018
Revised 1957 base.....	21,098	118,412,253
1958 appropriation request.....	¹ 21,174	131,000,000
Net change requested.....	+76	+12,587,747

	1958 budget estimates		1958 House allowance	
	Positions	Money	Positions	Money
For mandatory items:				
Civil-service retirement contributions.....		\$6,037,606		\$5,828,612
Within-grade promotions.....		716,029		716,029
Extra days pay.....		356,537		356,537
Reclassifications.....		783,388		783,388
Promotions of trainees.....		507,589		507,589
Total mandatory items.....		8,401,149		8,192,155
For program items:				
Increase in number of determinations of disability and purchase of medical examinations by State agencies.....		+6,002,927		+6,002,927
Processing the 1958 workloads under normal operating standards.....	+476	+2,205,110	+331	+1,634,104
Changes in composition of workload.....	+125	+548,730	+125	+548,730
Special projects and purchases in 1958.....	+187	+1,640,884	+187	+1,640,884
Space changes and relocations.....		+546,142		+546,142
Replacement of equipment.....		+546,402		+320,402
Opening additional district offices in 1958.....		+197,957		+197,957
Reduction in volume of Bureau's work from the peak 1957 level.....	-546	-6,802,947	-546	-6,802,947
Procedural changes made possible by use of electronic equipment.....	-166	-547,855	-166	-547,855
Miscellaneous changes in requirements.....		-150,752		-150,752
Total program changes.....	+76	+4,186,598	-69	+3,395,592
Total change requested.....	+76	+12,587,747	-69	+11,587,747

¹ The 1957 total estimate including overtime provides 21,957.8 man-years of work. The 1958 estimate including overtime provides for only 21,266.1 man-years or 691.7 man-years less than for 1957. A substantial amount of overtime was needed in 1957 in order to provide trained manpower fast enough to meet the sudden increase in workload caused by the Social Security Amendments of 1956.

STATEMENT BY DIRECTOR, BUREAU OF OLD-AGE AND SURVIVORS INSURANCE ON "SALARIES AND EXPENSES, BUREAU OF OLD-AGE AND SURVIVORS INSURANCE"

The Bureau of Old-Age and Survivors Insurance respectfully requests authority to spend \$131,000,000 for salaries and expenses for fiscal year 1958 from the Federal old-age and survivors insurance and Federal disability insurance trust funds. I would like to explain the factors which have influenced the amount of this request and also indicate the effect of the reduction of \$1 million made by the House of Representatives.

Program and organization of the Bureau of Old-Age and Survivors Insurance

The old-age, survivors, and disability insurance program provides protection to over 90 percent of the total labor force (including the self-employed and members of the Armed Forces) and their families against the loss of earnings because of old age, death, or extended total disability after age 50. In addition, the program preserves the benefit rights of disabled workers at any age. Tax contributions from employers, employees, and the self-employed are deposited in the Federal old-age and survivors insurance and Federal disability insurance trust funds, out

of which benefit payments and administrative costs are paid. Thus none of the administrative cost in this appropriation request will come out of general revenues of the Federal Government.

A nationwide organization is utilized by the Bureau to administer the program. There are 557 district offices located in the principal cities of each State, Hawaii, Alaska, and Puerto Rico. Smaller communities are also serviced through regularly scheduled visits to 3,611 contact stations. The administrative offices and records center are located in Baltimore. In addition, there are six area offices which are the Bureau's payment centers. Through agreements, the services of 56 State and Territorial agencies are utilized by the Bureau in making disability determinations.

During fiscal year 1958, the Bureau will certify benefit payments amounting to \$7.5 billion. By the end of the year, 11.6 million beneficiaries will be receiving monthly benefits. Over 2.5 million new claims for insurance benefits will be filed and must be processed promptly in the fiscal year. Moreover, over 8 million visits will be made by individuals to the Bureau's district offices seeking information. In addition, there will be 3.1 million visits to district offices by people receiving benefits; these actions, primarily, are concerned with their continuing rights and responsibilities as monthly beneficiaries. During the year the Bureau will receive 265 million earnings items for processing to the accounts of about 77 million individuals.

The processing of these huge workloads has immediate effect upon the welfare of practically all families in the United States. It is important that the services rendered by the Bureau to the contributors to the program be prompt and produce correct results. Most OASI beneficiaries are dependent on their checks for the very necessities of life and they need to be able to count on their prompt receipt. Moreover, unless the Bureau is staffed to give both prompt and accurate service administrative costs are increased because of the need to handle status inquiries and adjust incorrect determinations.

1956 legislation affecting the program

The social-security amendments of 1956 made substantial changes in the program. Among the most important provisions were: (1) The addition of disability benefits which are first payable for July 1957 to persons 50 years of age and over who have a total disability of a long-continued and indefinite duration, (2) the reduction of the minimum eligibility age for women from 65 to 62 with full benefits for widows and dependent mothers and actuarially reduced benefits for women workers and wives, (3) the extension of old-age and survivors insurance coverage to about 900,000 additional persons, (4) the payment of cash benefits to persons beyond the age of 18 providing they were disabled prior to age 18 and dependent on a retired or deceased worker, (5) the increase in the tax rate of one-quarter of 1 percent each for employees and employers and three-eighths of 1 percent for the self-employed to finance the disability benefits, and (6) the establishment of a disability insurance trust fund from which disability benefits and administrative costs are to be financed.

The Servicemen's and Veterans' Survivor Benefits Act passed in 1956 also contains provisions which affect the program substantially. This act extended contributory coverage to approximately 2,850,000 members of the Armed Forces and integrated the survivors benefits provided by the Veterans' Administration with those provided under the old-age, survivors, and disability insurance program.

Effect of 1956 legislation on Bureau operations

Some of the ways in which this legislation affected the operating problems faced by the Bureau in fiscal year 1957 are outlined below.

1. *The size and timing of extra workloads.*—As a result of the legislation signed into law August 1, 1956, the volume of the Bureau's measurable operations in fiscal year 1957 were estimated to be over 30 percent above the level previously projected for 1957. This increase in workload falls principally into the last 9 months of the fiscal year. Claims for women, ages 62-64, were first payable for November 1956. Disability benefit payments are payable for July 1957, and the rate of filing for these benefits is expected to increase progressively as the end of the fiscal year approaches.

2. *Staffing and training.*—The sharp peaking of workloads in a 9-month period in fiscal year 1957 created a difficult staffing problem. If the Bureau had tried to recruit in direct proportion to the increased measurable loads it would have had to increase its staff by 7,000 people for 9 months of the year. The majority of these new employees would have required a lengthy training period before becoming fully productive. It would just not have been possible to locate and select that number of capable people and give them the technical training neces-

sary in time to help very much with the increased workload in 1957. Moreover, if it had been possible, it would not have been desirable in light of the smaller workloads expected in 1958 in those operations that are sharply peaked in 1957. By the time the new technical employees were trained and fully productive, the Bureau would have to let a large number of them go as workloads declined. Also, getting additional space and equipment for these employees for a relatively short period of employment would have been uneconomical. For these reasons, the Bureau has limited its staff increases in 1957 to its long-term personnel needs and to temporary employment wherever temporary employees could do the work. It has been necessary to rely on overtime to a considerable extent to keep work as current as possible this fiscal year.

3. *The establishment of new policies and procedures.*—Particularly the provisions for the extension of coverage to certain farm owners and the payment of cash benefits to disabled individuals required establishing new policies, procedures, arrangements with States and the like.

4. *The result of workload pressures.*—Of major concern to the Bureau has been our inability as a result of heavy workloads to properly interview the large crowds in district offices and at contact stations. The public often has had to wait for long periods before being interviewed. As a result of this crowding, answers to inquiries have been necessarily short. Adequate time for interviews at the time of taking claims applications is essential to obtaining in a single interview all pertinent facts for adjudication of claims. Also, there is a need for beneficiaries to understand their responsibility for reporting events which suspend or terminate benefits. The claims interview affords the Bureau, in most instances, the only opportunity it has for explaining these responsibilities to potential beneficiaries. During these pressure periods the Bureau staff has been unable to devote sufficient time to interviews to achieve these objectives.

The Bureau's concern over the effect of the pressures of the recent series of amendments—1950, 1952, and 1954—on the district office job led to the employment of a private consultant to study the effectiveness of its field service. The consultant's report, based on over a thousand recorded incidents involving district office interviewing, indicated several problems, of which lack of time for quality interviewing and inadequate staffing for itinerant service were the greatest.

On quality interviewing, the consultant reported:

"It appears that one of the greater problem areas in OASI district operations affecting relations with the public centers in the interview process * * * one of the major causes for complaint voiced by claimants, inquirers, etc., is the relatively short length of time allowed for individual interviews by Bureau personnel. Many respondents seem to feel that the interviewers are pressed for time, but they feel that, if lengthier interviews were allowed initially, they could gain a broader picture of their rights and responsibilities and thus prevent a second trip to the office or perhaps avoid misunderstanding detrimental to their status. * * * Numerous incidents reflect not so much ineffectiveness but, rather, demonstrate a heavy workload."

On itinerant service, the following general comment was made:

"A substantial number of incidents portray a rather common belief on the part of numbers of the public that itinerant service could be much more effective if offered on a more frequent basis or by having more personnel on duty. Mentioned often are the prolonged waiting of periods of several hours before being interviewed.

"At the same time, the same persons are sympathetic toward the personnel, with their long hours of uninterrupted interviewing and often no time for lunch, or missing it altogether in order not to have the persons wait longer than absolutely necessary for interviews."

The Bureau is using a variety of measures in order to meet the problems it faces. Among these are the following:

1. *Recruitment and training of personnel in numbers consistent with needs in fiscal year 1958.*—In fiscal year 1957, 3,517 employees are to be recruited, including 225 temporary employees. By April, this goal had been met.

2. *Extensive employment of overtime to use the resources of its trained staff as fully as possible.*—For fiscal year 1957, 1,997 man-years of overtime are scheduled; 1,691 man-years will be used by the end of April 1957.

3. *Establishment of priorities for certain work.*—The following areas of work are either being deferred and/or given a low priority: (a) Disability-freeze cases; (b) followup with employers and employees on incompletely and incorrectly reported earnings items which have been referred to district offices for investigation; (c) training for new employees is being given in only special areas so that they can be placed in production much sooner.

4. *Deferment of necessary projects.*—These projects include survey of resources of OASI beneficiaries, a new study of beneficiary compliance with requirements for their reporting events which terminate or suspend benefits, a study to evaluate Bureau procedures on proof of age, and the initiation of a program simplification project on a bureauwide basis.

5. *Carrying into fiscal year 1958 of certain backlogs.*—The Bureau has budgeted a carryover into fiscal year 1958 of backlogs which will cost \$3,270,000 to process. This carryover of work into 1958 was based on estimates of workloads to be received in 1957 which have since proved to be greatly understated. With three-fourths of the fiscal year completed, it now appears that workloads, not caused by the 1956 amendments, will be over 11 percent higher than estimated at the time the fiscal year 1958 appropriation request was prepared. This substantial increase in actual receipts over estimates has created backlogs far greater than ever existed in the Bureau's history. As of April 19, over 428,000 claimants were awaiting action on claims which they had filed for old-age and survivors insurance benefits. This number, though still abnormally high, represents a sharp reduction from the 645,000 claims pending 7 weeks ago. The Bureau hopes that it will be able to bring the backlog of claims for retirement and survivors' benefits into line with the 1958 budget plan which assumes a backlog of 265,000 claims by the end of fiscal year 1957.

In doing so, however, lower priority work, such as processing incorrectly reported earnings items, mailing annual report forms to beneficiaries in suspense status, etc., and deferred annual leave, will have to be carried over into fiscal year 1958. The cost of this unbudgeted carryover is expected to be about \$2 million.

While every effort is being made to reduce the backlog of retirement and survivors' claims, there is an increasing volume of claims for disability-insurance benefits and disability freeze in various stages of processing throughout the Bureau. As of the middle of April, 155,000 of these claims were pending. At the present rate of case completions, this is equivalent to about 25-28 weeks' work.

At the same time, weekly receipts have been increasing and are expected to rise more rapidly as we approach July, the first month for which disability benefits are payable.

In a period of high backlogs, there also occurs an increase in time elapsing from the date of filing a claim to certification for initial payment. Claims for retirement and survivors' benefits now being filed take about 50 days on the average to process. Although this elapsed time represents an improvement over the 60 days it was taking the Bureau in January, it means that the average claimant still has to wait much too long before receiving his initial benefit check. The Bureau is keenly aware of its obligation to make benefit payments as promptly as possible, knowing that most beneficiaries depend on benefit payments to meet their basic needs.

The appropriation request for fiscal year 1958

For the fiscal year 1958, the Bureau requests authority to spend the sum of \$131 million from the trust funds. The size of workloads received by the Bureau in any year is basically beyond its control. The size of the workload is the result of such factors as the level of employment, labor mobility, and birth, marriage, disability, and death rates. Production rates, based upon actual experience, are applied to the workloads for computing budgetary needs.

The sum of \$131 million was, at the time the budget was made, the Bureau's best estimate of the amount necessary to process its work in an adequate fashion in fiscal year 1958. It believed that, with this amount, it would be able to (1) eliminate the backlogs of work which will be carried over into that year, (2) eliminate extensive use of overtime, (3) reduce to a reasonable figure the length of processing time for new claims, (4) provide more adequate interviews and service to the public, and (5) so shape its administrative staff as to assure the maintenance of adequate service, effective management, and continuing improvement and economies in operations and the general administration of the program.

The Bureau's requirements of \$131 million for fiscal year 1958 represent a net increase of \$9,500,000 over the fiscal year 1957 estimate of \$121,500,000. The request provides for an increase of 12 positions, but a decrease in manpower usage equivalent to 685 man-years due to reduction in use of overtime. The \$9,500,000 increase is made up of a number of increases and decreases. Major factors among the increases are (1) certain mandatory items and (2) items which substantially are of the nature of work which had to be postponed from 1957 to 1958. Major elements of the decreases arise from (1) the smaller 1958 workloads and (2) costs in 1957 which will not recur in 1958. Some relatively minor increase and decrease items are also involved.

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Mandatory items.....	+ \$8, 296, 111
Increases:	
Contributions to civil service retirement fund.....	6, 037, 606
Within-grade promotions, reclassifications, promotions of trainees to full grade, and 1 extra day of pay in fiscal year 1958.....	2, 363, 543
Total increases.....	8, 401, 149
Decrease: Net of 1 less holiday in 1958 and a slight increase in annual leave.....	105, 038
Postponements.....	+ 10, 515, 888
Increases:	
Payments to States for disability backlog carried into 1958 and for additional medical examinations in 1958.....	6, 002, 927
Increase due to inability to maintain adequate processing standards in 1957 because of peaking workloads, pres- sures of large crowds, and use of undesirable emergency measures.....	2, 205, 110
Projects and purchases which had to be deferred until 1958.....	1, 640, 884
Expansion of administrative staff needed to keep pace with enlarged operations, deferred to 1958 because of necessity to concentrate on recruiting to handle oper- ating workloads.....	666, 967
Smaller 1958 workloads.....	- 6, 921, 184
Decrease: Provision is made for a very substantial reduction in manpower costs. A pricing out of the reduced 1958 workloads results in a decrease in money requirements.....	7, 469, 914
Increase: In 1957 the workload included a large number of wives' and widows' claims, which are easier than other types to develop and adjudicate. There will be 402,000 fewer of such claims in 1958. Thus, 1958 will have a higher proportion of more costly claims.....	548, 730
Nonrecurring 1957 costs.....	- 3, 087, 747
Decrease:	
Equipping new employees.....	1, 273, 669
Training travel of new employees.....	608, 256
Expansion of claims files.....	122, 000
Premium cost of overtime.....	437, 479
National employee index file and numerical register projects.....	360, 018
Other.....	286, 325
Other increases and decreases.....	+ 696, 932
Increases:	
Carrying additional space acquired in 1957 for increased staff on an annual basis.....	429, 075
Increase rentals resulting from movement out of rent-free space.....	117, 067
Replacement of equipment no longer fit to repair.....	546, 402
Opening up 19 more new offices than were opened in 1957....	197, 957
Total increase.....	1, 290, 501

Decreases:

A net reduction in operating costs due to procedural changes. This represents chiefly savings made in 1958 from the use of electronic equipment over and above those being realized in 1957.¹ These savings are being realized primarily in the application of the electronic equipment and techniques to the processing of the approximately 9,000,000 earnings items annually reported with incorrect social-security account numbers. The best techniques devised previously for identification of these items so that posting to the proper earnings records could be made, were manual-clerical and very costly-----

Net of a number of minor items-----

\$547, 885

45, 714

Total decrease-----

593, 569

¹ If conventional equipment had been used in fiscal year 1958 the costs would have been \$1 million higher. The full \$1 million saving is not reflected as a decrease because the electronic equipment was in use in fiscal year 1957 with some savings in that year.

The Bureau is continuing to explore further application of electronic devices to our operations. Currently under consideration, but not reflected in our 1958 appropriation request, is the installation of a second battery of electronic data processing machines. Extension of the use of this type of electronic equipment to additional operations is expected to result in annual savings of \$500,000. These savings could not be achieved in the first year because there would be a conversion period during three-quarters of the year during which additional costs would stem from the need to perform part of the year's work under the old procedure and simultaneously a part under the new procedure. It is hoped that, if the plan is adopted beginning in 1958, savings from the new procedure would offset these increased costs. However, it is possible that additional makeready and setup costs may increase the overall 1958 costs by as much as \$300,000. No provision has been made for this possible increased requirement in the 1958 request.

Effect of House action

The reduction of \$1 million made by the House in the Bureau's budget must be considered in the light of the sharp and unexpected increases in preamendment workloads that have occurred since the Bureau's request was submitted. The receipt of workloads far in excess of estimates for fiscal year 1957 has created backlogs, the dimensions of which have been previously indicated.

We are now reducing the backlog and hope by the end of June that the time required for processing the average claimant's case will be substantially reduced. To accomplish this, additional work of relatively low priority is being postponed until fiscal year 1958.

The effect of the House reduction, when considered together with this unbudgeted carryover of work into 1958, will be to force the Bureau to continue some operations under the excessive pressure conditions which it had hoped to correct in 1958.

Potential economies from electronic research

For 3 years the Bureau has unsuccessfully sought appropriation language which would permit the use of a small part of its appropriated funds to pay for research in the development and design of automatic and electronic equipment. The House again has declined to approve the request. We feel so strongly convinced, however, that such authority is necessary to enable steady progress toward more economical operation that we respectfully urge your further consideration of the request for this authority. In support of this request, a full statement of justification has been prepared and is submitted for the record.

Our purpose is to exercise such authority, if granted, only when we find (1) that the Bureau's operations would be benefited and made more economical by the development or change of a machine, device, part or method of machine operation, (2) that the prospect of successful development would be practical, and (3) that private capital would not undertake in a reasonable time, such research and development without participation by the Bureau in the costs.

We believe that potential benefits from the standby authority which would be provided by the language requested are now even more imminent. Not only has the Bureau begun the use of the most advanced electronic machinery available but the logic for special-purpose machinery it can use profitably now exists more clearly and the possibilities of its development, if the Bureau participates in the costs, have become more definite.

Concluding remarks

We fully share the committee's continuing concern for economical and efficient operation. Although in the current year the major share of our management efforts has necessarily gone toward processing the immediate workloads, we have continued to search for better and more economical ways to do our job. We assure you that we will continue to do so.

GENERAL STATEMENT

Mr. CHRISTGAU. Senator, I have a very brief statement that I will read, and then my associates and I will be glad to answer any questions.

Senator HILL. That will be fine.

Mr. CHRISTGAU. Mr. Chairman and members of the committee, in fiscal year 1958 we are requesting authority to spend from the trust funds, \$131 million. As you know, none of our administrative costs or benefit payments come out of the general revenues of the Federal Government and this request does not affect the general budget of the United States in any way. The House approved \$130 million.

Senator HILL. They cut you only \$1 million out of the \$131 million; is that correct?

Mr. CHRISTGAU. That is right. The House approved \$130 million and our request was \$131 million.

INCREASE IN WORKLOAD

The workloads that the Bureau has had to process this fiscal year have taxed our capacity to the utmost. Because of the 1956 amendments—to which Mr. Schottland just referred—and because the pre-amendment workloads are exceeding estimates by some 11 percent, the claims backlog and the time it takes to pay a claim reached an all-time peak this past year.

Senator THYE. Would you mind an interruption right at that point, Mr. Christgau?

Mr. CHRISTGAU. Go right ahead, Senator Thye.

WEEKS INVOLVED IN BACKLOG

Senator THYE. How many weeks are involved in that backlog you refer to? Just how many weeks would be involved in such a backlog?

Mr. CHRISTGAU. Ordinarily we try to pay the claim within 30 days. In January, because of the large number of claims that came into our office, it took about 60 days. We have now whittled that back, and it is now about 50 days. We hope by the end of the fiscal year that we will get close to normal.

Senator THYE. What is normal?

Mr. CHRISTGAU. We think about 150,000 pending in our district offices would be normal and permit processing in 30 days.

Senator THYE. My question referred to 30 days.

Would 30 days be what you would consider the normal time for adjudication of claims?

Mr. CHRISTGAU. Yes; it would be 30 days or less. We like to get it down to a little less than that.

Senator THYE. I am sorry to have interrupted. Thank you.

Mr. CHRISTGAU. I was just going to cover that point, but since we have already discussed it I will skip that part of my statement, and continue with the next paragraph.

BASIS OF BUDGET REQUESTS

We prepare our budget requests on a workload production-cost basis. At the time it was made, the amount requested was the best projection of what we needed to do a proper job. It was contemplated that with this amount the Bureau would be able to, first, process the backlogs of work that would be carried over into 1958; second, eliminate intensive use of overtime, and, third, reduce to a reasonable figure the length of processing time for new claims.

That is the point you made, sir.

Senator THYE. Yes. If I had waited a little I would have had my answer from your statement. I am sorry to have interrupted you.

Mr. CHRISTGAU. And then the last point as to what we thought we would be able to do with the amount requested was that the Bureau would be able to provide adequate interviews and service to the public.

It now appears that we will carry over from 1957 into 1958 about \$1.5 million to \$2 million of unbudgeted costs. In other words, we were unable to do all the work we had planned in this present fiscal year and will be carrying over that much into the next fiscal year.

Senator THYE. Your main problem is that you cannot accomplish the work you are doing, to the fullest maximum, with the number of people you do have, and that if you do not have the funds you will just keep on pushing the load ahead of you, so to speak; is that correct?

Mr. CHRISTGAU. That is right.

Senator THYE. It requires some physical effort to keep this work pushed ahead of you, but the ultimate result will be that you will spend just so much money and you will have a lot of unsettled claims and dissatisfied claimants. Is that approximately the picture?

Mr. CHRISTGAU. Actually, it costs more when we have to do that. That is correct.

SOURCE OF FUNDS

Senator HILL. Your funds come out of the trust fund and not out of the Treasury; is that right?

Mr. CHRISTGAU. That is right. Our expenditures for administrative costs do not affect the general budget in any way.

Senator HILL. In any way?

Mr. CHRISTGAU. That is right.

Senator THYE. May I ask one further question?

When this reduction of \$1 million was made, was it your feeling that you could absorb the cut by budgeting and cutting down on your administrative expenses, setting up a schedule to live within that amount?

Mr. CHRISTGAU. My recollection is that the House gave no particular reason for reducing the request by \$1 million. We ourselves feel that that is the best estimate we could give, that figure of \$131 million, and now that we have to carry over another \$1.5 million of unbudgeted workloads, it makes it a more difficult task in 1958 than we originally planned for.

But we can assure the committee we will do the best we possibly can with the moneys made available. But we still feel we need \$131 million.

OASI BUILDING

Senator HILL. The Secretary, when he appeared before this committee, testified that administration policy on the construction of new Government buildings will not permit you to proceed with a contract for the OASI building even after the architects complete the plans for the building next July.

Mr. CHRISTGAU. Yes, sir; that is correct.

Senator HILL. As I recall it, previous testimony before this committee has indicated repeatedly that this building would save about \$1 million a year in administrative expenses to the trust fund through savings in rentals and through more efficient operations.

Mr. CHRISTGAU. Yes, sir.

Senator HILL. How much in the way of a supplemental appropriation would be required to award a contract for the building if you were authorized to proceed with construction?

Mr. CHRISTGAU. \$7,960,000.

Senator HILL. Will you please furnish for the record a statement indicating the net annual savings which would result from the construction of the OASI building as well as a table showing the number of years which would be required for the amortization of the building cost.

Mr. CHRISTGAU. Yes, sir.

(The information requested follows:)

Period of amortization of cost of new building

1. Expenditures for present space at current rentals and other estimated savings would pay for the cost of the new building in 26 years:

	<i>Cost</i>
Total annual rental as of Dec. 31, 1956, 741,399 square feet--	\$936, 100
Savings in operating and other costs:	
(a) Rental of buildings in Baltimore (excluding service charges included in rentals) ¹ -----	936, 100
(b) Savings on heat and light-----	91, 800
(c) Savings in supervisory and administrative staff-----	211, 400
(d) Elimination of night shift differential-----	483, 800
(e) Estimated 2 percent improvement in overall efficiency (based on personal service costs in the Division of Accounting Operations)-----	387, 000
Total-----	2, 110, 100
Less additional annual cost of IBM machines-----	345, 000
Net annual rental and savings in operating and other costs available as an offset against amortized cost of building--	1, 765, 100
Number of years required to amortize building-----	26

¹ Service charges vary in each of the 10 buildings currently occupied in Baltimore. In general, they include such items as heat, electricity, water, and maintenance services where these services are not supplied by either GSA or the OASI maintenance staff.

Amortization of cost of new BOASI building

Years after construction	Annual savings ¹	Net interest on unamortized cost on building ²	Balance of annual savings available to reduce debt ³	Remaining debt end of year ⁴
0.				\$33,965,000
1	\$1,765,000	\$832,000	\$932,000	33,033,000
2.	1,765,000	809,000	957,000	32,076,000
3.	1,765,000	785,000	980,000	31,096,000
4.	1,765,000	760,000	1,005,000	30,091,000
5.	1,765,000	735,000	1,030,000	29,061,000
10	1,765,000	599,000	1,166,000	23,508,000
15	1,765,000	444,000	1,321,000	17,220,000
20	1,765,000	270,000	1,496,000	10,100,000
25	1,765,000	72,000	1,693,000	2,039,000
26	1,765,000	29,000	1,736,000	303,000
27	1,765,000	⁵ (15,000)	⁶ (1,780,000)	(?)

¹ Assumed to be available uniformly throughout the year.

² Interest on unamortized debt taking into account that savings become available uniformly throughout the year.

³ Excess of annual savings over interest on unamortized cost of building.

⁴ Remaining debt is such debt for previous year less balance of annual savings available to reduce debt.

⁵ Interest on savings exceeds interest on unamortized cost of building by \$15,000 at end of year.

⁶ Includes \$15,000 excess interest on savings.

⁷ No remaining debt but rather the previous year's debt is completely paid off and a balance of \$1,476,000 remaining.

EXPLANATION OF AMORTIZATION TABLE FOR COST OF NEW BOASI BUILDING

The estimated cost of the building, including interest lost on advances to GSA fiscal years 1954-60,¹ is \$33.965 million and the annual operating savings based upon expenditures for present space at current rental rates, and economies resulting from consolidating all operations in one building, is \$1,765,100. Based on these 2 figures and an interest rate of 2½ percent compounded semiannually, the approximate number of years required to amortize the building cost is 26.

The assumption is made that an initial "debt" of \$33.965 million exists at the time the building is completed and available for occupancy. (Any particular date would not affect the resultant conclusions to be drawn.) The attached table shows how the amortized schedule would work out for each individual year up through the first 5 years and then for 5-year periods through the 25th year after which time single year figures are again given to illustrate how the debt is finally paid off. During the first year, \$832,000 of the \$1,765,100 savings then available is first used as interest on the initial debt. The remaining \$932,000 is then available to reduce the debt. This single process is carried on each year and the remaining debt is slowly reduced. At the same time more and more of the annual savings is available for reducing the debt since the interest required on the debt is gradually reducing as the debt itself reduces. Thus after 26 and a fraction years the debt is paid off.

Senator HILL. Thank you very much, Mr. Christgau. We will include your full prepared statement in the record.

Mr. CHRISTGAU. Thank you, Senator.

OASI BENEFICIARY CHECKWRITING

Senator HILL. Mr. Christgau, does your estimate for 1958 provide funds to perform the checkwriting function in the area offices?

Mr. CHRISTGAU. No, sir; the estimate does not include funds for that purpose.

Senator HILL. What is the status of the checkwriting function insofar as your Bureau is concerned? It is my understanding that the experiment that has been carried on in Birmingham in my home State indicates that savings could be made through the integration of the recordkeeping and checkwriting function in your area offices.

¹ \$635,359 interest lost on advances, as required, for planning and actual construction prior to time building is ready for occupancy.

Mr. CHRISTGAU. Senator Hill, in our opinion the experiment that has been carried on in Birmingham has demonstrated that there are economies to be effected through writing our own checks. The Treasury Department, however, is currently studying the matter and has designated a committee made up of representatives of the General Accounting Office, the Bureau of the Budget, and the Treasury Department for that purpose. The Appropriations Committee report accompanying the Treasury and Post Office bill for 1958 directed that the study be concluded and that a report be made to that committee by June 30, 1957. The report further directed that if agreement could not be reached by the representatives of the three agencies making the study that each should submit a separate report by such date.

Senator HILL. If savings can be effected, such savings would accrue to the credit of the OASI trust funds out of which the benefits are paid; is this not correct?

Mr. CHRISTGAU. Yes, sir; that is correct.

Senator HILL. That would make it even more desirable than would otherwise be the case that we assure that the checkwriting function is being performed as economically as possible?

Mr. CHRISTGAU. Yes, sir.

Senator HILL. Will you please advise the committee studying the matter that this committee is interested in receiving a copy of the report as soon as it is available?

Mr. CHRISTGAU. Yes, sir.

ELECTRONIC CHECKWRITING MACHINE

Senator HILL. As I recall, officials of the Division of Disbursement last year in testifying in support of their budget estimates anticipated the early procurement of an electronic checkwriting machine with which they contemplated substantial savings in the unit costs of writing checks. Do you know if such a machine has yet been put into operation by the Division of Disbursement?

Mr. CHRISTGAU. I understand that the machine is not yet in use.

Senator HILL. Of course this machine if it turns out to be effective would fit into your operations just as well as Treasury's, would it not?

Mr. CHRISTGAU. I feel sure it would, sir.

Senator HILL. And would probably effect the same savings for your program as it would for any other?

Mr. CHRISTGAU. Yes, sir.

Senator HILL. The real savings would come, would they not, from the integration of certain of the functions and not just from the mere preparation of the checks?

Mr. CHRISTGAU. The savings which have accrued in our operations at Birmingham resulted from the integration of the accounting and the disbursing functions. I am sure that the cost of writing the checks would be the same for either agency. Our savings would result from the integration of sundry methods now mandatory under the process whereby Treasury writes the benefit checks while we, of course, must maintain our accounting control records.

Senator HILL. Then it is true, is it not, that no one can say the Bureau of OASI can write checks at less unit cost than can the Division of Disbursement, nor can one say that the Division of Disbursement can write checks at less unit cost than can the Bureau of OASI?

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Mr. CHRISTGAU. The unit costs should be the same in both operations.

Senator HILL. Now, Mr. Schottland, who is your next witness?

Mr. SCHOTTLAND. Mr. Roney is next, Mr. Chairman. He will address himself to the Bureau of Public Assistance.

Senator HILL. All right, Mr. Roney, you may proceed in your own way, sir.

BUREAU OF PUBLIC ASSISTANCE

GRANTS TO STATES FOR TRAINING OF PUBLIC WELFARE PERSONNEL

STATEMENT OF JAY L. RONEY, DIRECTOR, BUREAU OF PUBLIC ASSISTANCE, SOCIAL SECURITY ADMINISTRATION

APPROPRIATION ESTIMATE

"Grants to States for training of public welfare personnel: For grants to States for increasing the number of adequately trained public welfare personnel available for work in the public assistance programs, as authorized by section 705 of the Social Security Act, as amended, \$2,500,000."

Total funds available for obligation

	1957 appropriation	1958 estimate	1958 House allowance
Appropriation or estimate.....		\$2, 500, 000	
Total obligations.....		2, 500, 000	

Obligations by activity

Description	1957 appropriation	1958 estimate	1958 House allowance
Grants to States for training of public welfare personnel (total obligations).....		\$2, 500, 000	

EFFECT OF HOUSE ACTION

The bill as passed by the House entirely eliminates the request of \$2,500,000 for fiscal year 1958. This action results in the following:

1. Delays progress in increasing the number of adequately trained public welfare personnel. Only 2 out of 10 of the professional staff employed in public assistance agencies have social work training as contrasted to 4 out of 10 in total social work positions.

2. Limits the extent to which State agencies can provide appropriate welfare services to public assistance recipients, since provision of such services depends in large measure on the availability of trained staff—staff equipped with the skills to assist public assistance recipients to make maximum use of their own capacities for achieving independent living.

3. Denies funds for training grants with which to carry out the objective of grants to States for this purpose as stated in the law, namely, "* * * to assist in increasing the effectiveness and efficiency of administration of public-assistance programs by increasing the number of adequately trained public-welfare personnel available for work in public-assistance programs." With \$2,500,000 in Federal funds requested in 1958, it is estimated that traineeships and fellowships could be provided to about 670 employees of the public-assistance agencies and to about 240 persons preparing for employment in public assistance. In addition, about 125 special courses of study could be provided to about 6,000 employees of the agencies; and 25 teaching grants could be financed with the requested appropriation.

Obligations by object

Object classification	1957 appropriation	1958 estimate	1958 House allowance
11 Grants, subsidies, and contributions.....	-----	\$2, 500, 000	-----

Summary of changes

1957 actual appropriation.....	-----
1958 appropriation request.....	\$2, 500, 000
Net change requested.....	+2, 500, 000

	1958 estimate	1958 House allowance
For program items:		
Traineeships and fellowships to:		
(a) Persons with employment status with public assistance agencies.....	\$1, 600, 000	-----
(b) Persons preparing for employment with public assistance agencies.....	390, 000	-----
Special courses of study or seminars of short duration.....	350, 000	-----
Teaching grants.....	160, 000	-----
Total change requested.....	2, 500, 000	-----

STATEMENT BY DIRECTOR, BUREAU OF PUBLIC ASSISTANCE, SOCIAL SECURITY
ADMINISTRATION ON GRANTS TO STATES FOR TRAINING OF PUBLIC WELFARE
PERSONNEL, BUREAU OF PUBLIC ASSISTANCE

This statement explains the need for trained public welfare personnel, the basis for the 1958 budget estimate and appeals the House action which eliminated the request of \$2,500,000 for fiscal year 1958.

The need for trained public welfare personnel

One of the most effective ways of overcoming the problems of individuals who are dependent on public financial support and on community welfare services is to provide a body of skilled public welfare personnel who are trained to assist presently needy individuals to support and care for themselves. The Social Security Act Amendments of 1956 recognized the validity of this principle by authorizing grants for this purpose for 5 years with an annual appropriation of \$5 million for grants to States for fiscal year 1958.

The objective of these grants is to provide trained public welfare workers who can not only more efficiently administer public assistance programs but who can also be a positive element in assisting present beneficiaries of community services on public assistance rolls to become more self-reliant, and, in many cases, to become contributors to community resources.

There is ample evidence that these goals can be achieved if trained manpower is available. I cite a dramatic example of what can be done. During 1953-54, an experiment was conducted in Allegheny County, Pa., to implement the part of the Pennsylvania assistance law which states "that assistance shall be administered in such a way and manner as to encourage self-respect, and self-dependency, and the desire to be a good citizen and useful to society." The dual aims of the study were to aid assistance recipients to fully develop their capacities of self-support and self-care by aiding in their rehabilitation to awaken community interest, and to prevent dependency on the part of those recently furloughed from employment. In the process, an attempt was made to measure the administrative costs of these services and to determine the value of the services to the client, the agency, and the community. Many of the cases with which they dealt had been on public assistance rolls for 10 years or longer.

The unit that conducted the experiment consisted of approximately 4 professional staff members and 1 clerical employee. All of the professional staff had some training in social work. This unit worked with the physically and emotionally handicapped persons over 45 years of age, inexperienced or uneducated mothers of dependent children, inexperienced teenagers, and others with such handicaps as prison records. It attempted to deal with the cases through the techniques of counseling and training, special placement effort,

training or retraining, and stimulating the individual's motivation to secure essential health care.

Working with a reduced caseload over a shorter-than-usual period of time and under experimental conditions, the unit handled, over an 11-month period, 254 cases directly involving 285 individuals and a total number of 773 persons in households.

The results of the experimental project indicate—

(1) That 64 cases (147 persons) no longer required public-assistance payments. The initial saving was approximately \$23,000, not counting subsequent annual savings.

(2) That 53 cases (169 persons) no longer needed as much financial assistance as they had previously. Initial savings were \$5,100 in expenditures.

The total savings—not counting subsequent annual savings—in financial terms were \$28,000 as compared with administrative costs of \$21,500.

(3) Of the remaining cases, 32 were referred to the local vocational rehabilitation agency or employment service office. Cooperative services were offered in conjunction with local voluntary welfare agencies and other community groups on the remainder.

Experiments of this type are a challenge because they indicate the rewards which can be gained on a nationwide basis if a training program like that authorized by the Social Security Act Amendments of 1956 can be initiated. There is an opportunity for great achievements. Today, only 20 percent of the professional staff employed by public-assistance agencies have any social-work training and only 4 percent are fully trained. This is much lower than the percentage of trained workers in total social-work positions, and when these numbers of trained public welfare workers are compared with the number of persons needing services, the full dimensions of the problem may be seen. The more than 5 million needy persons receiving public-assistance payments have serious individual and family problems which many times, as the Allegheny County project demonstrated, contribute to the cause of their financial need. Public-assistance programs today are admittedly costly both in terms of the financial burden on all levels of government which must divert tax resources to maintain programs. At present over two-thirds of the appropriations to this Department support the various public-assistance grants. An opportunity is provided through the training-grant program to make a wise long-term investment for the purpose of reducing this burden.

Public assistance programs are also costly in terms of the toll taken by lowered morale of the individuals concerned and deteriorating family and community relationships which decrease an individual's ability to cope with his dependent condition. These problems are worthy of the most intelligent, sympathetic consideration that can be given them. In addition, these problems should receive the skilled attention of professional staff who are trained to assist public assistance recipients to relieve their plight, and, if possible, to overcome economic dependency.

In this way, many persons can become contributors to their community's welfare by contributions made in the form of tax payments and in the form of more stable relationships which can be formed when the disintegrating pressure of economic need is relieved or removed. The probability of delinquency and crime is diminished by placement of the idle and mentally retarded, and threats to public health and safety are decreased with institutionalization of persons suffering from infectious diseases or acute mental disorders.

1958 budget estimate

The 1958 budget carries an estimate of \$2,500,000 which would provide the funds for the initial step in the training program authorized by the Social Security Act Amendments of 1956. The grants would be allotted to States under a formula based on population, financial need, and the relative need for trained public welfare personnel, particularly personnel capable of providing assistance to individuals to attain self-help and self-care. Funds available from these allotments will be used to reimburse States for 80 percent of State expenditures for this purpose. State agencies may expend these funds for traineeships and fellowships to persons employed, or preparing for employment in public assistance programs; for special short-term courses of study or seminars; or for teaching grants to public and other nonprofit institutions of higher learning.

These grants would, in themselves, help reduce the shortage of trained public welfare personnel. It is estimated that with Federal funds of \$2,500,000 in 1958, traineeships and fellowships would be available to approximately 670 employees of public assistance agencies and to about 240 persons preparing for employment in the field of public assistance. These funds would also finance approximately

125 special short-term courses of study that could be provided to about 6,000 employees of the agencies.

Furthermore, the provision of Federal funds would highlight the need for trained public welfare personnel, and it is hoped that States and local governments and universities would be stimulated to further efforts in this field.

Appeal from House action

The bill as passed by the House entirely eliminates the request of \$2,500,000 for fiscal year 1958. It would delay even longer the provision of greater services to public assistance recipients to help them to achieve a greater measure of self-support and self-care. A concentrated attack on these problems is overdue, and a timely implementation of the 1956 amendments is needed. The Allegheny County project would appear to indicate that the investment in this program will be repaid many times over in terms of benefit to the community and to the individual concerned, and in terms of more efficient administration of the public assistance programs. The extent to which State agencies can provide appropriate welfare services to public assistance recipients will depend in large measure on the availability of trained staff, staff equipped with the skills to assist public assistance recipients to make maximum use of their own capacities for achieving independent living. The proposed expenditures of funds during fiscal year 1958 will enable States to make a substantial start toward increasing the number of adequately trained personnel.

We believe the level of the estimate is a realistic one. In arriving at the request of \$2,500,000, allowance was made for the fact that some States would require time to plan their programs and that other States do not presently have the legislative basis for participating fully in the types of training contemplated.

For these reasons we believe that this program should be inaugurated without delay, and consequently we urge the restoration to the bill of the \$2,500,000 requested in the budget.

GENERAL STATEMENT

Mr. RONEY. Mr. Chairman, I would like to make a brief summary statement on the item "Grants to States for Training of Public Welfare Personnel, Bureau of Public Assistance." We have already submitted for the record a detailed statement explaining the need for more trained public welfare personnel.

Senator HILL. The statement you have submitted for the record will appear in the record in full.

Mr. RONEY. Thank you, Mr. Chairman.

TRAINED WELFARE PERSONNEL

Grants to States for this purpose were authorized in the 1956 amendments to the Social Security Act. The objective of these grants is to provide more adequately trained public welfare personnel for working in public assistance programs. Such trained staff can more efficiently administer public assistance programs and can also be a positive element in helping present assistance recipients to become more self-reliant and, in many cases, to become contributors to community resources.

Studies conducted in local public welfare agencies have indicated dollar savings can be realized when adequate trained manpower is available. The results of one such study made in Allegheny County, Pa., are outlined in the detailed statement I submitted for the record.

In summary, in the experiment that was carried on, there were initial savings—not counting subsequent annual savings—of \$28,000, and the cost of this study was \$21,500. Other studies have resulted in similar conclusions.

FAMILY PROBLEMS

The more than 5 million needy persons receiving public-assistance payments have serious individual and family problems which may times contribute to the cause of their financial need. Public-assistance programs today are admittedly costly in terms of the financial burden on all levels of government. An opportunity is provided through the training-grant program to make a wise long-term investment for the purpose of reducing this burden.

The bill, as passed by the House, entirely eliminated the request of \$2,500,000 for fiscal year 1958. This would delay even longer the provision of additional services to public-assistance recipients to help them to achieve a greater measure of self-support and self-care.

I believe that the investment in this program will be repaid many times over in terms of benefit to the community and to the individual concerned, and in terms of more efficient administration of the public-assistance programs.

The extent to which State agencies can provide appropriate welfare services to public-assistance recipients will depend in large measure on the availability of trained staff. The proposed expenditures of funds during fiscal year 1958 will enable States to make a substantial start toward increasing the number of adequately trained personnel.

We believe the level of the estimates is realistic. In arriving at the request of \$2,500,000, rather than the \$5 million authorized by the Congress, allowance was made for the fact that some States would require time to plan their programs. Other States do not presently have the legislative basis for participating fully in the types of training contemplated.

For these reasons I believe this program should be inaugurated without delay and urge the restoration of the \$2,500,000 requested in the budget.

STATE MATCHING OF FUNDS

Senator HILL. Mr. Roney, let us refresh our recollection. How will the funds be matched by the States?

Mr. RONEY. They will be matched on a 20-percent basis by the State and 80 percent by the Federal Government.

Senator HILL. That is as provided for in the statute that we passed last year; is that correct?

Mr. RONEY. That is provided in the statute; yes.

Senator HILL. Senator Thye, do you have any questions?

Senator THYE. No, sir. Thank you.

Senator HILL. Thank you very much, sir. Your more complete statement on this item, which you have submitted, will appear in the record.

Mr. RONEY. Thank you, sir.

Senator HILL. Are you going to address yourself to the item of grants to States for public assistance, too, Mr. Roney?

Mr. RONEY. Yes.

Senator HILL. Very well. You may proceed, sir.

GRANTS TO STATES FOR PUBLIC ASSISTANCE

STATEMENT OF J. L. RONEY, DIRECTOR, BUREAU OF PUBLIC ASSISTANCE; CHARLES I. SCHOTTLAND, COMMISSIONER OF SOCIAL SECURITY; AND ROY L. WYNKOOP, ADMINISTRATIVE OFFICER, SOCIAL SECURITY ADMINISTRATION

APPROPRIATION ESTIMATE

"Grants to States for public assistance: For grants to States for old-age assistance, aid to dependent children, aid to the blind, and aid to the permanently and totally disabled, as authorized in titles I, IV, X, and XIV of the Social Security Act, as amended (42 U. S. C., ch. 7, subchs. I, IV, X, and XIV), [\$1,300,000,000] \$1,679,400,000, of which such amount as may be necessary shall be available for grants for any period in the prior fiscal year subsequent to March 31 of that year."

Amounts available for obligation

	1957 appropriation	1958 estimate	1958 House allowance
Appropriation or estimate.....	\$1,575,000,000	\$1,679,400,000	\$1,600,000,000
Prior year balance available.....	19,724,123		
Available from subsequent year appropriation.....	420,000,000	+420,000,000	+420,000,000
Available in prior year.....	-300,000,000	-420,000,000	-420,000,000
Total available for obligation.....	1,654,724,123	1,679,400,000	1,600,000,000

Obligations by activity

Description	1957 appropriation	1958 budget estimate	1958 House allowance
State expenditures:			
1. Payments to recipients:			
(a) Old-age assistance.....	\$946,300,000	\$997,500,000	\$948,000,000
(b) Aid to dependent children.....	406,000,000	439,000,000	417,200,000
(c) Aid to the blind.....	40,300,000	43,300,000	41,200,000
(d) Aid to the permanently and totally disabled.....	97,900,000	111,600,000	106,100,000
Total payments to recipients.....	1,490,500,000	1,591,400,000	1,512,500,000
2. State and local administration:			
(a) Old-age assistance.....	51,500,000	51,900,000	51,650,000
(b) Aid to dependent children.....	35,700,000	37,300,000	37,125,000
(c) Aid to the blind.....	2,900,000	3,000,000	2,975,000
(d) Aid to the permanently and totally disabled.....	10,900,000	12,300,000	12,250,000
Total, State and local administration.....	¹ 101,000,000	² 104,500,000	104,000,000
Total for all programs.....	1,591,500,000	1,695,900,000	1,616,500,000
Collections and adjustments during year.....	-16,500,000	-16,500,000	-16,500,000
Total obligations against appropriation.....	1,575,000,000	1,679,400,000	1,600,000,000
Amount obligated in prior year for grants chargeable to appropriation for current year.....	-340,275,877	-420,000,000	-420,000,000
Amount obligated in current year for grants chargeable to appropriation for subsequent year.....	420,000,000	420,000,000	420,000,000
Total obligations.....	1,654,724,123	1,679,400,000	1,600,000,000
Financing:			
Appropriation available from subsequent year.....	-420,000,000	-420,000,000	-420,000,000
Appropriation available in prior year.....	340,275,877	420,000,000	420,000,000
Appropriation.....	1,575,000,000	1,679,400,000	1,600,000,000

¹ The Senate Appropriations Committee was advised at the hearings on the supplemental on Feb. 11, 1957 that, according to current information, approximately \$105 million would be needed to meet the Federal share of States' requirements for State and local administration.

² Estimate of \$104,500,000 prepared in August 1956. According to current information, it is estimated that requirements may approximate \$113 million. A separate table is being submitted to show a comparison between 1958 and 1957, based on the most recent estimates for both years.

Obligations by activity, State and local administration

	Requirements based on current trends		1958 budget estimate	1958 House allowance
	1957	1958		
State and local administration:				
(a) Old-age assistance.....	\$53,400,000	\$55,300,000	\$51,900,000	\$51,650,000
(b) Aid to dependent children.....	37,600,000	40,900,000	37,300,000	37,125,000
(c) Aid to the blind.....	3,000,000	3,300,000	3,000,000	2,975,000
(d) Aid to the permanently and totally disabled.....	11,000,000	12,500,000	12,300,000	12,250,000
Total.....	105,000,000	113,000,000	104,500,000	104,000,000

EFFECT OF HOUSE ACTION

Payments to recipients

The House, in acting upon this appropriation item, reduced the total request of \$1,679,400,000 to \$1,600 million. Of this amount, \$1,496 million was provided for assistance payments to public assistance recipients. If the amount recommended by the House is not sufficient, a supplemental appropriation will be requested in order to carry out the statutory Federal obligation for paying the Federal share of assistance payments to public assistance recipients.

State and local administration

The House placed a limitation of \$104 million on the amount of Federal funds that may be used for State and local administration. This has the effect of making a substantial modification of the Social Security Act which authorizes 50-50 matching of necessary and proper administrative expenses. The limitation also changes the basic Federal-State relationship in the administration of the public assistance programs. The States, unaware until very recently of any prospective change by the Congress, have already made their appropriations (many through 2 fiscal years); and many welfare departments have committed all or substantial portions of their funds on the assumption that Federal matching funds would be forthcoming on the established 50-50 basis.

Placing a limitation on Federal funds for administrative expenses will also seriously limit many States in carrying out the Social Security Act Amendments of 1956, which placed emphasis on the responsibility of States to furnish, in addition to financial assistance, appropriate services to help public assistance recipients achieve self-support and self-care. Provision of such services are a necessary cost of program administration which should result in reducing the need for assistance.

The language inserted by the House also prohibits use of 1958 funds to cover any State and local administrative costs incurred prior to July 1957. The Social Security Act provides that the Federal grants for public assistance shall include one-half of total State expenditures that are necessary for proper and efficient administration of the public assistance programs. The act also provides for adjustments in current grants when funds granted for a prior period are more or less than the amount which should have been paid to the States. Thus, there will be no funds for meeting Federal obligations for claims submitted by States not only for fiscal year 1957 but for any prior periods. Furthermore, the limitation presents a more serious problem than would ordinarily be represented by a \$500,000 reduction since recent information received from the States indicates that the estimate of \$104.5 million identified in the 1958 budget submittal for State and local administration is substantially less than will be required. Some of the reasons given by the States for the increase in administrative costs are (1) greater emphasis on self-support and self-care activities; (2) additional costs involved in administering vendor payments for medical care; (3) increases in salaries; and (4) the addition of new State programs of aid to the permanently and totally disabled.

The restrictive legislation also places the administrators of the public assistance grant-in-aid programs in a difficult if not impossible position. Lacking legislative direction as to how to apply such a limitation, the most practical basis is to apply the same percentage reduction to each State. Any method of distribution determined administratively will be subject to question by the States. Also, we understand many members of the Congress would be opposed to a flat percentage reduction affecting all of the States.

Obligations by object

Object classification	1957 appropri- ation	1958 budget estimate	1958 House allowance
11 Grants, subsidies, and contributions.....	\$1, 654, 724, 123	\$1, 679, 400, 000	\$1, 600, 000, 000

Summary of changes

1957 appropriation.....	\$1, 575, 000, 000
1958 appropriation request.....	1, 679, 400, 000
Net change.....	+ 104, 400, 000

	1958 budget estimate ¹	1958 House allowance ¹
FOR PROGRAM ITEMS		
Payments to recipients:		
Old-age assistance.....	\$51, 200, 000	\$1, 700, 000
Aid to dependent children.....	33, 000, 000	11, 200, 000
Aid to the blind.....	3, 000, 000	900, 000
Aid to the permanently and totally disabled.....	13, 700, 000	8, 200, 000
Total increase for payments to recipients.....	100, 900, 000	22, 000, 000
State and local administration:		
Old-age assistance.....	400, 000	150, 000
Aid to dependent children.....	1, 600, 000	1, 425, 000
Aid to the blind.....	100, 000	75, 000
Aid to the permanently and totally disabled.....	1, 400, 000	1, 350, 000
Total increase for State and local administration.....	3, 500, 000	3, 000, 000
Total change requested.....	104, 400, 000	25, 000, 000

¹ Increases shown for 1958 over 1957 are based on appropriation of \$1,300 million for 1957 plus supplement of \$275 million, or a total of \$1,575 million for 1957.

Public assistance: Estimated obligations for grants to States for fiscal year 1958 from estimated requirements for 1958

States and Territories	Old-age assist- ance	Aid to de- pendent children	Aid to the blind	Aid to the permanently and totally disabled	Total
Total.....	\$1, 036, 800, 000	\$473, 300, 000	\$46, 100, 000	\$123, 200, 000	\$1, 679, 400, 000
Alabama.....	35, 336, 000	9, 195, 000	610, 000	4, 463, 000	49, 604, 000
Alaska.....	725, 000	1, 156, 000	41, 000	-----	1, 922, 000
Arizona.....	6, 129, 000	4, 255, 000	391, 000	-----	10, 775, 000
Arkansas.....	18, 057, 000	4, 869, 000	813, 000	2, 209, 000	25, 948, 000
California.....	127, 009, 000	47, 852, 000	7, 100, 000	-----	181, 961, 000
Colorado.....	23, 014, 000	5, 401, 000	176, 000	2, 736, 000	31, 327, 000
Connecticut.....	7, 530, 000	4, 557, 000	165, 000	1, 276, 000	13, 528, 000
Delaware.....	664, 000	1, 022, 000	120, 000	222, 000	2, 028, 000
District of Columbia.....	1, 303, 000	2, 165, 000	128, 000	1, 266, 000	4, 862, 000
Florida.....	29, 103, 000	14, 273, 000	1, 230, 000	2, 447, 000	47, 053, 000
Georgia.....	37, 027, 000	11, 383, 000	1, 559, 000	5, 874, 000	55, 843, 000
Hawaii.....	680, 000	2, 928, 000	58, 000	622, 000	4, 288, 000
Idaho.....	3, 495, 000	1, 629, 000	91, 000	491, 000	5, 706, 000
Illinois.....	39, 066, 000	25, 003, 000	1, 794, 000	5, 936, 000	71, 799, 000
Indiana.....	12, 854, 000	7, 659, 000	901, 000	-----	21, 414, 000
Iowa.....	17, 454, 000	6, 017, 000	778, 000	-----	24, 249, 000
Kansas.....	15, 046, 000	4, 176, 000	321, 000	2, 091, 000	21, 634, 000
Kentucky.....	20, 414, 000	13, 412, 000	1, 239, 500	445, 000	35, 510, 500
Louisiana.....	58, 035, 000	16, 674, 000	1, 096, 000	6, 316, 000	82, 121, 000
Maine.....	5, 157, 000	3, 541, 000	259, 000	403, 000	9, 360, 000
Maryland.....	4, 117, 000	5, 957, 000	223, 000	2, 543, 000	12, 840, 000
Massachusetts.....	39, 722, 000	11, 124, 000	1, 000, 000	5, 991, 000	57, 837, 000
Michigan.....	30, 523, 000	16, 630, 000	873, 000	1, 398, 000	49, 424, 000
Minnesota.....	21, 830, 000	6, 696, 000	595, 000	793, 000	29, 914, 000
Mississippi.....	21, 289, 000	3, 677, 000	1, 607, 000	1, 227, 000	27, 800, 000
Missouri.....	56, 032, 000	15, 019, 000	2, 284, 000	7, 196, 000	80, 531, 000
Montana.....	3, 725, 000	1, 777, 000	217, 000	786, 000	6, 505, 000
Nebraska.....	7, 578, 000	2, 504, 000	441, 000	617, 000	11, 140, 000
Nevada.....	1, 204, 000	487, 000	63, 000	-----	1, 754, 000
New Hampshire.....	2, 452, 000	897, 000	125, 000	183, 000	3, 657, 000
New Jersey.....	8, 906, 000	5, 730, 000	517, 000	2, 266, 000	17, 419, 000
New Mexico.....	4, 158, 000	5, 568, 000	192, 000	832, 000	10, 750, 000
New York.....	43, 570, 000	55, 054, 000	2, 490, 000	22, 777, 000	123, 891, 000
North Carolina.....	17, 147, 000	14, 368, 000	2, 239, 000	5, 825, 000	39, 579, 000
North Dakota.....	3, 540, 000	1, 527, 000	59, 000	502, 000	5, 628, 000
Ohio.....	42, 561, 000	15, 907, 000	1, 950, 000	4, 682, 000	65, 100, 000
Oklahoma.....	43, 069, 000	11, 669, 000	933, 000	3, 482, 000	59, 213, 000
Oregon.....	7, 893, 000	3, 039, 000	165, 000	1, 758, 000	12, 855, 000
Pennsylvania.....	21, 521, 000	26, 356, 000	3, 884, 000	6, 738, 000	58, 499, 000
Puerto Rico.....	1, 784, 000	2, 505, 000	70, 500	953, 000	5, 312, 500
Rhode Island.....	3, 319, 000	2, 810, 000	79, 000	858, 000	7, 066, 000
South Carolina.....	14, 562, 000	4, 572, 000	722, 000	2, 876, 000	22, 732, 000
South Dakota.....	4, 051, 000	2, 214, 000	93, 000	411, 000	6, 769, 000
Tennessee.....	22, 433, 000	12, 911, 000	1, 222, 000	1, 231, 000	37, 797, 000
Texas.....	88, 000, 000	16, 974, 000	2, 967, 000	-----	107, 941, 000
Utah.....	3, 973, 000	2, 455, 000	120, 000	918, 000	7, 466, 000
Vermont.....	2, 767, 000	917, 000	71, 000	285, 000	4, 040, 000
Virgin Islands.....	104, 000	74, 000	5, 000	17, 000	200, 000
Virginia.....	5, 228, 000	6, 679, 000	524, 000	2, 210, 000	14, 641, 000
Washington.....	26, 332, 000	7, 926, 000	420, 000	2, 932, 000	37, 610, 000
West Virginia.....	7, 323, 000	14, 831, 000	441, 000	3, 199, 000	25, 794, 000
Wisconsin.....	16, 223, 000	6, 759, 000	544, 000	650, 000	24, 176, 000
Wyoming.....	1, 766, 000	520, 000	34, 000	267, 000	2, 587, 000

GENERAL STATEMENT

Mr. RONEY. Mr. Chairman, with your permission, I would be glad to file with the committee a detailed statement indicating the basis of our estimate of grants to States for public assistance.

Senator HILL. We will be pleased to have that statement placed in the record.

Mr. RONEY. Thank you, Mr. Chairman.

I would like to limit my remarks at this time to an appeal from the House action, which establishes a limitation on the amount of Federal funds that may be used for costs of State and local administration.

I make this suggestion to conserve your time.

Senator HILL. This goes to the same proposition, does it not, that we had on the recent deficiency bill?

Mr. RONEY. That is right.

STATEMENT BY DIRECTOR, BUREAU OF PUBLIC ASSISTANCE, SOCIAL SECURITY ADMINISTRATION, ON GRANTS TO STATES FOR PUBLIC ASSISTANCE, BUREAU OF PUBLIC ASSISTANCE

This statement explains the basis for the 1958 estimate, shows the effect of the House action on assistance payments, and appeals the House limitation on Federal funds for matching State expenditures for State and local administration.

Under the provisions of the public assistance titles of the Social Security Act, the Federal Government shares with States the cost of assistance to needy persons who are aged, blind, or permanently and totally disabled, and to dependent children deprived of parental support or care.

Grants to States for assistance and administration are based on plans submitted by the States for each program and approved by the Social Security Administration as meeting the requirements of the Social Security Act. This provision of the Social Security Act for a State plan recognizes the desirability of reserving to each State necessary latitude in determining the scope and methods of operation of its program within the general conditions set forth in the Federal law. At the same time, it provides a systematic basis for a State to submit to the Federal Government a document which specifies the nature of its programs and the types of expenditures in which the Federal Government is asked to participate.

PROGRAM COVERAGE

Fifty-three jurisdictions including all the States, the District of Columbia, Alaska, Hawaii, Puerto Rico, and the Virgin Islands, have approved plans for old-age assistance, aid to dependent children, and aid to the blind; and 46 jurisdictions now have approved plans for the program of aid to the permanently and totally disabled established by the Social Security Act Amendments of 1950. It was not anticipated that this new program will be in operation in 1958 in the other seven jurisdictions—Alaska, Arizona, California, Indiana, Iowa, Nevada, and Texas.

ESTIMATED COSTS, FISCAL YEAR 1958

The Social Security Act Amendments of 1956 raised the amount of the Federal contribution to assistance payments in all jurisdictions, effective July 1, 1956, for Puerto Rico and the Virgin Islands, and October 1, 1956, for all other jurisdictions. The request of \$1,679,400,000 for 1958 is \$104.4 million more than the amount appropriated for 1957, including the regular appropriation of \$1,300 million and a supplemental appropriation of \$275 million.

The increase for 1958 is attributable primarily to the 1956 amendments which raised the rate of Federal participation in money payments and provided for separate matching of payments for medical care to suppliers of medical services such as doctors, hospitals, and druggists. The largest part of the increase for 1958—\$58 million—is estimated to be for these medical payments. Under legislation now in effect, the Federal share of payments to vendors for medical remedial care is computed in combination with the amount for money payments, and the combined amount for both forms of payments is limited by an overall maximum on individual payments. Effective July 1, 1957, the Federal share of payments to vendors for medical care will be separately computed and will be half the total amounts expended for such services up to an average of \$6 per adult and \$3 per child. This will permit more Federal participation in payments to vendors and will simplify the computation of the Federal share of such payments.

NUMBER OF RECIPIENTS

Old-age assistance.—The downward trend in the number of recipients of old-age assistance, which has been apparent since 1950, is expected to continue in 1958 despite the continued growth in the aged population. The estimated average monthly number of recipients, 2,465,000, represents 163 per 1,000 of the population 65 years of age and over compared with a rate of 173 per 1,000 in June 1956 and of 226 in June 1950. The estimated decline is due primarily to the extended coverage and liberalization of benefits under the program of old-age and survivors insurance effected by the 1950 and 1954 amendments. As a result

of these amendments, some persons who would otherwise have received assistance will be able to manage without it, and others will need smaller amounts than they would otherwise have received.

Aid to dependent children.—The estimate of 2,277,000 persons—children and needy adults caring for them—is 1.7 percent greater in 1958 than in the preceding year. The number of children to be aided, 1,731,000, represents about 28 per 1,000 of the estimated population under 18 years of age, as compared with a rate of 29 per 1,000 for June 1956.

Aid to the blind.—The average monthly number of recipients in 1958 is estimated at 108,300 about 1.7 percent more than for 1957.

Aid to the permanently and totally disabled.—For 1958, the number of recipients, estimated at 285,500, is 6.7 percent greater than the estimate for 1957.

AVERAGE MONTHLY PAYMENTS

Old-age assistance.—The average monthly payment per recipient in 1958 is estimated at \$58.07, an increase of \$1.93 from that estimated for 1957.

Aid to dependent children.—The average monthly payment per recipient of aid to dependent children is estimated at \$26.42 in 1958, an increase of \$1.04 from 1957.

Aid to the blind.—It is estimated that the average payment in 1958 will be \$64.80, an increase of \$2.46 from the estimate for 1957.

Aid to the permanently and totally disabled.—It is estimated that in 1958 the average monthly payment will increase to \$61.89, \$2.98 more than estimated for 1957.

STATE AND LOCAL ADMINISTRATION

The total amount included in the 1958 budget submittal for fiscal year 1958 for State and local administration of the 4 public-assistance programs is \$211.3 million, of which \$104.5 million would be met from Federal funds. About 85 percent of the administrative expense is for salaries of staff in State and local public assistance agencies.

EFFECT OF HOUSE ACTION ON ADEQUACY OF ASSISTANCE PAYMENTS

The House, in acting upon this appropriation item, reduced the total request of \$1,679,400,000 to \$1,600,000,000. Of this amount, \$1,496,000,000 was provided for assistance payments to public assistance recipients.

In reducing the amount for assistance payments, the committee gave two major reasons for believing the amount requested for 1958 could be reduced. One was that it appeared that the estimates failed to take into adequate consideration the fact that the program of old-age and survivors insurance has been further liberalized and should result in some reduction in public assistance rolls. Estimates made so far in advance, and which must necessarily take into account so many variables, are, of course, subject to some margin of error. We do, however, keep in close touch with developments in the States and use our best judgment in making estimates as to the course expenditures will take. The expanding OASI program, for example, was taken into account in arriving at the estimates, and recognition was given in the old-age assistance program to the continuing downward trend in the number of prospective recipients. However, it was necessary also to give effect to the continued growth in the aging population. This factor is important in that it slows down the rate of decline which might otherwise be expected to take place.

The House committee report also said that apparently little or no consideration was given to the expanding vocational-rehabilitation program which is rehabilitating more and more persons who are on public-assistance rolls. It is recognized that this program is restoring physically handicapped persons to self-support, and that savings in public-assistance expenditures may be expected to flow from it. However, we should like to point out that there are limitations on what may be expected of this program in reducing public assistance because of the special characteristics of public-assistance recipients. The majority of these recipients are the very old and the very young; even the blind and the permanently and totally disabled are largely in the upper age group. The rate of vocational rehabilitation among these groups is relatively low.

If the amount recommended by the House is not sufficient, a supplemental appropriation will be requested in order to carry out the statutory Federal obligation for paying the Federal share of assistance payments to public assistance recipients.

APPEAL FROM HOUSE ACTION ON LANGUAGE LIMITING ADMINISTRATIVE COSTS

The House placed a limitation of \$104 million on the amount of Federal funds that may be used for costs of State and local administration. This will seriously limit many States in carrying out the Social Security Act amendments of 1956, which placed emphasis on the responsibility of States to furnish, in addition to financial assistance, appropriate services to help public-assistance recipients achieve self-support and self-care. Provision of such services are a necessary cost of program administration which should result in reducing the need for assistance. Furthermore, the limitation presents a more serious problem than would ordinarily be represented by a \$500,000 reduction since recent information received from the States indicates that the estimate of \$104.5 million identified in the 1958 budget submittal for administrative expenses is substantially less than will be required. Some of the reasons given by the States for the increase in administrative costs are (1) greater emphasis on self-support and self-care activities, (2) additional costs involved in administering vendor payments for medical care, (3) increases in salaries, and (4) the addition of new State programs of aid to the permanently and totally disabled.

It is well to consider the proposed House limitation on administrative costs in relation to the following provision of the public-assistance titles of the Social Security Act:

"From the sums appropriated therefor, the Secretary of the Treasury shall pay to each State which has an approved plan * * * for each quarter * * * an amount equal to one-half of the total of the sums expended during such quarter as found necessary by the Secretary [of Health, Education, and Welfare] for the proper and efficient administration of the State plan * * *."

For many years costs of administration included in these grants have been matched on this 50-50 basis as required by the act, without limitation. The Appropriations Committees of both Houses of Congress have, in committee reports and otherwise, recognized the obligation of the Federal Government to provide the funds necessary to carry out the matching provisions of the act.

A State desiring to participate in this program is required to submit a "plan" which includes copies of pertinent State laws governing policies, the type of organization contemplated, and other material such as merit system, procurement, and travel requirements, which describe the nature of expenditures for which Federal funds will be claimed. Once the plan is approved the State submits an estimate each quarter, in advance, of the amounts it will spend for administration and assistance; and the grant is made on the basis of this estimate and a certification from the State that State funds are available for the State's share of such expenditures. The funds granted are subject to adjustment in succeeding quarters to reflect actual disbursements of expenditures that are in accordance with the approved plan.

The States have never been required to submit detailed administrative budgets for prior approval. They do, however, submit detailed budgets to appropriate State fiscal officers and to the State legislature for review and approval. In many States local governing bodies must also appropriate and approve the funds to be expended. All money must be spent in accordance with State law and fiscal policies. The State is thus given maximum opportunity to make its own decisions. That this was the intent of Congress in substantive legislation has always seemed clear to us. As typical of the attitude of the Congress in legislating on this program, we are quoting below from Senate Report 628, 74th Congress:

"It may be pointed out that these provisions [for grants to the States] impose only a few reasonable, minimum requirements on the States and give recognition to the principle of States' rights. The supervision given to the Federal agencies in charge has been carefully circumscribed so that there may be no unreasonable encroachment upon the States from Washington."

In addition to reviewing State plans, periodic administrative reviews are made of State and local operations, and fiscal audits of their expenditures are made by an independent grant-in-aid audit group to make certain the outlays are "for the proper and efficient administration of the State plan." These controls, coupled with the fact that State legislatures must appropriate at least one-half of the funds needed for administration and that administrative estimates must all be authorized by and carried out in accordance with State law, are the safeguards which protect the Federal Government in the expenditure of these funds.

The basic law requires 50 percent matching of administrative costs to all States, but lacking sufficient funds to carry out the matching mandate, it is the opinion of our General Counsel that the only way in which we could distribute a limited sum for administration would be to apply the same reduced percentage to all

States. The States, unaware until very recently of any prospective change by the Congress, have already made their appropriations (many through 2 fiscal years); and many welfare departments have committed all or substantial portions of their funds on the assumption that Federal matching funds would be forthcoming on the established 50-50 basis. Some States cannot now adjust to reduced Federal grants without actually jeopardizing the distribution of public assistance. The allocation of a limited sum of money for administration would, therefore, not only fail to meet the Government's contractual obligation imposed by law, but would result in situations which would present problems, of very serious consequences, in Federal-State relations.

It is recognized that the States have increased their administrative expenditures substantially in recent years. Most of the increase is due to salary increases which have reflected the higher cost of living. The balance is largely due to the addition of new State programs for the permanently and totally disabled which in their very nature are more costly to administer.

Also, there are differences in administrative costs measured in terms of percentage of assistance payments. However, it must be remembered that Congress left to each State a wide choice in deciding the kind of program and the administration thereof best suited to its needs. A State may choose to hold relatives responsible for their needy; it may enact administratively expensive lien laws, residence requirements, and medical programs; or it may just as freely choose a type of program which can be operated with a minimum outlay of administrative funds. If low administrative costs are due, for example, to inadequate investigation of eligibility, then larger assistance payments and a higher recipient rate may be found to cost many times the savings in administration. We do not believe that a so-called high or low cost State can be judged in terms of productive efficiency by calculating administrative costs as a percentage of assistance.

In view of the legislative and administrative problems—and all of them have not been mentioned—it is urged that the limitation on administrative costs in the bill be rescinded. If the Congress wishes to limit the amount of Federal funds to match State and local administrative costs, it should amend the basic statute, as indicated by the Senate committee in acting upon a similar House proposal in the urgent deficiency bill of 1957. Failing this, the Congress should determine the method of distribution if it desires any method other than a straight percentage cut for all States.

TREND REPORT

We have prepared a series of charts and tables which show the impact on the assistance programs of social, economic, and legislative factors during varying periods in the past 21 years. Copies of this document, entitled "Trend Report: Graphic Presentation of Public Assistance and Related Data," have been made available to staff of the committee.

APPEAL FROM HOUSE ACTION ON LANGUAGE LIMITING ADMINISTRATIVE COSTS

The House placed a limitation of \$104 million on the amount of Federal funds that may be used for costs of State and local administration. This will seriously limit many States in carrying out the Social Security Act Amendments of 1956, which placed emphasis on the responsibility of States to furnish, in addition to financial assistance, appropriate services to help public-assistance recipients achieve self-support and self-care. Provision of such services is a necessary cost of program administration, which should result in reducing the need for assistance.

Furthermore, the limitation presents a more serious problem than would ordinarily be represented by a \$500,000 reduction, since we have recently received information from the States indicating that the estimate of \$104.5 million, identified in the 1958 budget submittal for administrative expenses, is substantially less than will be required.

Senator HILL. In that connection, let me inquire: How long ago did you receive your original information upon which you base the \$104,500,000 figure?

Mr. WYNKOOP. In September.

REASONS FOR ADMINISTRATIVE COST INCREASES

Mr. RONEY. Some of the reasons given by the States for the increase in administrative costs are: greater emphasis on self-support and self-care activities; additional costs involved in administering vendor payments for medical care; increases in salaries, and the addition of new State programs of aid to the permanently and totally disabled.

For many years, costs of administration included in these grants have been matched on a 50-50 basis, as required by the Social Security Act, without limitation. The Appropriations Committees of both Houses of Congress, in committee reports and otherwise, have recognized the obligation of the Federal Government to provide the funds necessary to carry out the matching provisions of the act.

PARTICIPATION IN PROGRAM

A State desiring to participate in this program is required to submit a plan, which includes copies of pertinent State laws governing policies, the type of organization contemplated, and other materials, such as merit system, procurement and travel requirements, which describe the nature of expenditures for which Federal funds will be claimed. Once the plan is approved the State submits an estimate each quarter, in advance, of the amounts it will spend for administration and assistance, and the grant is made on the basis of this estimate and a certification from the State that State funds are available for the State's share of such expenditures. The funds granted are subject to adjustment in succeeding quarters to reflect actual disbursements of expenditures that are in accordance with the approved plan.

The States have never been required to submit detailed administrative budgets for prior approval. They do, however, submit detailed budgets to appropriate State fiscal officers and to the State legislature for review and approval. In many States, local governing bodies must also appropriate and approve the funds to be expended. All money must be spent in accordance with State law and fiscal policies. The State is thus given maximum opportunity to make its own decisions. That this was the intent of Congress in substantive legislation has always seemed clear to us.

REVIEW OF LOCAL OPERATIONS

In addition to reviewing State plans, we make periodic administrative reviews of State and local operations. These reviews, together with fiscal audits of State expenditures made by an independent grant-in-aid audit group, assure that outlays are "for the proper and efficient administration of the State plan." These controls, coupled with the fact that State legislatures must appropriate at least one-half of the funds needed for administration and that administrative estimates must all be authorized by and carried out in accordance with State law, are the safeguards which protect the Federal Government in the expenditure of these funds.

Should Congress, through the appropriations process, express an intent inconsistent with the substantive legislation, we would be faced with a dilemma. The basic law requires 50 percent matching of administrative costs to all States, but lacking sufficient funds to carry out the matching mandate, in the absence of specific legislative direc-

tion the only way in which we could carry out a limitation of the total amount would be to apply the same reduced percentage to all States.

The States, unaware until very recently of any prospective change by Congress, have already made their appropriations—many through 2 fiscal years—and many welfare departments have committed all or substantial portions of their funds on the assumption that Federal matching funds would be forthcoming on the established 50-50 basis. Some States cannot now adjust to reduced Federal grants without actually jeopardizing the distribution of public assistance.

We recognize that the States have increased their administrative expenditures substantially in recent years. Most of the increase is due to salary increases which have reflected the higher cost of living. The balance is largely due to the addition of the new State programs for the permanently and totally disabled, which in their very nature are most costly to administer.

We recognize also that there are great differences in administrative costs measured in terms of percentage of assistance payments. However, it must be remembered that Congress left to each State a wide choice in deciding the kind of program and the administration thereof best suited to its needs. A State may choose to hold relatives responsible for their needy; it may enact administratively expensive lien laws, residence requirements, and medical programs; or it may just as freely choose a type of program which can be operated with a minimum outlay of administrative funds. If low administrative costs are due, for example, to inadequate investigation of eligibility, then larger assistance payments and a higher recipient rate may be found to cost many times the saving in administration.

We do not believe that a so-called high or low cost State can be judged in terms of productive efficiency by calculating administrative costs as a percentage of assistance.

In view of the legislative and administrative problems—and I have not mentioned all of them—

Senator HILL. You mention all of them in your more detailed statement which you have presented for inclusion in the record; is that correct?

Mr. RONEY. Right.

Senator HILL. I want to say this is a good statement you are giving us here.

I am sure you will agree with that, Senator Thye.

Senator THYE. I most certainly do.

Mr. RONEY. Thank you.

RESCISSION OF LIMITATION

In line with that, we urge that this limitation on administrative costs be rescinded. We believe that if the Congress wishes to limit the amount of Federal funds to match State and local administrative costs, it should amend the basic statute as indicated by the Senate committee in acting upon a similar House proposal in the urgent deficiency bill of 1957. Failing this, the Congress should determine the method of distribution if it desires any method other than a straight percentage cut for all States.

Senator HILL. Do you have any questions, Senator Thye?

Senator THYE. No: I have not, Mr. Chairman.

Senator HILL. We will include your more complete prepared statement in the record, Mr. Roney.

Mr. RONEY. Thank you, Mr. Chairman.

REVISION IN COSTS OF PROGRAM

Senator HILL. I have here a letter from Secretary Folsom regarding a revision in the estimated costs of State and local administration of the public assistance program. Without objection, the letter, along with the attached revised estimate, will be made a part of the record at this point.

(The material referred to follows:)

THE SECRETARY OF HEALTH, EDUCATION, AND WELFARE,
Washington, D. C., May 1, 1957.

Hon. LISTER HILL,

*Chairman, Senate Labor-HEW Appropriations Subcommittee,
United States Senate, Washington, D. C.*

DEAR MR. CHAIRMAN: In accordance with your request, I am setting forth in the enclosure to this letter a revision in our estimate of the amount of Federal funds that we now believe will be required for State and local administration of the public-assistance programs in fiscal year 1958. As Mr. Schottland indicated in his letter to you of April 16, 1957, it is extremely difficult even now to project a firm estimate for this item of expense since what actually will be needed will depend upon actions taken by the 53 jurisdictions and upward of 3,000 local assistance agencies.

By way of background, let me summarize briefly the current status of our request for 1958. In the budget for fiscal year 1958 an estimate of \$104.5 million was shown as the Federal share of State and local administration of the public-assistance programs. This estimate was made during the summer of 1956 when we had actual experience only through December of 1955. In H. R. 6287, which carries our appropriations for 1958, the House placed a limitation of \$104 million on the Federal share of State and local administrative costs. This limitation would present a more serious problem than would ordinarily be presented by a \$500,000 reduction since recent information received from the States, not available at the time the original estimate was made, indicates that the estimate of \$104.5 million identified in the 1958 budget submittal for administrative expenses is substantially less than will be required.

Based on actual State expenditures through December 1956 our estimate of the amount required as the Federal share of administration is \$113 million rather than \$104.5 million. This has been arrived at through a projection over the next year and a half, that is from December 1956 through June 1958, of the increases that occurred during the year and a half ended in December 1956.

In order to obtain additional information to validate our estimates, late in March 1957, we asked the State agencies to furnish us with their estimates of what would be required for the fiscal year 1958. The States' estimates came to \$117 million. If we exclude from the States' estimates amounts for two aides to the permanently and totally disabled programs not yet authorized by State legislatures, the total is \$113.6 million or about the same as our estimate based on the projection described above. The major reason given by the States for the increase in administrative costs is general increases in operating expenses, especially in salaries. Other reasons given are the additional costs involved in administering vendor payments for medical care and the greater emphasis on self-support and self-care activities. Both of these items resulted from the recent 1956 Social Security Act amendments. Administrative costs are also increasing due to the addition of new Federal-State programs of aid to the permanently and totally disabled.

We know that salary increases have been of paramount importance in the rising cost of administration. Analyses show that of the total increase that occurred between 1950 and 1956, about 60 percent is due to salary increases. Even so, data supplied by the Bureau of the Census indicate that the average salaries of public assistance employees are lower than for all State and local employees and are well below those for school employees. We also know that the newly authorized vendor medical care programs, which will be in effect in about 37 States in 1958, are expensive to administer and that the provision of welfare services

designed to promote self-support and self-care and to result in a decrease in the number of persons needing assistance will require additional staff. All these factors contribute to the need for the revision in the estimate.

You are aware of the difficulties which are presented in arriving at a firm estimate of administrative costs for this program almost a year in advance. For example, changes in State legislation substantially amend programs; they may add a relative responsibility or lien law; they may develop greater programs of support; they may increase salaries of employees; all of these add to administrative costs. In preceding years, while we strove for exactness in the classification of our estimate between assistance and administration, preciseness was not essential, because (1) funds for these purposes were interchangeable, (2) the appropriation act provided that the appropriation for the succeeding year might be used to make up any deficit in the appropriation for the budget year, and (3) the basic law provided, and still provides, for making grants in advance on the basis of estimated expenditures with adjustments to give effect to over-or-under payments after actual expenditures have been reported. The House seeks to eliminate these authorities insofar as administrative costs are concerned. The action by the House seems to be based on an assumption that administration is separate from the rest of the grant. This, of course, is not the case since under the Social Security Act, Federal funds for State and local administration are a part of the total public assistance grant. The type of limitation proposed by the House would require a basic change in the system of making public assistance grants as well as in the method of making adjustments based on actual expenditures. Other problems that would result from the limitation proposed by the House are described in Mr. Schottland's letter of April 6, 1957, to Congressman Lanham, a copy of which was sent to you and is also enclosed for ready reference.

The new estimate for administration does not constitute a revision in the 1958 budget estimate of \$1,679,400,000 for grants to States for public assistance, and the attached table reflects a decrease in assistance payments of \$8.5 million to offset the increase in the revised estimate of administrative costs. Another method of handling would have been to submit an amendment to the budget. However, since the difference percentagewise in the total estimate was less than one-half of 1 percent, a budget amendment did not seem warranted.

A copy of this letter is being made available to Congressman Fogarty, chairman of the House Labor-HEW Appropriations Subcommittee.

We shall be glad to make available any additional information you may desire.

Sincerely yours,

M. B. FOLSOM, *Secretary.*

Grants to States for public assistance, Bureau of Public Assistance estimated obligations by activity

State expenditures	1958 budget estimate	1958 adjusted because of increase in estimate for State and local administration
1. Payments to recipients:		
(a) Old-age assistance.....	\$997, 500, 000	\$992, 200, 000
(b) Aid to dependent children.....	439, 000, 000	436, 700, 000
(c) Aid to the blind.....	43, 300, 000	43, 000, 000
(d) Aid to the permanently and totally disabled.....	111, 600, 000	111, 000, 000
Total payments to recipients.....	1, 591, 400, 000	1, 582, 900, 000
2. State and local administration:		
(a) Old-age assistance.....	51, 900, 000	56, 300, 000
(b) Aid to dependent children.....	37, 300, 000	40, 900, 000
(c) Aid to the blind.....	3, 000, 000	3, 300, 000
(d) Aid to the permanently and totally disabled.....	12, 300, 000	12, 500, 000
Total State and local administration.....	104, 500, 000	113, 000, 000
Total for all programs.....	1, 695, 900, 000	1, 695, 900, 000
Collections and adjustments during year.....	-16, 500, 000	-16, 500, 000
Total estimated obligations.....	1, 679, 400, 000	1, 679, 400, 000

FEDERAL SHARE OF ASSISTANCE PAYMENTS

Senator HILL. The committee has also been furnished tables which show by State, by program, the Federal share of public-assistance payments, the Federal share of State and local administrative costs, and the percentage relationship thereof to the Federal share of assistance payments. Also, a table by quarter for the year ending March 31, 1957, of the Federal share of State and local administrative costs, by State.

These tables will be made a part of the record at this point.
(The tables referred to follow:)

Public assistance-Federal share of assistance payments and administrative costs, and percentage relationship of administration to assistance, by program and by State for year ended Mar. 31, 1957

	Old-age assistance			Aid to dependent children			Aid to the blind			Aid to permanently and totally disabled			Total, all 4 programs		
	Federal share of assistance payments	Federal share of administrative costs	Percentage relationship of administration to assistance	Federal share of assistance payments	Federal share of administrative costs	Percentage relationship of administration to assistance	Federal share of assistance payments	Federal share of administrative costs	Percentage relationship of administration to assistance	Federal share of assistance payments	Federal share of administrative costs	Percentage relationship of administration to assistance	Federal share of assistance payments	Federal share of administrative costs	Percentage relationship of administration to assistance
Alabama.....	\$32,091,664	\$1,155,822	3.60	\$7,296,788	\$371,968	5.10	\$506,434	\$14,943	2.95	\$3,484,793	\$108,557	4.84	\$3,379,679	\$1,711,290	3.94
Alaska.....	639,978	45,395	7.09	1,002,534	51,633	5.15	32,651	3,346	10.25	1,675,163	100,374	5.99	1,675,163	100,374	5.99
Arizona.....	5,745,016	126,345	2.20	3,927,825	113,702	2.85	342,731	9,969	2.91	10,015,572	280,016	2.76	10,015,572	280,016	2.76
Arkansas.....	6,648,550	393,366	5.92	4,156,049	136,199	3.28	694,601	17,602	2.53	23,224,387	640,813	2.76	23,224,387	640,813	2.76
California.....	111,122,231	7,647,672	6.88	37,021,183	6,665,984	18.01	5,552,398	598,264	10.77	153,695,812	14,911,920	9.70	153,695,812	14,911,920	9.70
Colorado.....	20,695,936	764,690	3.69	4,525,059	394,638	8.72	129,834	15,603	12.02	27,371,357	1,391,764	5.08	27,371,357	1,391,764	5.08
Connecticut.....	6,484,455	322,379	5.07	3,749,142	313,354	8.36	139,401	10,816	7.76	11,327,856	1,040,207	9.18	11,327,856	1,040,207	9.18
Delaware.....	1,140,325	94,957	8.27	3,896,486	50,921	1.30	101,903	12,048	11.81	1,724,515	117,853	6.83	1,724,515	117,853	6.83
District of Columbia.....	1,140,325	94,957	8.27	3,896,486	50,921	1.30	101,903	12,048	11.81	1,724,515	117,853	6.83	1,724,515	117,853	6.83
Florida.....	26,330,900	914,003	3.47	12,174,230	753,589	6.19	1,049,832	44,186	4.21	49,173,280	1,957,741	3.97	49,173,280	1,957,741	3.97
Georgia.....	33,416,319	1,269,585	3.62	9,895,098	423,377	4.28	1,289,100	55,300	4.29	47,752,756	2,055,478	4.31	47,752,756	2,055,478	4.31
Hawaii.....	3,187,704	133,101	4.18	1,295,387	105,725	8.16	36,673	4,814	13.13	4,072,403	39,899	8.41	4,072,403	39,899	8.41
Idaho.....	35,008,184	2,525,873	7.22	20,750,493	1,527,337	7.36	1,413,091	131,275	9.29	3,068,896	333,405	10.86	3,068,896	333,405	10.86
Illinois.....	15,180,185	952,991	6.31	6,393,348	536,036	8.38	684,385	108,063	15.87	1,511,201	255,963	16.94	1,511,201	255,963	16.94
Indiana.....	13,278,443	824,669	6.21	5,456,763	290,249	5.32	371,463	37,010	9.97	3,166,785	308,668	9.75	3,166,785	308,668	9.75
Iowa.....	15,371,268	879,259	5.72	5,010,318	371,463	7.42	240,934	18,470	7.65	4,925,396	278,540	5.65	4,925,396	278,540	5.65
Kansas.....	13,278,443	824,669	6.21	5,456,763	290,249	5.32	371,463	37,010	9.97	3,166,785	308,668	9.75	3,166,785	308,668	9.75
Kentucky.....	51,535,263	2,487,291	4.83	13,131,944	1,049,687	7.97	885,933	58,595	6.61	4,816,055	536,852	11.15	4,816,055	536,852	11.15
Louisiana.....	2,487,291	192,669	7.74	3,131,304	138,157	4.41	214,333	7,619	3.55	1,950,039	141,628	7.26	1,950,039	141,628	7.26
Maine.....	3,519,049	262,941	7.47	8,920,040	1,392,235	15.50	78,409	29,401	37.50	5,076,888	67,431	1.33	5,076,888	67,431	1.33
Maryland.....	33,685,228	2,790,188	8.28	8,920,040	1,392,235	15.50	78,409	29,401	37.50	5,076,888	67,431	1.33	5,076,888	67,431	1.33
Massachusetts.....	26,600,770	1,284,794	4.83	14,265,927	911,674	6.45	484,314	46,131	9.53	1,973,904	62,310	3.14	1,973,904	62,310	3.14
Michigan.....	19,192,439	871,727	4.56	5,600,323	551,295	10.19	1,341,182	73,248	5.42	5,976,888	67,431	1.14	5,976,888	67,431	1.14
Minnesota.....	19,192,439	871,727	4.56	5,600,323	551,295	10.19	1,341,182	73,248	5.42	5,976,888	67,431	1.14	5,976,888	67,431	1.14
Mississippi.....	52,694,664	1,585,064	3.01	13,299,843	651,122	4.90	1,903,817	73,248	3.85	5,976,888	67,431	1.14	5,976,888	67,431	1.14
Missouri.....	3,648,693	244,445	6.72	2,070,291	127,131	6.14	1,903,817	73,248	3.85	5,976,888	67,431	1.14	5,976,888	67,431	1.14
Montana.....	6,637,727	425,574	6.41	2,070,291	127,131	6.14	1,903,817	73,248	3.85	5,976,888	67,431	1.14	5,976,888	67,431	1.14
Nebraska.....	2,158,850	161,312	7.47	3,779,496	57,176	1.51	100,783	8,905	8.84	124,478	23,487	18.87	124,478	23,487	18.87
Nevada.....	2,158,850	161,312	7.47	3,779,496	57,176	1.51	100,783	8,905	8.84	124,478	23,487	18.87	124,478	23,487	18.87
New Hampshire.....	2,288,903	1,187,384	52.33	4,678,059	472,344	10.10	379,864	63,128	16.62	1,701,061	237,495	13.96	1,701,061	237,495	13.96
New Jersey.....	3,003,048	298,272	9.93	4,603,023	308,192	6.61	155,539	11,768	7.57	6,599,632	617,373	9.32	6,599,632	617,373	9.32
New Mexico.....	35,678,322	6,063,251	18.08	41,812,207	8,670,897	20.72	1,733,039	489,267	28.23	15,518,615	3,822,835	24.63	15,518,615	3,822,835	24.63
New York.....	94,772,183	19,646,220	20.73	94,772,183	19,646,220	20.73	94,772,183	19,646,220	20.73	94,772,183	19,646,220	20.73	94,772,183	19,646,220	20.73

North Carolina.....	15,403,280	582,839	3.78	12,171,793	649,047	5.33	1,735,095	183,550	10.58	4,497,095	258,467	5.75	33,807,803	1,673,903	4.95
North Dakota.....	3,034,861	248,880	8.15	1,222,953	95,519	7.81	44,309	6,180	13.95	3,778,829	44,106	11.64	4,700,952	3,394,085	8.40
Ohio.....	37,516,307	2,083,948	5.55	13,186,204	1,034,933	7.85	1,546,394	162,928	10.53	3,498,010	352,910	10.09	55,747,775	3,634,419	6.52
Oklahoma.....	38,927,971	1,039,346	2.67	10,247,424	434,061	4.24	842,429	32,696	3.88	2,708,563	200,121	7.40	52,723,387	1,703,224	3.24
Oregon.....	7,018,442	572,721	8.16	2,574,772	329,064	12.78	135,461	9,324	6.88	1,378,315	138,499	10.05	11,106,990	1,049,608	9.45
Pennsylvania.....	18,508,205	1,696,270	9.16	21,941,101	2,463,239	11.23	3,243,965	156,195	4.81	7,710,484	749,092	15.02	48,403,755	5,065,096	10.47
Puerto Rico ²	1,516,617	153,484	10.12	2,072,167	290,312	12.56	60,047	10,408	17.16	778,674	154,406	19.83	4,428,105	578,610	13.07
Rhode Island.....	2,910,450	198,406	6.82	2,502,866	145,590	5.82	63,140	4,362	6.91	685,047	50,019	7.30	6,161,503	398,377	6.47
South Carolina.....	11,853,626	504,072	4.25	3,966,258	230,413	5.81	596,870	29,741	4.98	2,310,207	157,022	6.80	18,726,961	921,248	4.92
South Dakota.....	3,630,360	229,987	6.34	1,902,147	123,501	6.49	74,160	6,543	8.82	313,274	30,961	9.88	5,919,941	390,992	6.60
Tennessee.....	18,244,235	800,222	4.39	11,413,840	484,674	4.25	1,048,840	42,903	4.09	955,465	86,766	9.08	31,662,380	1,414,565	4.47
Texas.....	79,983,426	1,904,981	2.38	14,295,606	587,146	4.11	2,500,017	75,531	3.02	744,240	32,949	4.43	96,779,049	2,567,658	2.65
Utah.....	3,611,982	145,913	4.04	2,035,414	170,558	8.38	96,804	4,481	4.63	217,474	13,997	6.44	6,488,440	353,901	5.45
Vermont.....	2,443,729	98,840	4.04	53,592	2,541	4.74	53,592	2,541	4.74	1,663,415	170,827	10.27	3,444,943	168,620	4.89
Virginia.....	4,542,874	359,218	7.91	790,411	394,234	6.95	407,665	40,528	9.04	11,028	3,278	29.72	12,284,365	964,807	7.85
Virgin Islands.....	67,573	19,767	29.25	5,670,411	18,388	40.86	2,097	888	29.63	2,295,924	179,184	7.80	32,923,214	42,321	33.43
Washington.....	23,576,640	1,326,492	5.63	6,712,256	596,448	8.89	338,394	26,725	7.90	2,626,190	114,636	4.51	21,980,671	2,128,849	6.47
West Virginia.....	6,415,932	205,975	3.21	12,687,385	236,694	1.87	360,164	10,693	2.97	2,626,190	114,636	4.51	21,980,671	567,998	2.58
Wisconsin.....	14,240,109	1,234,321	8.67	5,522,143	521,977	9.45	433,532	36,854	8.50	493,642	50,478	10.23	20,689,426	1,843,630	8.91
Wyoming.....	1,559,205	105,555	6.77	446,239	48,797	10.06	27,193	1,732	6.37	210,510	14,612	6.94	2,242,147	170,696	7.61
Total.....	918,092,343	52,936,484	5.77	391,323,569	36,958,601	9.44	37,163,628	2,970,014	7.99	91,557,246	10,822,502	11.82	1,438,136,786	103,087,601	7.21

¹ Figures are partly estimated by State.² For the quarter ended June 30, 1956, Puerto Rico was not eligible for Federal funds, since the appropriation limitation for fiscal year 1956 became operative in the quarter

ended Mar. 31, 1956. Thus, this table for the year ended Mar. 31, 1957, includes Federal funds for 3 quarters only, insular as Puerto Rico is concerned.

1570 LABOR-HEALTH, EDUCATION, WELFARE APPROPRIATIONS

Public assistance—Federal share of State administrative expenditures for calendar year ended Mar. 31, 1957, by quarters and by State¹

	Quarter Apr. 1, 1956, to June 30, 1956	Quarter July 1, 1956, to Sept. 30, 1956	Quarter Oct. 1, 1956, to Dec. 31, 1956	Quarter Jan. 1, 1957, to Mar. 31, 1957	Total
Alabama.....	\$420, 499	\$444, 346	\$411, 808	\$434, 637	\$1, 711, 290
Alaska.....	25, 549	25, 021	24, 992	24, 812	100, 374
Arizona.....	67, 626	53, 538	59, 648	69, 204	250, 016
Arkansas.....	176, 474	152, 790	163, 164	148, 385	640, 813
California.....	3, 533, 068	3, 694, 194	3, 815, 948	3, 868, 710	14, 911, 920
Colorado.....	291, 619	389, 277	356, 186	354, 682	1, 391, 764
Connecticut.....	272, 955	246, 893	246, 893	273, 466	1, 040, 207
Delaware.....	30, 690	27, 915	28, 066	31, 182	117, 853
District of Columbia.....	104, 663	90, 863	103, 473	86, 137	385, 136
Florida.....	507, 089	449, 562	492, 015	519, 075	1, 967, 741
Georgia.....	515, 234	452, 344	531, 601	454, 561	1, 953, 740
Hawaii.....	72, 769	74, 927	80, 510	80, 462	308, 668
Idaho.....	69, 559	68, 406	70, 969	69, 606	278, 540
Illinois.....	1, 161, 973	1, 173, 350	1, 167, 090	² 1, 195, 817	4, 698, 230
Indiana.....	386, 242	393, 997	520, 414	294, 977	1, 597, 630
Iowa.....	319, 384	317, 417	320, 182	344, 189	1, 301, 172
Kansas.....	305, 321	299, 741	319, 889	302, 136	1, 227, 087
Kentucky.....	273, 673	274, 229	295, 819	335, 535	1, 179, 256
Louisiana.....	1, 061, 132	949, 734	983, 983	1, 137, 576	4, 132, 425
Maine.....	94, 739	88, 880	92, 648	90, 296	366, 563
Maryland.....	177, 452	256, 590	249, 271	223, 058	906, 371
Massachusetts.....	1, 076, 068	1, 076, 017	1, 242, 768	² 1, 132, 697	4, 527, 550
Michigan.....	769, 039	718, 903	716, 440	789, 649	2, 994, 031
Minnesota.....	428, 688	529, 739	441, 170	498, 312	1, 897, 909
Mississippi.....	342, 947	299, 900	357, 619	368, 690	1, 369, 156
Missouri.....	628, 776	660, 302	641, 791	664, 450	2, 595, 319
Montana.....	109, 801	117, 175	119, 233	114, 675	460, 884
Nebraska.....	163, 631	159, 006	159, 465	159, 190	641, 292
Nevada.....	33, 003	34, 459	37, 033	39, 514	144, 009
New Hampshire.....	71, 108	60, 751	72, 458	63, 245	267, 562
New Jersey.....	466, 591	424, 322	569, 120	500, 318	1, 960, 351
New Mexico.....	160, 495	162, 476	184, 369	172, 365	679, 705
New York.....	5, 607, 891	4, 745, 345	4, 608, 475	4, 684, 509	19, 646, 220
North Carolina.....	416, 598	415, 393	416, 922	424, 990	1, 673, 903
North Dakota.....	97, 623	99, 598	102, 671	94, 803	394, 695
Ohio.....	884, 078	898, 590	968, 772	882, 979	3, 634, 419
Oklahoma.....	418, 265	424, 668	427, 457	435, 834	1, 706, 224
Oregon.....	249, 844	280, 914	276, 792	242, 058	1, 049, 608
Pennsylvania.....	1, 202, 756	1, 232, 621	1, 424, 909	1, 205, 410	5, 065, 696
Puerto Rico.....	(3)	193, 015	173, 046	212, 549	578, 610
Rhode Island.....	109, 411	97, 983	102, 093	88, 890	398, 377
South Carolina.....	244, 295	207, 492	248, 748	220, 713	921, 248
South Dakota.....	99, 672	92, 921	99, 176	99, 223	390, 992
Tennessee.....	391, 203	313, 776	369, 972	339, 614	1, 414, 565
Texas.....	657, 554	632, 733	635, 178	642, 193	2, 567, 658
Utah.....	83, 402	88, 791	89, 696	92, 012	353, 901
Vermont.....	42, 562 ³	37, 402	46, 485	42, 171	168, 620
Virginia.....	250, 630	234, 140	248, 707	231, 330	964, 807
Virgin Islands.....	11, 320	9, 667	10, 501	10, 833	42, 321
Washington.....	520, 568	551, 174	533, 820	523, 287	2, 128, 849
West Virginia.....	142, 091	143, 522	139, 906	142, 479	567, 998
Wisconsin.....	448, 988	470, 106	453, 935	470, 601	1, 843, 630
Wyoming.....	41, 348	44, 642	42, 359	42, 347	170, 696
Total.....	26, 037, 956	25, 383, 557	26, 295, 655	25, 970, 433	103, 687, 601

¹ It will be noted that administrative costs in a few States fluctuate rather markedly between quarters. This is due to the fact that the item "Federal share of State administrative costs" on State expenditure reports often have been adjusted for the prior periods to give account to under or over stated expenditures previously reported. There are other reasons for variations from quarter to quarter such as payments in one quarter of all or large portion of retirement contributions for the annual period.

² Estimated.

³ Appropriation limitation of \$4,250,000 for fiscal year 1956 was reached in quarter ended Mar. 31 1956.

STATE ADMINISTRATIVE COSTS

Mr. SCHOTTLAND. Senator, I wonder if, with your permission, and members of the committee, if I might make a few brief remarks to supplement the statement that Mr. Roney has made on the subject of State administrative costs.

Senator HILL. All right, sir.

MR. SCHOTTLAND. I do so because we consider this a matter of major importance to the Social Security Administration and the Department of Health, Education, and Welfare.

We are in complete agreement with the report of this committee on the first urgent deficiency bill, which pointed out that if this were to be accomplished, that is, a closed appropriation, it should be done after consideration by the Senate Finance Committee.

It seems to us a very unusual method of handling Federal-State relations to have in the law a provision for 50-50 reimbursement and then after the State legislatures have appropriated funds based on the Federal law, for the Federal Government to say, "We will not comply with the provisions of the law."

RELIANCE ON BASIC LAW

Now, practically every State in the Union today, with very few exceptions, has set its 1958 budget and is relying on the basic provisions of the law. Some States have legal provisions which prohibit the spending of any State money whatsoever unless there is Federal matching money available. Thus, we have some really serious practical operating problems which will arise in connection with the House action.

APPROACH TO PROBLEM

We have devoted very considerable time to studying this problem, and we will concentrate on this problem during the forthcoming fiscal year. We propose to do at least three things.

First, we propose to study the advantages and disadvantages of alternative proposals to the present law for the consideration of the administration and the Congress.

Secondly, we propose to review all present policies in relation to reimbursement of Federal funds.

Thirdly, we propose to study new methods of reviewing State expenditures.

It is our hope that through this examination of the problem that we will be able to give greater assurance to the Congress that Federal funds are being expended in accordance with proper and efficient administration. We do not feel that the administration of this program, which represents expenditures of over \$3 billion, of which \$1,700 million roughly, is Federal funds, should be jeopardized through limiting funds for administration without the most careful consideration.

PREPARED STATEMENT

Senator HILL. Mr. Roney, do you want to add something here?

Mr. RONEY. Mr. Chairman, I would like to submit for the record an additional statement which we have prepared on this subject, which gives the background, what activity we have engaged in in administrative cost studies and provides other information on State and local administration.

Senator HILL. We will be glad to have that, sir.

Mr. RONEY. Thank you.

(The statement referred to follows:)

MAY 8, 1957.

EXPENDITURES FOR STATE AND LOCAL ADMINISTRATION OF THE PUBLIC ASSISTANCE PROGRAMS

INTRODUCTORY—APPROPRIATION REQUEST FOR 1958

In view of the concern of the Congress about the increasing amount of funds expended by State public assistance agencies for administration of the programs, the following statement has been prepared by the Bureau of Public Assistance and gives some basic facts in this area. The statement sets forth: (1) the legal basis for Federal grants-in-aid for administration of the programs, (2) the controls set up by the Social Security Administration and the States over the costs of administration, (3) the reasons for increases in these costs and for variations in the cost levels among the States, (4) the emphasis and the activities of the Social Security Administration in this area, and (5) the present interest, views, and planning of the Secretary of the Department of Health, Education, and Welfare, the Commissioner of Social Security, and the Bureau of Public Assistance.

This statement is of timely interest because of the current status of the Department's appropriation request for 1958. The President's budget message included an estimate of \$104.5 million as that part of the Federal grants to States that relates to State and local administration of the public assistance programs. In appropriation bill H. R. 6287 the House proposes a limitation of \$104 million on the amount of Federal funds that may be used for costs of State and local administration in fiscal year 1958. Furthermore, the House stipulated that funds appropriated for 1958 "shall not be used to cover any costs of State and local administration incurred prior to July 1, 1957." The limitation of \$104 million presents a more serious problem than would ordinarily be represented by a \$500,000 reduction, since the Department recently received information from the States indicating that the estimate of \$104.5 million, identified in the 1958 budget submittal for administrative expenses, is substantially less than will be required. In letters of May 1, 1957, to the chairmen of the Senate and the House Labor-HEW Appropriations Committees, Secretary Folsom stated that on the basis of our most recent experience it is estimated that the amount required as the Federal share of administration is \$113 million rather than \$104.5 million.

The principal reasons given by the States for the increases in the estimates for administrative expenditures are (1) increases in salaries in line with nationwide current trends and (2) the expansion of existing programs in aid to the permanently and totally disabled.

In addition, administrative costs will be increased in many States because of the addition of two 1956 amendments to the Social Security Act. These costs are those involved in administering vendor payments for medical care and in rendering appropriate services to help public assistance recipients achieve self-support and self-care. Provision of such services is a necessary cost of program administration which could result in reducing the need for assistance in many cases.

A limitation on administrative expenses designed to reduce such costs or to hold them to the current level could seriously jeopardize the ability of the States to proceed with a constructive approach toward self-support and self-care of public assistance recipients.

In relation to the revised estimates of \$113 million, Congress is aware of the difficulties presented in arriving at a firm estimate of the Federal share of administrative cost for these programs almost a year in advance. For example, changes in State legislation substantially amend programs; they may add a relative responsibility or lien law; they may develop greater programs of support; they may increase salaries of employees; all of these add to administrative costs. In preceding years, while we strove for exactness in the classification of our estimate between assistance and administration, preciseness was not essential because (1) funds for these purposes were interchangeable, (2) each annual appropriation act provided that the current appropriation could be used to pay grants for the last quarter of the preceding fiscal year, and (3) the basic law provided, and still provides, for making grants in advance on the basis of estimated expenditures with adjustments to give effect to over- or under-payments after actual expenditures have been reported. The House seeks to eliminate these authorities insofar as administrative costs are concerned. The action by the House seems to be based on an assumption that administration is separate from the rest of the grant. This, of course, is not the case, since, under the Social Security Act, Federal funds for State and local administration are a part of the total public assistance grant.

It is true that the grants are computed separately but the type of limitation proposed by the House would require a basic change in the system of making public assistance grants as well as in the method of making adjustments based on actual expenditures.

For many years costs of administration included in these grants have been matched on a 50-50 basis as is required by the Social Security Act. The appropriations committees of both Houses of Congress, in committee reports and otherwise, have recognized the obligation of the Federal Government to provide the funds necessary to carry out the matching provisions of the act. The Department believes that since the basic law provides for 50 percent of the costs of administration, any change should be accomplished through changes in the basic statute. It is difficult to give adequate overall consideration to the problems involved and to provide proper procedures for the imposition of such a limitation except through substantive legislation. Any type of appropriation limitation which fails to reconcile inconsistencies with the basic act would present many problems in Federal-State relations in regard to areas of administration where States have always been recognized as having very considerable discretion.

CONDITIONS OF FEDERAL MATCHING UNDER THE SOCIAL SECURITY ACT

Under the Social Security Act, Federal grants-in-aid to States are available "for the purpose of enabling each State to furnish * * * assistance, as far as practicable under the conditions in each State, * * *." The State programs reflect differences in historical background, administrative structure, degree of community concern, and legislative framework and appropriations. Under the act the States have substantial latitude, and corresponding responsibility, for determining the nature and scope of their public assistance programs. That this was the intent of Congress has always seemed clear to us. As typical of the attitude of the Congress in legislating on this program, we are quoting below from Senate Report 628, 74th Congress:

"It may be pointed out that these provisions impose only a few reasonable, minimum requirements on the States and give recognition to the principle of States rights. The supervision given to the Federal agency in charge has been carefully circumscribed so that there may be no unreasonable encroachment upon the States from Washington."

Although there are maximums on amounts of Federal financial participation in assistance payments to individuals, these limits do not constitute a minimum or maximum standard for the States' own programs. The conditions to be met by the States, as described in the Social Security Act, permit States wide latitude in administering the programs in accordance with the State's plan, at the same time, however, assuring the maintenance of certain minimum standards reflecting the national interest and concern.

The Federal act does not limit the amounts which the States may expend for payments to needy individuals under their public assistance programs, for the costs of assuring initial and continuing eligibility, and for services provided by their staffs to assist applicants and recipients to attain self-support and self-care. Both coverage of persons and levels of assistance payments and related services from agency staff may, at the discretion of the State, be broader or more limited than that for which Federal sharing is available—subject however, to the outside limits established by Federal law. Thus, there are great differences in the scope and nature of the public assistance programs in the several States, and consequently in State expenditures for assistance payments and for administration.

State administrative expenditures are made in accordance with regulations and practices of the State governments. Federal matching is allowed on those expenditures which are found by the Social Security Administration to meet the requirements for Federal financial participation. These Federal requirements are based on the principles that the expenditures for administration must be—

(a) Permissible under State law and consistent with State regulations and prevailing State practices;

(b) Essential to the efficient operation of the plan;

(c) Reasonably related to the provision of financial assistance;

(d) For purposes other than assistance payments to recipients; and

(e) Not properly chargeable to another program or as an overall function of State government.

Activities essential to efficient administration have been identified as—

(a) Determining the initial and continuing eligibility of individuals for assistance and ascertaining the amount of assistance to be granted;

- (b) Making payments to recipients;
- (c) Providing services to applicants and recipients designed to assist in attaining self-support and self-care;
- (d) Developing, evaluating, and modifying policies and standards of operation and of personnel and staff training;
- (e) Supervising the operation of the programs;
- (f) Maintaining case, financial, and statistical records; and
- (g) Preparing and presenting information to official bodies and the public.

FEDERAL CONTROLS

A State desiring to participate in this program is required to submit a State plan defining the program it contemplates and the method of carrying out the plan. The plan includes copies of pertinent State laws governing policies, the type of organizations contemplated, and other material such as merit system regulations, procurement and travel requirements, and a description of the nature of expenditures for which Federal funds will be claimed. Once the plan is approved the State submits an estimate each quarter in advance of the amounts it will spend for administration and assistance for each category and certifies that the expenditures are to be in accordance with the approved plan. A grant for each category is made on the basis of this estimate and a certification that funds are available for the State's share of such expenditures. The funds granted are subject to adjustment in succeeding quarters on the basis of State reports of actual expenditures in accordance with the approved plan.

The Social Security Administration and the Bureau of Public Assistance have established controls on Federal funds for both assistance and administration through:

I. Issuance of policy and instructions

1. Issuance, in a Handbook of Public Assistance Administration, of requirements and recommendations related to specific provisions of the Social Security Act.
2. Standards for determination of the Federal share of specific items of administrative costs such as office space, management services, and services from other State agencies.
3. Standards for the proper allocation of administrative costs where the State agency administers more than one assistance or welfare program.
4. An outline to assist States in submitting State plans as required by the Social Security Act.

II. Review of plans

Review and formal approval or disapproval of State plans or amendments thereof.

III. Review of reports

Review of State estimates of expenditures and analysis of State financial and statistical reports that are required in accordance with the Social Security Act.

IV. Review of State operations, fiscal audit, and merit system review

The Bureau of Public Assistance conducts a formally planned factfinding review of State and local operations to determine whether operations in State and local agencies comply with the State plan and Federal requirements. The Office of Field Administration of the Department of Health, Education, and Welfare carries on a fiscal audit and merit system review.

V. Field operations

1. The regional staff represents the Bureau of Public Assistance in assigned regions to make official visits to States on a regular basis to interpret the requirements of the Social Security Act and assist the States as requested with their methods of administration. The regional staff obtains from the States current information on the operation of the State plan and factors affecting State administration of the plan.

2. The Bureau makes available to the States consultation from technical staff, to the extent possible with staff limitations, on methods of proper and efficient administration to assist States in establishing their controls and in improving and streamlining operations.

STATE CONTROLS

The States are not required to submit detailed administrative budgets for prior approval. They do, however, submit detailed budgets to appropriate State fiscal officers and to the State legislatures for review and approval. In many States local governing bodies must also appropriate and approve the funds to be expended. All money must be spent in accordance with State law and fiscal policies.

The State must spend its own dollar for administration in order to receive a Federal dollar. Moreover, the State agencies are accountable to the State governments and to the State legislatures both for Federal and State funds.

The sections in the public assistance titles of the Social Security Act providing that there be a single-State agency to administer or supervise the administration of the plan, and that the plan be in effect in all subdivisions of the State, make the States responsible for exercising controls to assure that the approved plan for administration is carried out in all local agencies. The States, therefore, whether administering directly or supervising local administration, exercise similar methods of control to those used by the Federal agency in relation to the States, including the issuance of written policies, standards, and instructions; and review and audit of local operations and expenditures.

ADMINISTRATIVE COSTS ARE PRIMARILY SERVICE COSTS

The administration of public assistance consists primarily of services to applicants and recipients in determining initial and continuing eligibility and providing welfare services. Administrative costs are largely costs for staff to provide these services. In fiscal 1956 about \$197 million in Federal, State, and local funds were expended to administer the 4 special types of public assistance for 5 million people. Eighty-six percent of this administrative cost was spent for personnel. Recently, in order to analyze personnel costs, State public assistance agencies were requested to submit a report classifying such costs for one payroll period in terms of the major function performed by each staff member. Reports were received from 45 State agencies for 1 payroll period in the spring of 1956.

From these data, as well as from the quarterly expenditure reports, it is estimated that of every personnel dollar expended in fiscal 1956—

Eighty cents was spent for personnel engaged in determining eligibility for individuals applying for or receiving assistance, in helping recipients to achieve self-support and self-care, and in recording and maintaining records regarding recipients essential to support eligibility for assistance and services given.

Eighteen cents was spent for general administration, including executive personnel in State and local offices and staff engaged in fiscal, statistical, personnel, or general management work.

Two cents was spent for all other personnel items.

REASONS FOR INCREASES IN STATE AND LOCAL ADMINISTRATIVE COSTS

The Federal share of expenditures for State and local administration of the four categories rose from \$57.3 million for fiscal year 1950 to \$97.6 million for fiscal year 1956, an increase of \$40.3 million or 70.4 percent. The reasons for the increase and the estimated amount and proportion of the total increase attributable to each reason are summarized as follows:

	Amount	Percent
Total increase.....	\$40.3	100.0
(a) New programs added during 6-year period; no Federal contribution was made to these programs in 1950.....	10.7	26.6
(b) Salary increases.....	23.0	57.1
(c) Salaries for additional staff to administer programs in operation both in 1950 and 1956.....	3.0	7.4
(d) Increase in expenditures for items other than salaries.....	3.6	8.9

In detail:

New programs added during the 6-year period, toward which no Federal contribution was made in 1950, accounted for \$10.7 million or a little more than a fourth of the total increase. These include 45 new State programs for aid to the permanently and totally disabled (including Puerto Rico and the Virgin Islands); 2 large programs for aid to the blind (Missouri and Pennsylvania) which were operated without Federal participation in 1950; 2 smaller blind programs (Alaska and Nevada); 1 aid to dependent children program (Nevada); and 3 programs each in Puerto Rico and the Virgin Islands for which Federal participation was not available until the fiscal year 1951. Excluding these new programs, the percentage increase in Federal funds over the 6-year period was about 50 percent or less than 10 percent per year.

Salary increases accounted for approximately \$23 million or about 57 percent of the total increase. Over the 6-year period, it is estimated that the average monthly salary of public assistance employees increased about 40 to 45 percent. This rate of increase was somewhat higher than for all State and local employees. Despite the higher rate of increase for public assistance employees, however, their estimated average monthly earnings of \$298 in 1955 were lower than the average earnings of \$316 for all full-time State and local employees and lower than the average of \$342 for public-school employees in October 1955.

Salaries for additional personnel to administer programs in operation both in 1950 and 1956 accounted for \$3 million or 7.4 percent of the total increase. In June 1956, 41,600 employees administered the same programs that engaged 40,000 employees in June 1950. Caseloads per visitor, nevertheless, in 1956 exceeded 200 per visitor in 18 States and were 250 or more in 6 States. While no fixed standard has been determined by the Bureau of Public Assistance, authorities in the field agree that caseloads well below these figures are necessary for the most effective administration in most State programs.

Increase in expenditures for items other than salaries accounted for \$3.6 million or 8.9 percent of the total increase. Increased costs for mileage allowances for visitors' cars and for other modes of travel, for rentals, and for equipment, supplies, and communications have resulted in a rise in expenditures for items other than salaries. These increases are in line with general nationwide increases. Expenditures for these items comprise about 15 percent of the total expended each year.

VARIATIONS AMONG STATES IN THE RELATIVE COST OF ADMINISTRATION

There are substantial variations in the relative costs of administration among the States as measured by the cost per case month. The principal factors accounting for the variations noted are (1) differences in size of staff in relation to the number of recipients (caseloads), and (2) differences in salary levels paid State and local office employees. Salary differentials are readily explained by the fact that the programs are administered by the State and local governments and the salary scales are usually determined by the States in relation to prevailing salaries for all State and local employees.

The differences in the number of persons employed in relation to caseload are due to a number of factors inherent in the very nature of the public assistance programs since they are administered by the States under individual State laws as is contemplated by the Social Security Act. These laws and the organizational patterns and policies established to administer them vary. Some of the factors which we have determined by study to account for these variations in relative size of staff are related to differences in the scope of the programs and in administrative procedures. Each of the following factors affects the amount of staff time spent on individual cases and therefore affects administrative costs:

SCOPE OF PROGRAMS

1. Differences in the scope and nature of eligibility requirements and of the methods and procedures for determining eligibility and amount of assistance;
2. Differences in property and lien provisions, relatives' responsibility to contribute support for aged recipients, and procedures for obtaining court order for support for children;
3. The presence or absence of a medical-care program and the scope of such programs;
4. Nature and scope of staff services to recipients in resolving personal problems, help toward self-support or self-care, referrals to specialized agencies, etc.

ADMINISTRATIVE FACTORS

5. Frequency of reinvestigations of eligibility of recipients on assistance rolls;
6. The rate of turnover—recipients coming on and leaving the assistance rolls;
7. Extent of centralization or decentralization of administration as required by State law;
8. Variations in the extent of staff turnover due to conditions of the labor market; and
9. State law and practice in relation to annual leave, working hours, travel costs, etc.

Variations in these factors account for much of the variations in administrative costs. Many of these factors are in turn related to the economic level of the State as measured by per capita income. That is, the higher the relative income of the State, the more able it is to provide intensive investigation of eligibility, extensive medical care and rehabilitative services, higher salaries and more liberal working hours and leave for staff—all costly in administrative time and money. In the higher income States also there is greater reason to devote staff time to obtaining resources from property and relatives since there are more of these resources in the State.

STEPS TAKEN TO STRENGTHEN STATE AND LOCAL ADMINISTRATION

A variety of steps have been taken by the Social Security Administration and the Bureau of Public Assistance to strengthen the administrative structure of the State public assistance programs and to assist States in the study and control of the cost and efficiency of their administration.

The Social Security Administration has since 1950 placed greater emphasis on the area of State administrative costs and efficient methods in its work planning. As a result of this emphasis the Bureau of Public Assistance has carried on as vigorous a program as possible with a limited staff. It has directed its work in two ways: (1) Developing and issuing to all the States, methods of fiscal and administrative operation—some of which have been requirements on the States but most of which have been in the nature of recommendations, as we believe, is contemplated under the Social Security Act, and (2) providing consultation to individual States or groups of States and conducting organization and procedural surveys in the States. The emphasis has been on administering the programs in more effective and efficient ways rather than on reducing administrative costs directly, although reduction of costs has been a part of certain surveys. The Bureau has carried out this program through:

Standard setting materials.—Materials sent to the State agencies have included:

1. Methods of establishing the size of local agency staff and workloads.
2. Methods for State preparation and dissemination of directives and instructions to local staff.
3. Guides to management of local workers' caseloads.
4. Methods of recording of action taken on individual cases.
5. Methods for simplifying the computation of the Federal share in recoveries of assistance.

These standard-setting materials taken together encompass a large part of the work of local agencies where the greatest proportion of administrative costs are incurred.

Surveys and consultation.—The Bureau of Public Assistance has given consultation, and conducted surveys designed to provide a basis for improving organization, streamlining procedures, expediting payments to recipients, accounting for and controlling both assistance and administrative costs, making efficient use of staff and reducing administrative expenditures. In the past 5 years, 30 such surveys and consultations of some magnitude and others of lesser size were completed.

Conferences of States.—The Bureau held 3 conferences on management with 19 State agencies represented, 1 conference with the States which have the 6 largest local agencies and 2 State conferences with individual State and local agency staff.

Studies and reports.—The Bureau in 1953–54 conducted an inquiry and prepared a report analyzing the factors contributing to the variations in unit costs of administration among the State public assistance agencies. (Public Assistance Rept. No. 25, May 1955.) The States were asked to review and comment on this report and to submit additional information regarding study and actions they had taken in improvement of efficiency of operations. Replies indicated

that the States have taken many and varied steps in dealing with this on-going problem of costs and efficiency.

Cost accounting.—The Bureau of Public Assistance is currently working on a number of projects in this area. It is represented on the Committee on Functional Cost Accounting of the National Conference of State Welfare Finance Officers. This Committee is engaged in a long-range endeavor to establish a base of functional cost accounting in public assistance. In 1956 information was obtained from the State agencies showing the functional distribution of personnel costs reported above. The Bureau is also currently providing consultation to a few States who have set up study projects in the cost by function and activity of administration in local agencies.

LIMITATIONS ON APPROPRIATION FOR STATE ADMINISTRATION

Should Congress, through the appropriations process, provide for grants for administration inconsistent with the substantive legislation, the Social Security Administration and the Department would be faced with a dilemma. The Social Security Act provides 50 percent Federal matching of administrative costs to all States, but lacking sufficient funds to carry out the matching mandate, in the absence of specific authority, the only way the Department could limit the total amount would be to apply a reduced percentage to all States. The State legislatures, unaware until very recently of any prospective change by the Congress, have in many instances already made their appropriations (many through 2 fiscal years) on the assumption that Federal matching funds would be continuing on the established 50-50 basis.

Moreover, limitations on appropriations for future years would create serious administrative difficulties for the States and for the Social Security Administration. Any limitation must be applied to the actual expenditures of agencies, program by program, for which the totals are not known until after the fiscal year is ended. Thus, the States would not be able to predict in advance what Federal funds would be available, either in amount or as a percentage of total administrative costs. State legislatures and budget divisions and local authorities would be requested in many instances to make emergency appropriations to compensate for unexpected deficits in Federal grants. In some instances State and local staff would be dismissed, furloughed, or go unpaid, which action might often be attributed to the Federal Government.

The necessary adjustments from estimated costs to actual expenditures could be complicated and time-consuming, requiring more Federal and State staff in administrative and fiscal areas.

Even more serious is the possible effect on the operation and development of programs. Determinations of eligibility and the issuances of payments might be delayed in some instances because of staff cuts. The action of limiting the appropriation might be interpreted by many States to mean the Federal Government was not supporting its own 1956 legislative amendments to the Social Security Act. Secretary Folsom, in his testifying on April 3, 1957, before the Senate Labor-Health, Education and Welfare Committee on Appropriations stated, "This [limitation proposed by the House] seems unwise when we realize that 1956 Social Security amendments establish a new arrangement for matching expenses of medical care which will create a new administrative burden on the States and encourage provision of services to recipients to assist them in overcoming their public dependency through self-help. * * * It would be false economy to hold down administrative expenses which hold the promise of keeping ineligible off the public assistance rolls and assisting others to become self-sufficient."

CONCERN OF THE DEPARTMENT AND THE SOCIAL SECURITY ADMINISTRATION

The Department, the Social Security Administration, and the Bureau of Public Assistance are all aware of the concern of the Congress and are giving this administrative cost subject high priority in their work planning. The Secretary has directed the Social Security Administration to carry out "a careful analysis of the Department's program for grants-in-aid to the States for administrative costs of public assistance" and has assigned a member of his staff to work with the Social Security Administration. A report of this analysis will be made to the Congress. The Department believes, however, that any changes in the present matching provisions should be accomplished through substantive legislation and through adequate consideration and public hearings by the Committee on Finance of the Senate and the Ways and Means Committee of the House. The Senate Appropriations Committee recognized the propriety of this in its Report on the

First Urgent Deficiency Appropriation Bill, 1957, in which it stated, "It is the view of the committee that any limitations on the Federal share of administrative costs in the operation of public assistance programs should be considered by the Committee on Finance."

As we have attempted to point out, the issues presented are complex ones and economies in administrative costs do not necessarily mean that the total costs of the programs, assistance and administration combined, are reduced. Total costs may even be increased. Meanwhile, we would urge that an arbitrary limitation not be affected through the appropriation bill.

BUREAU OF PUBLIC ASSISTANCE

SALARIES AND EXPENSES

STATEMENT OF JAY L. RONEY, DIRECTOR, BUREAU OF PUBLIC ASSISTANCE; ROY L. WYNKOOP, ADMINISTRATIVE OFFICER; AND ANDREW R. N. TRUELSON, EXECUTIVE OFFICER

APPROPRIATION ESTIMATE

"Salaries and expenses, Bureau of Public Assistance: For expenses necessary for the Bureau of Public Assistance, [\$1,748,000] \$2,216,000."

Funds available for obligation

	1957 appropriation		1958 estimate		1958 House allowance	
	Positions	Amount	Positions	Amount	Positions	Amount
Appropriation or estimate.....	274	\$1,748,000	324	\$2,216,000	278	\$1,900,000
Total obligations.....	274	1,748,000	324	2,216,000	278	1,900,000

Obligations by activities

Description	1957 appropriation		1958 estimate		1958 House allowance	
	Positions	Amount	Positions	Amount	Positions	Amount
1. Program policies and standards.....	52	\$360,392	69	\$511,758	54	\$405,893
2. Review State plans and grants, evaluate State operations.....	162	1,023,496	187	1,267,859	164	1,108,484
3. Collect and interpret statistics.....	37	217,549	43	274,565	37	233,675
4. Administration.....	23	146,563	25	161,818	23	151,948
Total obligations.....	274	1,748,000	324	2,216,000	278	1,900,000

EFFECT OF HOUSE ACTION

Activity 1. Program policies and standards

The House allowed \$405,893 for 54 positions. This is an increase of \$45,501 over 1957 and includes \$19,850 for mandatory items; \$15,240 for annualization of the cost of 8 positions authorized for only part of the fiscal year 1957; and \$11,225 for 2 additional positions in 1958 (1 professional and 1 clerical) in the administrative and fiscal management area. There is a net decrease of \$814 for other objects of expense for current staff.

The House denied an increase of \$105,865 for 15 positions for carrying out additional responsibilities due to the 1956 amendments to the Social Security Act and for performing other program activities. This program reduction will prevent the Bureau from:

(a) Encouraging State agencies to administer their public assistance programs so as to assist more individuals than now possible in achieving self-support or self-care and in functioning at maximum capacity through their own efforts. For a program affecting the lives of over 5 million individuals—and involving Federal, State, and local funds of nearly \$3 billion—every effort should be made to reduce public assistance costs when possible by helping recipients achieve self-support. Where this is not possible because of age, illness, or other problems, emphasis should be placed on achieving self-care and on strengthening family life. These objectives were clearly set forth in the 1956 amendments. Lack of staff will prevent the Bureau from expanding work in this area.

Since the public assistance program is the only nationwide welfare program providing direct services in every community, it offers the greatest opportunity for development of services that affect the lives of the most needy segment of the Nation's population. These include:

Two and a half million aged recipients—over 65 and with a high incidence of chronic illness, loss of family and friends, and general exclusion from employment opportunities. Services are needed for this group of aged persons so they can participate in family and community life, retain self-dependence, and live comfortably in their own homes.

About 2 million needy children—with homes broken by family misfortune—are especially in need of services and will provide an opportunity for them to have a wholesome childhood and become valuable citizens.

Another 268,000 persons, many of them heads of families, are permanently and totally disabled; nearly half are under 55.

Approximately 107,000 persons are receiving assistance because they are blind; more than half are less than 65 years of age.

(b) From increasing work on the subject of standards of assistance. The eligibility factor of need is one of the most important factors in the assistance program and is common to all four programs. More staff is required to enable the Bureau to undertake additional work in such areas as: analyses of information on standards of assistance used by the various States; development of materials to illustrate various devices and techniques in determination of need that will be useful for States; and consultation to States on basic legal, medical and sociological factors which underlie such eligibility factors as blindness, disability and deprivation of support and care.

(c) From helping States, to the extent desirable for efficient administration, in moving forward in providing effective and efficient medical care for public assistance recipients. Provision of medical care to public assistance recipients is a problem of increasing seriousness for the State agencies. For some recipients the provision of medical care is a prerequisite for achieving self-support or self-care. The 1956 amendments enable States to broaden their medical care for public-assistance recipients by providing a separate formula for matching of expenditures for medical care. The new method which becomes effective July 1, 1957, applies to payments made by States directly to vendors or suppliers of medical care and includes insurance premiums for such care or the cost thereof. Additional staff is needed to meet requests from States for assistance in the organization and development of plans for providing medical services; in the furtherance of medical rehabilitation of public assistance recipients through cooperative relationships between public assistance, public health and vocational rehabilitation agencies; and in relation to the content, scope and methods of financing and procedures for claiming Federal participation. It is especially important that efficient methods are established for providing medical services to assure that funds are expended effectively as the States provide for establishing or expanding medical care for public assistance recipients. Recent information indicates that 13 State agencies have introduced or enacted basic legislation relating to medical care; and 17 other States have proposals in varying stages of development.

(d) From expanding work with State agencies in the administrative and fiscal management area to provide a constructive basis for such as: improved organization, streamlined procedures, effective control of administrative costs, and more efficient use of staff. Since experience to date shows that the quality of work can be improved, and the administration of the public-assistance programs can be more efficient with a subsequent saving of staff time and costs for State and local agencies, Bureau work with States should be expanded in this area, especially by use of the following two methods:

(1) Consultation on the quality-quantity measurement of the public assistance visitor's job so as to extend the adaptation of the sampling techniques which are widely used in private industry (basic document completed in 1956).

(2) Conducting organization and methods surveys of State and local agencies; and making recommendations for simplifying work, streamlining procedures, improving organization, etc.

(e) From expanding work with States to increase the number of adequately trained personnel for working in public assistance agencies and to establish long-range staff development programs. Adequately trained staff is basic to efficient administration and is necessary to enable public welfare agencies to help their recipients to become self-sufficient to the full extent of their capacities. The significance of staff training in improving administration of public-assistance programs and in improving the quality of services to assistance recipients has been evident for a number of years—both to the Bureau and to State agencies. The additional stimulus of the 1956 amendments has resulted in an increasing number of requests from State agencies for consultation and written materials in the staff development areas. To assure the most effective use of funds expended for improving staff competence—whether it is limited to that under current legislation or expanded to the new training grants—each State agency should have a long-range plan for the achievement of specific program objectives. Without additional staff, such work is limited to a “spot” basis rather than a comprehensive program. Many of the States wish to broaden and extend their goals to implement the new training grant legislation; others have requested assistance in establishing a plan for staff development based upon objectives they feel can be achieved within their particular States. With present staff, Bureau work cannot be expanded in this area even though it will result in more efficient and effective administration of State public assistance programs.

Activity 2. Review State plans and grants, evaluate State operations

The House allowed \$108,484 for 164 positions. This is an increase of \$84,988 over 1957 and includes \$58,500 for mandatory items; \$11,210 for annualization of the cost of 7 positions authorized for only part of the fiscal year 1957; and \$10,525 for 2 additional positions (1 professional and 1 clerical) for handling a portion of the increased workload in the plan review and inquiry mail areas. There is a net increase of \$4,753 for other objects of expense for current staff.

The House denied an increase of \$159,375 for 23 positions for carrying out additional responsibilities due to the 1956 amendments to the Social Security Act and for performing other program activities. This program reduction will prevent the Bureau from:

(a) Taking prompt action on reviewing State plan material to assure compliance with Federal requirements. With an increase of 50 percent expected in the volume of State plan amendments submitted by State agencies as a result of the 1956 amendments, the lack of adequate staff will result in unavoidable delays. Under the Social Security Act Amendments of 1956 all States will be required as of July 1, 1957, to describe in their State plans the services, if any, that the agency makes available to applicants and recipients under the four assistance programs. Except for the program of old-age assistance, the steps taken to assure maximum use of other agencies providing similar or related services will also need to be set forth. Plan material will also be submitted by State agencies in relation to the new Federal matching provision for medical care, effective July 1, 1957.

(b) From maintaining the administrative review of State and local operations at the present level—which is considered inadequate in relation to Bureau responsibilities for keeping informed about State practice. For example, there has been and will continue to be very limited staff time for the review of Federal requirements—other than eligibility and amount of payment—such as opportunity to apply, opportunity for a hearing, and State supervision in locally administered programs. There is also need for expanding the scope of the administrative review: to include reviews of special problems in individual States; to obtain facts on specific subjects in areas needed for policy development work; and to assure compliance with the 1956 amendments. The administrative review is one of the Bureau's primary methods for assuring that Federal funds are expended in accordance with the requirements of the Social Security Act and in accordance with the State's approved plan.

(c) From responding promptly and adequately to States' requests for assistance in their day-to-day operations. The regional staff represents the Bureau in this aspect of work and provides assistance on: explanation of Federal requirements and related recommendations; on administrative methods, program objectives and solutions to current problems specifically related to an individual State. In recent years, there has been an increasing number of requests from State agencies for help in improving their staff development programs and for assistance in improving their administrative procedures and controls, including caseload

management, case recording, organizational structure and supervision of local agencies. The 1956 amendments create additional need for work with States in the area of services, both welfare and medical.

(d) From providing adequate leadership in various aspects of public welfare administration to integrate public assistance programs and concepts with other State operations designed to help needy individuals and their families achieve a normal status in the community insofar as possible.

(e) From making more adequate use of existing materials by: supplementing and reinforcing Bureau work with materials being developed by other organizations; and by providing for more frequent exchange of State experience so that the successful solution of a common problem discovered by one State can be adapted by others to their particular situations and needs.

Activity 3. Collect and interpret statistics

The House allowed \$233,675 for 37 positions. This is an increase of \$16,126 over 1957 and includes \$12,900 for mandatory items; \$5,600 for annualization of the cost of 3 positions authorized for only part of the fiscal year 1957; and a net decrease of \$2,374 for other objects of expense for current staff.

The House denied an increase of \$40,890 for 6 positions for carrying out additional responsibilities due to the 1956 amendments to the Social Security Act and for performing other program activities. This program reduction will prevent the Bureau from—

(a) Completing the special studies now in process within a reasonable time after the data has been collected. In periods when the number of special requests is high, work on the development of new studies and on analyses of data collected by special studies has to be laid aside temporarily and delays result in the completion of such work. There is no leeway in present staffing to permit carrying extra work imposed by unanticipated requests without impairing the output of planned work.

(b) From expanding work to obtain information which is urgently needed and used both by the Bureau and by State public assistance agencies in formulating policies, planning program content, setting standards, justifying appropriation requests, making legislative studies and guiding administrative action.

To make a greater contribution toward the attainment of program objectives, additional special studies should be undertaken:

To obtain basic fundamental information about the effect of State policies and practices on needy people and other citizens of the State, and the consequences for national welfare and the administration of the public assistance programs;

To evaluate the operation and effect of certain policies on agency operations and on the assistance group; and

To evaluate the effect and costs of certain aspects of administration.

Activity 4. Administration

The House allowed \$151,948 for 23 positions. This is an increase of \$5,385 over 1957. There is an increase of \$7,950 for mandatory items and a decrease of \$2,565 for other objects of expense for current staff. The House denied an increase of \$9,870 for 2 positions (1 professional and 1 clerical) for organization and management activities. This reduction will prevent the Bureau from placing additional staff time in the conducting of operation audits and other organization and management studies in selected areas or offices to more effectively carry out the Department's management analysis and appraisal program.

Obligations by objects

Object classification	1957 appro- priation	1958 budget estimate	1958 House allowance
Total number of permanent positions.....	274	324	278
Full-time equivalent of all other positions.....	5	5	5
Average number of all employees.....	253	302	261
Number of employees at end of year.....	258	315	268
01 Personal services:			
Permanent positions.....	\$1,513,400	\$1,819,000	\$1,561,400
Positions other than permanent.....	20,000	20,000	20,000
Regular pay above 52-week base.....		5,400	5,400
Payment above basic rates.....	2,000	2,000	2,000
Other payments for personal services.....	14,600	14,600	14,600
Total personal services.....	1,550,000	1,861,000	1,603,400
02 Travel.....	110,000	136,000	113,100
03 Transportation of things.....	4,000	5,000	4,500
04 Communication services.....	18,400	22,000	18,660
05 Rents and utility services.....	700	2,600	700
06 Printing and reproduction:			
Printing.....	10,100	11,600	10,185
Reproduction.....	17,950	18,500	16,570
07 Other contractual services.....	5,000	6,200	5,200
Services performed by other agencies.....	15,350	19,400	18,240
08 Supplies and materials.....	7,000	8,700	7,140
09 Equipment.....	8,000	9,000	5,375
11 Grants, subsidies, and contributions: Contribution to re- tirement fund.....		114,000	94,930
13 Refunds, awards, and indemnities.....	500	500	500
15 Taxes and assessments.....	1,000	1,500	1,500
Total obligations.....	1,748,000	2,216,000	1,900,000

Summary of changes

	Positions	Amount
1957 actual appropriation.....	274	\$1,748,000
1958 appropriation request.....	324	2,216,000
Net change requested.....	+50	+468,000

	1958 estimate		1958 House allowance	
	Positions	Amount	Positions	Amount
For mandatory items:				
Extra day of pay.....	274	\$5,400	274	\$5,400
Retirement contributions (for base positions).....	274	96,300	274	93,800
Annualization costs for additional positions authorized for 1957 (offset by net decrease of \$1,000 for other objects of expense).....	18	31,050	18	31,050
Total.....		132,750		130,250
For program items:				
Working with States in accomplishing more efficient and effective administration of their public assistance programs.....	3	18,730	3	18,730
Improving services to public assistance recipients through self-care activities (OAA); strengthening family life (ADC); and self-support and self-care activities (AB and APTD).....	10	81,508		
Assisting States to extend and broaden their medical care programs for public assistance recipients.....	17	119,225		
Administering grants to States for training of public welfare personnel.....	14	84,605		
Strengthening Bureau administration and facilitating services.....	5	23,461	1	3,020
Participation in cooperative research and demonstra- tion projects related to public assistance programs.....	1	7,821		
Total change requested.....	50	468,000	4	152,000

1584 LABOR-HEALTH, EDUCATION, WELFARE APPROPRIATIONS

New positions requested in 1958

	Grade	Positions		Total annual salary
		Number	Salary	
Activity 1. Program policies and standards:				
Legislative standards specialist.....	GS-12.....	1.....		\$7,570
Medical assistance standards specialist.....	GS-12.....	2.....		15,140
Staff development specialist.....	GS-12.....	3.....		22,710
Welfare methods specialist, administrative.....	GS-12.....	2.....		15,140
Welfare methods specialist, fiscal.....	GS-12.....	1.....		7,570
Welfare service specialist.....	GS-12.....	2.....		15,140
Clerk-stenographer.....	GS-4.....	5.....	\$3,415	17,075
Clerk (typing).....	GS-4.....	1.....		3,415
Total, activity 1.....		17.....		103,760
Activity 2. Review State plans and grants, evaluate State operations:				
Administrative review specialist.....	GS-12.....	1.....		7,570
Fiscal accountant.....	GS-12.....	1.....		7,570
Information specialist.....	GS-12.....	1.....		7,570
Public assistance technician.....	GS-12.....	5.....	7,570	37,850
Public welfare adviser.....	GS-12.....	9.....	7,570	68,130
Correspondence clerk.....	GS-5.....	2.....	3,670	7,340
Clerk-stenographer.....	GS-4.....	4.....	3,415	13,660
File clerk.....	GS-4.....	2.....	3,415	6,830
Total, activity 2.....		25.....		166,520
Activity 3. Collect and interpret statistics:				
Research analyst.....	GS-12.....	4.....	(@\$7,570)	\$30,280
Statistical clerk.....	GS-5.....	1.....		3,670
Do.....	GS-4.....	1.....		3,415
Total, activity 3.....		6.....		37,365
Activity 4. Administration:				
Organization and methods examiner.....	GS-12.....	1.....		7,570
Clerk-stenographer.....	GS-4.....	1.....		3,415
Total, activity 4.....		2.....		10,985
Total new positions in 1958.....		50.....		308,630

STATEMENT BY DIRECTOR, BUREAU OF PUBLIC ASSISTANCE, SOCIAL SECURITY ADMINISTRATION, ON SALARIES AND EXPENSES, BUREAU OF PUBLIC ASSISTANCE

This statement explains the basis for the 1958 budget estimate and indicates the effect of the House action on proposed program plans and objectives.

BASIS FOR 1958 BUDGET ESTIMATE

The Bureau of Public Assistance is responsible for the administration of Federal grants to States for four categories of needy people—the aged, the dependent children, the blind, and the permanently and totally disabled. These public-assistance programs involve over \$1½ billion in Federal funds and affect over 5 million needy individuals in 53 jurisdictions. The Bureau also has responsibility for participating in studying and making recommendations as to the most effective methods of providing economic security to needy people.

Effect of 1956 amendments

Program responsibilities of the Bureau were very substantially increased by the 1956 amendments to the Social Security Act which provide for significant changes in the public-assistance programs. These include administering new Federal grants to States for training public welfare personnel for public-assistance programs, which were authorized for a period of 5 years, effective as of July 1, 1957. The 1956 amendments also increased the Federal share in assistance payments for all programs, except for Puerto Rico and the Virgin Islands. The amendments increased the appropriations ceiling on the amount of Federal funds for each of the latter jurisdictions.

The 1956 amendments made provision to enable the States to extend and broaden medical care for public assistance recipients by providing for a separate formula for matching of expenditures for medical care. The amendments also made explicit that, in addition to financial assistance, the purpose of the public-

assistance grants is also to encourage States to furnish appropriate public welfare services to help assistance recipients toward independent living. The coverage in the aid to dependent children program will be broadened as of July 1, 1957, through including additional relatives with whom the child may live and receive assistance and by the deletion of the requirement of school attendance for children over 16.

These amendments will have a continuing impact on the Bureau's work. It should be noted that the 274 positions provided by the appropriation for 1957 is the same number as authorized for fiscal year 1950, the year prior to enactment of the 1950 amendments, which added a program for aid to the permanently and totally disabled and made numerous changes in programs for the aged, the blind and dependent children. The accumulation of the additional responsibilities from the 1950 amendments, coupled with those added by the 1956 amendments, makes it essential for the Bureau's staffing to be increased if the public assistance programs are to be administered effectively.

Request for 1958

The appropriation request of \$2,216,000 and 324 positions represents an increase of \$468,000 and 50 positions over the 1957 appropriation. The increase of \$468,000 requested for 1958 includes: \$130,000 for the positions authorized for 1957, such as costs for retirement and excess days pay; and \$338,000 for an increase of 50 positions.

Emphasis for 1958

The basic responsibility of the Bureau of Public Assistance is to assist the States in the development and maintenance of sound and efficient public-assistance programs. This involves assurance that State public-assistance programs receiving Federal grants are administered in accordance with the provisions and intent of the Social Security Act; assisting States in the application of Federal requirements and working with them toward improving their programs; securing information on a nationwide basis about program operations; and cooperating with national, public and voluntary agencies and other organizations in planning for the development of welfare services of common interest.

Within this framework, during 1958 particular emphasis will be given to the services directed to strengthening and helping needy families and individuals to attain their maximum economic and personal independence; to medical care for public assistance recipients; and to the most effective use of funds under the newly authorized training grants for public welfare personnel.

Welfare services for needy recipients

The need for help beyond financial assistance for public assistance recipients was recognized by the Congress when the statements of purpose in the public assistance titles of the Social Security Act were amended in 1956. The amendments specify that, in addition to enabling States to give financial assistance to needy people, that the purpose of the legislation is also encouraging States to furnish appropriate services to help recipients to independent living. The amendments emphasize that the goal of the program for aid to dependent children is to help maintain and strengthen family life and to help keep children in their own homes. The program objectives for the blind and disabled are directed toward assisting individuals to achieve self-support or self-care. In the program of the aged, services are to be directed toward achieving self-care.

Since the public assistance program is the only nationwide welfare program providing direct services in every community, it offers the greatest opportunity for development of services that affect the lives of the most needy segment of the Nation's population. These include:

Two and a half million aged recipients—over 65 and with a high incidence of chronic illness, loss of family and friends, and general exclusion from employment opportunities. Services are needed for this group of aged persons so they can participate in family and community life, retain self-dependence, and live comfortably in their own homes.

About 2 million needy children, with homes broken by family misfortune, are especially in need of services that will provide an opportunity for them to have a wholesome childhood and become valuable citizens.

Interpretative materials, standards and consultation are needed on methods for: assessing potentialities for self-support or self-care; utilizing essential community resources; and alleviating problems that threaten family life, such as lack of parental care and support, family conflicts and broken homes; and on safeguarding the future of children. It is important for the Bureau to consult with other na-

tional public and voluntary agencies and to make maximum use of their resources in helping persons and families to attain maximum economic independence and social usefulness.

An increase in staff is required to enable the Bureau to place more emphasis in working with State agencies in developing services designed to strengthen individual and family life through self-care and self-support.

Training of public welfare staff

Congress, in enacting legislation to provide for grants to States for training of personnel for work in public assistance programs, recognized that better qualified staff was necessary to enable public welfare agencies to help their recipients to become self-sufficient to the full extent of their capacities. This legislation is on the need for properly trained staff to help restore assistance recipients to self-support and self-care and to offer services to strengthen family life. To accomplish this involves finding ways to help rebuild lives that have been disrupted by illness, disability, or broken family ties. The extent to which public welfare agencies can provide the help needed will depend largely on the extent to which they have qualified social work staff.

The additional stimulus of the 1956 amendments has resulted in an increasing number of requests from State agencies for consultation and written materials in the staff development areas. With limited Bureau staff, priority must be given each year in defined areas rather than to the total area of staff development. Thus, there are unmet needs in many areas, such as information on group teaching methods and on improvement of supervisory skills. These are important if staff are able to provide, as adequately as possible, services geared to strengthening family life and to providing help for public assistance recipients in obtaining the maximum of self-support and self-care.

Furthermore, to assure the most effective use of funds expended for improving staff competence, each State agency should have a long-range plan for the achievement of specific program objectives for its needy recipients. To achieve such objectives, once they have been identified by the State agency, requires a thorough evaluation of abilities and skills of presently employed staff as well as the establishment of goals that can be obtained either by additional training of presently employed staff or by assuring that new employees have the desired skills and abilities needed.

An adequate staff development program for each State is essential for making the most effective use of available staff which provides a sound basis for assuring proper and efficient administration of State public assistance programs. However, with the limited Bureau staff in this area, this significant work has had to be undertaken on a "spot" basis rather than as a comprehensive program. During the past 5 years, consultation has been provided to most States in solving an immediate urgent problem and work has been initiated with 10 States in setting up a long-term comprehensive program on a continuing basis. With authorization for training grants for improving the adequacy of public assistance personnel, especially those for self-support and self-care, many of the States wish to broaden and extend their goals to implement this legislation; others have requested assistance in establishing a plan for staff development based upon objectives they feel can be achieved within their particular State. Additional staff in 1958 is needed so that requests from State agencies for consultation on their planning for improving the competency of staff can be met.

Improving medical care for public assistance recipients

The 1956 amendment providing for separate matching of expenditures for medical care in behalf of assistance recipients will help States to move forward in providing more effective and adequate medical services. The need for medical care for public assistance recipients is a problem of increasing seriousness for the State agencies. Additional staff are needed by the Bureau to meet requests from States for assistance in the organization and development of plans for providing medical services; in the furtherance of medical rehabilitation of public assistance recipients through cooperative relationships between public assistance, public health and vocational rehabilitation agencies; and in relation to the content, scope and methods of financing and procedures for claiming Federal participation. Since staff and travel funds are not sufficient to meet all requests, only those of highest priority can be met with others being deferred pending additional funds.

State agencies also need written materials on special problems, such as the use of medical consultants and medical social workers; the use of medical information in casework; the relation of the assistance program to other available medical services. It is also important to maintain close working relations with certain

national health agencies. Because of the incidence among public assistance recipients of such conditions as tuberculosis, mental illness, mental retardation, and heart condition, the Bureau should keep in touch with the voluntary agencies in these fields in order to be aware of their developments and resources, and to relate this to assistance programs.

Recent information indicates that 13 State agencies have introduced or enacted basic legislation relating to medical care; and 17 other States have proposals in varying stages of development. Of these, 15 States—with very limited or no provision for medical care—are making plans for initiating payments for some type of medical care as of July 1, 1957—the effective date of this amendment.

Advancing efficient administration

In addition to the work in special areas discussed above, Bureau and State agency staff work together in many activities for advancing more efficient and effective administration through consultation on request to the States, through review of State and local administration and through special studies of various aspects of the program.

Surveys are also made to provide a basis for improving organization, streamlining procedures and using staff and administrative expenditures more efficiently. Bureau work with States has, in some instances, resulted in subsequent saving of cost and staff time for State and local agencies; however, with present Bureau staff, such work is limited to the most immediate and urgent problems of individual States. Continuing work is also being done on the analysis of administrative costs of public assistance, including the costs of certain broad functions in State and local agencies.

The Bureau conducts a continuing administrative review of State and local operations to determine that, in actual operation, there is conformity with the Social Security Act. For fiscal year 1957, plans provide for administrative review activities in 27 of the 57 State agencies. Also, during the current year, the Bureau is testing in selected States, new or modified methods of administrative review. During 1958, as in 1957, the administrative review will include: a statewide sample of cases reviewed for eligibility and amount of payment; and a review of other requirements of the Social Security Act; e. g., opportunity to apply, opportunity for a hearing, and State supervision in locally administered programs. Other reviews will be directed at individual State problems, and one or more subjects will be selected for special study to supply facts needed for policy development work. The scope of the administrative review in 1958 will need to be expanded to cover new provisions in the 1956 amendments.

Developmental work is continuing on the application of principles of statistical quality-quantity control in public assistance administration. For 1958, the Bureau proposes to expand consultation on the quality-quantity measurement of the public assistance visitor's job so as to extend the adaptation of these techniques which are widely used in industry. Such consultation will improve the quality of work and the efficiency of administration in the public-assistance programs.

Special studies are undertaken, cooperatively with the State agencies to obtain basic fundamental information about the effect of State policies and practices on needy people and other citizens of the State, and the consequences for national welfare and the administration of the public assistance programs; to evaluate the effect of certain policies on agency operations and on the assistance group; and to evaluate the effect and costs of certain aspects of administration. Illustrative of the work needed for 1958 is a study to determine the nature and extent of medical care in relation to need and amount of assistance received by old-age-assistance recipients; a study of housing needs of old-age-assistance recipients; a study of mentally retarded children receiving aid to dependent children; and a study of the requirements, incomes, and resources of aid-to-dependent-children families in relation to family composition, living arrangements, and social characteristics.

In view of the above and other responsibilities of the Bureau which are discussed in the justification statement, the Bureau of Public Assistance is requesting an appropriation of \$2,216,000 and a staff of 324, including 187 professional and 137 clerical positions.

EFFECT OF HOUSE REDUCTION AND APPEAL FOR RESTORATION OF \$100,000

The House allowance of \$1,900,000 provides an increase of \$152,000 over the appropriation for 1957. About \$98,000 is required for civil service retirement costs and excess day's pay and \$32,000 is needed to carry into 1958 the additional positions authorized by the Congress for 1957. This leaves a balance of about

\$22,000 for 4 additional positions. Without an increase in staff commensurate with the additional responsibilities and ever-increasing workload, the Bureau will be faced with serious problems in administering the four Federal-State public assistance programs. As at present, considerable Bureau staff time will be required for Bureau responsibilities under the Social Security Act that are not within its control. As an illustration, it is expected that the volume of State plan amendments requiring review for compliance with Federal requirements will be increased by 50 percent. A large portion of Bureau staff time will also be required for other Bureau activities such as processing grants to States, responding to emergency State situations, for example, those relating to conformity with the act, answering inquiry letters from the public, maintaining fiscal records and performing other administrative activities.

New legislation always results in an increase in the volume of requests from State agencies for interpreting the requirements of the Social Security Act with respect to their specific State situations. There are many other activities beyond our control in which the workload has increased substantially. With an increase in the volume of uncontrollable work, and no increase in staff, the only alternative will be to drastically curtail those program activities which are subject to control. One of these activities is the administrative review of State and local operations which is one of the primary methods for assuring that Federal funds are expended in accordance with the requirements of the Social Security Act and in accordance with the State's approved plan. The importance of having effective and efficient administration of State public assistance programs is recognized by the Bureau and the detailed justification outlines several areas in which additional staff are needed in order to carry out a constructive program with the States to achieve efficient administration.

Furthermore, additional staff are needed to enable the Bureau to work with the State agencies in implementing the 1956 amendments. Very limited staff time will be available for providing services to States as they request assistance in placing into operation their plans for increasing services for self-support and self-care for public-assistance recipients. Since the public-assistance program is the only nationwide welfare program providing direct services in every community, it offers the greatest opportunity for development of services that affect the lives of the most needy segment of the Nation's population. Likewise, the Bureau will not be able to provide adequate help to State agencies as they implement the 1956 amendment providing for medical care for public-assistance recipients. It is especially important that efficient methods are established for providing medical services to assure that funds are expended effectively as the States provide for establishing or expanding medical care for public-assistance recipients.

The opening statement for training grants for public-welfare personnel indicates why the \$2,500,000 requested in the budget should be restored. The legislation in the 1956 amendments to provide for grants to States for training of personnel for work in public-assistance programs recognizes that better qualified staff are necessary to enable public-welfare agencies to help their recipients to become self-sufficient to the full extent of their capacities. The additional stimulus of the 1956 amendments has resulted in an increasing number of requests from State agencies for consultation and written materials. There are unmet needs in many areas, such as information on basic knowledges needed for social casework services, on group teaching methods, and on improvement of supervisory skills. Also, additional Bureau staff are needed for processing training grants to States; for assuring that Federal funds are expended in accordance with the intent of the 1956 amendments; and for new studies and reports to obtain statistical and other data needed for program administration.

To obtain positive results Bureau help is especially important in the initial implementation by the States of new Federal laws. Errors in the early stages can often lead to later exceptions which, in addition to being costly and time consuming, adversely affect Federal-State relations.

The work planned for 1958 is important for a program involving over \$1½ billion in Federal funds and providing assistance to over 5 million needy recipients. Therefore, a minimum restoration of \$100,000 is requested to provide about 15 additional positions for carrying out some of the most urgent responsibilities under the Social Security Act.

HOUSE REDUCTION

Senator HILL. I believe your next item is "Salaries and expenses," Mr. Roney.

Mr. RONEY. Yes, Mr. Chairman. Again, we have filed for the record a detailed statement indicating the additional work of the Bureau of Public Assistance to date and the work that is anticipated as a result of the amendments of 1956.

Senator HILL. Let me ask this question: The House made a reduction of \$316,000 in the budget estimate. Was that reduction made by the committee, or was it made on the floor of the House; do you recall?

Mr. WYNKOOP. \$216,000, sir, was made by the committee and then an additional \$100,000 was cut on the floor of the House.

Senator HILL. Then there was a total cut of how much?

Mr. WYNKOOP. \$316,000.

Senator HILL. The committee reduced it \$216,000 and then another \$100,000 reduction was made on the floor of the House; is that right?

Mr. WYNKOOP. Yes, sir.

Senator HILL. All right; you may proceed now, Mr. Roney.

ADDITIONAL POSITIONS

Mr. RONEY. We requested an appropriation of \$2,216,000 for a staff of 324 positions, to carry the responsibilities for administration of Federal grants to States for the 4 categories of needy people—the aged, dependent children, the blind and the permanently and totally disabled. This request provides for an increase of 50 positions, primarily for additional program responsibilities resulting from the 1956 amendments.

These amendments made provision to enable States to broaden their medical care for public assistance recipients. They also stated that the purpose of public assistance is to enable States to furnish appropriate public welfare services, as well as financial aid, in order to help recipients toward independent living, and authorized training grants to increase the number of adequately trained public welfare staff, particularly for providing self-support and self-care services to public assistance recipients.

I recognize that this request represents a substantial increase when compared with positions under the appropriation for fiscal year 1957. I should like to mention, however, that the 274 positions provided for 1957 is the same number as authorized for fiscal year 1950—the year prior to enactment of the 1950 amendments which added the program of aid to the permanently and totally disabled and made numerous changes in the other programs.

Senator HILL. Do you mean by that that when we passed the 1950 amendments, that no additional personnel were added?

Mr. RONEY. That is right.

Mr. TRUELSON. It was not a proportionate increase, Mr. Chairman. There were 14 positions that were approved as an increase in staff. But it was not a proportionate increase in terms of additional responsibilities. The workload of the Bureau increased at least 30 percent as a result of the 1950 amendments.

Senator HILL. You may proceed, Mr. Roney.

PRESSURES OF INCREASED WORKLOAD

Mr. RONEY. Our Bureau workload is not, of course, subject to unit work measurement like the Bureau of Old Age and Survivors Insurance, for example. But I would just like to assure you, Mr. Chairman and Senator Thye, that the pressures of increased workload are just as real and urgent in the face of reviewing new plans, providing consultation to the States, and so forth. The 1950 amendments alone increased the continuing workload of the Bureau by about 30 percent, as Mr. Truelson just mentioned. Thus, the Bureau has been faced over a period of years with an increased workload, with no corresponding increase in staff.

EFFECT OF HOUSE REDUCTION AND APPEAL FOR RESTORATION OF \$100,000

The House allowance of \$1,900,000 provides an increase of \$152,000 over the appropriation for 1957. About \$98,000 is required for civil service retirement costs and excess day's pay, and \$32,000 is needed to carry into 1958 the additional positions authorized by the Congress for 1957. This leaves a balance of about \$22,000 for 4 additional positions.

Without an increase in staff commensurate with the additional responsibilities and ever-increasing workload, we will be faced with serious problems in administering the four Federal-State public assistance programs.

EXAMPLES OF INCREASED WORKLOAD

I would like to cite two illustrations of increased workload. First, the volume of State plan amendments requiring review for compliance with Federal requirements is expected to increase by 50 percent as a result of the 1956 amendments which are the medical care, self-support, self-care, and so forth. Secondly, new legislation always results in an increase in the volume of requests from State agencies for interpreting the requirements of the Social Security Act with respect to their specific State situations.

There are many other activities beyond our control in which the workload has increased substantially. With an increase in the volume of uncontrollable work, and no increase in staff, our only alternative will be to drastically curtail those program activities which we can control.

Senator THYE. May I interrupt here, Mr. Chairman?

Senator HILL. Yes.

Senator THYE. Are you going to go into an explanation of what those programs are, Mr. Roney, as to how you could effect less need of administrative function there? Will your statement cover that?

Mr. RONEY. Are you referring to the detailed statement, Senator?

Senator THYE. I mean as you would proceed further in reading this statement. Your next sentence begins with:

One of these activities is the administrative review of State and local operations, which is one of our primary methods—

and so forth.

I was wondering whether or not this statement would go on and explain it. If not, I was going to ask you what it is that will suffer, what parts of the program will suffer if you do not have the personnel.

That was the purpose of my interruption to ask the question.

ADMINISTRATIVE REVIEW

Mr. RONEY. As I mentioned here, one of the activities is the administrative review. Would you like a little further outlining of that?

Senator THYE. Yes; I think it would be well to have it.

I do not feel that I understand all that would be involved here if these funds are denied you. That is why I am asking for a little information on it.

Mr. RONEY. I think I would like to put it this way: In broad terms, our responsibilities in relation to carrying out our part of the Social Security Act—and with the new amendments going into effect, such as the medical care and so forth—are, first, the setting up of policies in relation to each of these and interpreting them to the States so that the States know on what basis they can claim Federal funds.

Then the State submits a plan and we must review that plan to see that it is in conformity with the act.

The States want that assurance because that is the basis on which they measure their State money that is necessary and the amount of Federal funds they will get.

After the plan goes into operation, we have a responsibility to see that the Federal funds expended are spent according to the way the Federal law provides and according to the way the State has stated in its plan. And here is where the administrative review comes into the picture.

We make a periodic review of State operations—it is done in cooperation with the States—to determine whether, for instance, persons who are taken onto the rolls are eligible, under the Federal and State laws. Now, this is one of the areas which has been a very useful tool, both in protecting and assuring the Federal Government of proper expenditures. It is also useful to the States, because they are as interested in the administration of the programs as we are.

If we have to cut our statewide case review so that we can only do it, let us say, every 5 or 6 years instead of every 4 years, or if we have to extend it, it becomes increasingly dangerous for the assurance of our role of accountability for expenditure of Federal funds.

PREVALENCE OF ERRORS

Senator THYE. How often have you found errors?

Mr. RONEY. Usually we find some errors each time we review. We have been reviewing about on a 4-year cycle.

Senator THYE. Do you mean that the administrator that is out there on the State level has disregarded the law?

Mr. RONEY. No. Usually that is not the situation, Senator.

What we find most often is that they have failed to put sufficient information in a particular record to justify the particular expenditure.

Senator THYE. Who would it be that would fail to place sufficient information into the record?

Mr. RONEY. Usually a caseworker, in noting the facts.

I should like to add, though, that we point that out in our administrative review report. Then the State has an opportunity, before an exception is taken, to determine, in that situation, whether additional information was in fact available but not recorded. And in a good many instances that is the case.

Now, the States, as I say, are as interested in finding out the extent to which there are shortcomings, as we are. Ordinarily it does not mean many ineligible people. In fact, it has been really tremendous, the job the States have done in determining eligibility.

Senator THYE. That is what led me to ask the question. It was because in the State offices, if the proper type of personnel, supervisory people, were put on the job in the instance, that might help considerably.

Of course, they are all subject to civil service; that is true, is it not?

Mr. RONEY. Yes.

Senator THYE. Therefore, it would not be exactly a happenstance that a person would be in that job, would it?

Mr. RONEY. It would not.

Senator THYE. His qualifications would have to be proved before he would get there.

Mr. RONEY. Yes.

Senator THYE. After he gets there, it is reasonable to believe that his understanding of the job will expand. Therefore it would be more of an accident that a person would fail in his administrative responsibilities there.

The things that you discover, are they accidents, or would it be a case of willful negligence? Have you ever found any willful intent there?

Mr. RONEY. I do not think we have ever found, to my knowledge, willful intent.

SUPERVISION AND INSPECTION

Senator THYE. What I am getting at is that we are constantly checking on ourselves. We put a person into a job after giving him a civil-service examination to make certain that he is qualified for the job. We put him in there, and we then have to overburden ourselves again with Federal supervision and inspection.

I can visualize what an enormous job it is to go in there when you take this record for these many years, for 3 or more years, what an enormous volume of material has to be examined when you try to determine whether or not they did wrong, or whether or not they failed in providing all the information.

You said, did you not, that it would be mostly a question of the file not containing enough information for you to justify or to approve the justification? Is that what you find?

Mr. RONEY. We find a number of things. In some instances it may be that the information was not recorded to justify the eligibility determination. Now, that may be due not necessarily to the worker's inadequacy but to carrying an extremely large caseload. And the State itself is interested in finding that out.

Another thing that may have happened is that the State may have put into effect a policy which was insufficiently clear and is not being understood in a uniform way. And this administrative review process helps them spot those weaknesses.

STATE RESPONSIBILITY

Senator THYE. Let me just put this into rather a simple question.

It would seem to me, in those instances, that the State has a financial obligation and a responsibility as well as the Federal Government, because of the State's participation.

Mr. RONEY. That is right.

And we do it jointly, Senator.

Senator THYE. Then you have the civil service, which establishes the qualifications of the person who is administering the job.

Mr. RONEY. Yes.

NEED FOR EXCESSIVE SUPERVISION

Senator THYE. For the life of me, I cannot see that it should be necessary to have a check upon a check, supervision on top of supervision, and have too much of it. We are already becoming such an enormous governmental body and we just have a network of Federal employees checking on other employees in a Federal-State status. I am wondering where we are headed.

That is the simple question: Where are we headed?

Can we not simplify our supervision of our operations so that the situation would be more on the basis of trying to find a willful violator rather than to check to see whether somebody dotted the "i" properly or crossed the "t" properly.

Mr. RONEY. This goes to more than that, I think, Senator.

Federal and State funds are spent in accordance with the plan that the State has outlined. So that there is a matter of accountability, so to speak, our accountability, to the effect that Federal funds are being spent in accordance with the act, and the States are interested in their State funds.

Senator THYE. Have these supervisors effected economy?

Mr. RONEY. I believe the program has effected economy.

Senator THYE. How?

Mr. RONEY. Well, from the standpoint of enabling the States and us to assure ourselves. We can say to the Congress, for example, that funds are being spent for eligible people. It also enables the workers and the supervisors and the State administration to check on their program to assure themselves that the program is being administered in as good a way as possible.

I should like to add a couple of other remarks that have occurred to me.

SAMPLING BASIS OF INVESTIGATION

One is that we do not investigate every case. We do it on a sampling basis with the States, so that to that degree we have streamlined as much as possible.

The other remark I would like to make is that this matter of accountability is a rather difficult one, from our point of view, to know how much to do of it to satisfy the Federal needs or how much to do in the other direction.

A few years ago we were encouraged, so to speak, by the Congress to do more in the administrative review than we had been doing up to that time, with some feeling that there were ineligible people. We

believe we have hit a fairly good compromise on it and would think it bad to reduce it much more than we have.

Mr. SCHOTTLAND. Senator, I might add just 1 or 2 remarks, as a former recipient of the administrative review as a State administrator.

I think it would be unfortunate to get the impression that there is much breathing down a State's neck. When you are talking about \$1,700 million of Federal funds and a review in States (that spend—an individual State—\$50 million or \$100 million or \$300 million) every 4 years that you look over their operations, it really is not a very extensive review.

What happens is this: We sometimes accept the State's fiscal audits for our ordinary fiscal review when they are comprehensive. But when a State comes in and presents us with a very extensive plan, relative responsibility, and lien laws and extensive State legislation, then that is the basis upon which they are going to collect Federal funds. Periodically we have to take a look at this and ascertain whether or not we are sending out to the States Federal funds in accordance with the agreement that the State and Federal Government have entered into.

Now, I can give you 1 or 2 examples in my own experience.

SITUATION IN CALIFORNIA

In my own State of California I thought we had a very efficient operation. However, the review did point out certain things where we could improve our operation. It might be that our referrals to the district attorneys in nonsupport cases really were ineffective, they really were not resulting in anything.

This is just calling to the State's attention, by the Federal Government, that they should jack up the district attorneys.

Senator THYE. May I interrupt at that point in order to try to make certain that I understand now.

They come out there and they pull out a certain percentage of these files and they look at them, and they may find one where you had made a referral to the district attorney and the district attorney had taken no action. Is that the way it would be?

Mr. SCHOTTLAND. Yes. They probably might not get excited about one, but only when they find plenty cases referred and no action in any case.

SUGGESTED SIMPLE PROCEDURE

Senator THYE. Would it not be simpler if that Administrator had just simply written to the Department of Justice and told them that he had referred so many cases to the district attorney, giving him the history and the date, and telling him that no action was taken?

That would possibly be a more simple procedure and there would be less travel expense involved and less additional supervision involved if the administrator would do that. Then the Department of Justice could simply say to the district attorney, "You are negligent. This is the complaint we get relative to your office. What is the answer?"

I am quite sure that the district attorney would have answered the Justice Department very readily.

I know I have made recommendations for appointments to the office of the district attorney. If I ever got such a complaint I would call

up the man and say, "Listen, you are letting me down; you had better get on the ball here and take care of this complaint, or else." The "or else" meant that at the end of his term there might be another recommendation going in.

I think that is what we could accomplish without getting Mr. John Doe traveling a couple of thousand miles from a certain point to make an observation of what had been done out in that office when a little 3-cent stamp—or a franked letter, in your case—could have sent the same complaint to the Department of Justice.

I am trying to run this question down because it just staggers me. I have sat on the Appropriations Committee for quite a few years and I see myself voting year after year more money to put more people to looking down somebody else's neck, so to speak.

Mr. SCHOTTLAND. You see, Senator, take a State into which maybe we put \$100 million of Federal money it is perfectly true that somebody in that State ought to do something about referrals to the State district attorneys.

The question is, however: Do we just ignore the thing federally and just put \$100 million a year into that State and say we hope they will operate efficiently? Or do we occasionally, every 3 or 4 years, just look briefly into their operations?

And these are brief reviews because we have some 65,000 or 70,000 persons employed in the State program, and we only have a handful of people at the Federal level who are involved in this operation.

The question is: Should we not every 3 or 4 or 5 years just take a look at what is happening in these States?

GAO AUDITS

Senator THYE. May I ask you another question: Does the Comptroller General ever review this? He does, does he not?

Mr. WYNKOOP. No, sir. He has never, to our knowledge, made an actual audit at the State level. He does review our procedures and our standards to assure that we are in turn evaluating the operations at the State level.

Miss GOODWIN (Kathryn D. Goodwin, Deputy Director, Bureau of Public Assistance). This is not the audit area, anyway, that the Comptroller General ordinarily looks into.

Mr. TRUELSON. I might say that of the 253 man-years in the Bureau, there is only an equivalent of 18 devoted to administrative review. This area has been cut like other functions over the years. Prior to the 1950 amendments we did have more people engaged in the administrative review activity, but it has been reduced.

To give you some idea of the reduction, let me tell you that at one time we had nearly twice this manpower devoted to the administrative review. But as a result of having to devote time to the carrying out of the 1950 amendments, this staff has been reduced just like other areas.

So that there are only 18 man-years out of the total of 253 devoted entirely to the administrative review. This is small in comparison to the total.

Mr. SCHOTTLAND. I might say also, Senator, that the usual criticism which we get from congressional committees is that we are letting the States run wild and that we ought to do something about it.

That was the criticism of the House.

We are caught between the problem of doing too much and the problem of not doing enough. We tried in our budget request to draw the middle ground.

Senator THYE. I have no further questions. Thank you, Mr. Chairman.

Senator HILL. Do you gentlemen have anything further on this?

Mr. TRUELSON. I might also add that in the request for 50 additional positions there are none for administrative review. The positions are for carrying out the additional workload concerned with the 1956 amendments.

Senator THYE. Some of those positions were going to the full review, I understand, and that is what led me to ask the question.

Mr. TRUELSON. What we propose doing is this: If we do not get sufficient staff to carry out the additional workload concerned with the amendments, what we will do is to reduce the administrative review.

Senator THYE. Do you intend to reduce it in order to be able to assign the personnel in other fields that are more vital, in your opinion?

Mr. TRUELSON. That is right.

It is way down now, so low, 18 man-years.

Senator THYE. The question is: Would there be wisdom in that?

Mr. RONEY. It is a very difficult situation which confronts us with new amendments having to be implemented, for example, the medical care amendments. We have to accept the plans as submitted from the States and act on them.

It is that kind of situation that we are caught in, so to speak.

Senator THYE. That is all I have, Mr. Chairman. Thank you.

Senator HILL. All right, Mr. Roney, do you have anything further?

IMPORTANCE OF EFFECTIVE ADMINISTRATION

Mr. RONEY. I would like to assure the committee that we in the Bureau also recognize the importance of having effective and efficient administration of the State public assistance programs. The administrative review we have been discussing is one method of assuring efficient administration.

Our detailed justification outlines several areas in which additional staff are needed if we are to carry out a constructive program with the States to achieve efficient administration.

Furthermore additional staff are needed to enable the Bureau to work with the State agencies in implementing the 1956 amendments.

From experience, I can assure the committee that in order to obtain positive results, the Bureau help is especially important in the initial implementation by the States of new Federal laws. Errors in the early stages can often lead to later exceptions, which in addition to being costly and time consuming, adversely affect Federal-State relations.

I believe the work plan for 1958 is important for a program involving over \$1.5 billion in Federal funds and providing assistance to over 5 million needy recipients.

RESTORATION REQUEST

Therefore, Mr. Chairman, we are requesting restoration of a minimum of \$100,000, which will provide about 15 additional positions for carrying out some of our most urgent responsibilities under the Social Security Act.

Senator HILL. You are asking for restoration of \$100,000 out of the original \$316,000; is that right?

Mr. RONEY. That is right.

Senator HILL. Do you have any further questions, Senator Thye?

Senator THYE. No; I have none.

Senator HILL. Was there anything you wanted to add, Mr. Schottland?

Mr. SCHOTTLAND. No.

Senator HILL. Do you have any other matter now, Mr. Schottland, at this point?

Mr. SCHOTTLAND. We have two others.

Senator HILL. I understand you have the Children's Bureau and the cooperative research item.

Mr. SCHOTTLAND. That is correct.

Senator HILL. We will stand in recess until 2 o'clock, at which time we will proceed with the remainder of the items.

(Whereupon, at 12:28 p. m., a recess was taken until 2 p. m., this same day.)

AFTERNOON SESSION, 2 P. M. (MONDAY, MAY 13, 1937)

CHILDREN'S BUREAU

SALARIES AND EXPENSES

STATEMENTS OF MRS. ELIZABETH H. ROSS, ACTING CHIEF, CHILDREN'S BUREAU; ACCOMPANIED BY ARTHUR J. LESSER, M. D., DIRECTOR, DIVISION OF HEALTH SERVICES; AND JAMES F. KELLY, DEPARTMENT BUDGET OFFICER

APPROPRIATION ESTIMATE

"Salaries and expenses, Children's Bureau: For necessary expenses in carrying out the Act of April 9, 1912, as amended (42 U. S. C., ch. 6), and title V of the Social Security Act, as amended (42 U. S. C., ch. 7, subch. V), including purchase of reports and material for the publications of the Children's Bureau and of reprints for distribution, [~~\$1,822,000~~] \$2,154,000: *Provided*, That no part of any appropriation contained in this title shall be used to promulgate or carry out any instructions, order, or regulation relating to the care of obstetrical cases which discriminate between persons licensed under State law to practice obstetrics: *Provided further*, That the foregoing proviso shall not be so construed as to prevent any patient from having the services of any practitioner of her own choice, paid for out of this fund, so long as State laws are complied with: *Provided further*, That any State plan which provides standards for professional obstetrical services in accordance with the laws of the State shall be approved."

Funds available for obligation

	1957 appropriation		1958 budget estimate		House allowance	
	Positions	Amount	Positions	Amount	Positions	Amount
Appropriation or estimate.....	248	\$1,822,000	277	\$2,154,000	259	\$2,000,000

Obligations by activity

Description	1957 appropriation		1958 budget estimate		House allowance	
	Positions	Amount	Positions	Amount	Positions	Amount
1. State and local health services for children.....	85	\$648,470	87	\$716,050	85	\$686,104
2. State and local social services for children.....	45	320,970	47	359,909	47	356,101
3. Technical assistance to States and communities for juvenile delinquency programs.....	16	130,857	27	227,531	20	167,919
4. Research in child life and services for children.....	43	261,648	55	359,168	46	299,782
5. Information for parents and others working with children.....	23	249,871	23	257,822	23	257,766
6. Administration.....	36	210,184	38	233,520	38	232,328
Total obligations.....	248	1,822,000	277	2,154,000	259	2,000,000

EFFECT OF HOUSE ACTION ON 1958 BUDGET REQUEST

The House Appropriations Committee recommended and the House has allowed \$2 million of the \$2,154,000 requested, an increase of \$178,000 over 1957. For mandatory costs for continuing 1957 positions a total of \$101,953 is required—\$95,585 for payments to the retirement fund, and \$6,368 for the extra day of pay occurring in 1958.

The remainder, \$76,047, will provide for 11 of the 29 positions and related expenses requested for expanding the program activities of the Bureau.

The House cut of \$154,000 in the budget estimate eliminated 18 positions and related expenses for important activities, as indicated below.

Activity 1. State and local health services for children

The House allowed an increase of \$37,634 for mandatory items and denied an increase of \$29,946, of which \$14,801 was for 2 positions for technical assistance in the further development and improvement of health services for children of school age, \$12,800 was for increased travel for 1956-57 staff, and \$2,345 was for improved health services for employees.

Activity 2. State and local social services for children

The House allowed an increase of \$35,131, of which \$19,373 is for mandatory items and \$15,758 is for 2 additional positions for strengthening the Bureau's work with the States on some of the administrative aspects of the child-welfare program, and for meeting the increasing requests from States resulting from the rapid and numerous changes that are taking place with reference to children in foster care. The House allowance reduces this activity by \$3,808—\$2,800 for increased travel for 1956-57 staff, and \$1,008 for improved health services for employees.

Activity 3. Technical assistance to State and communities for juvenile delinquency programs

The House allowed an increase of \$37,062, of which \$7,652 is for mandatory items and \$29,410 for 4 new positions for consultation to States and communities in the special field of institutions for juvenile delinquents and strengthening the administration of the juvenile delinquency program.

The House denied an increase of \$59,612 for this activity. This increase would have provided: \$50,746 for 7 positions and expenses for consultation services to States and communities in relation to juvenile courts, probation, police work, personnel training, and community services for the control of juvenile delinquency; \$8,800 for more adequate travel funds for 1956-57 staff; and \$66 for improved health services for employees.

Activity 4. Research in child life and services for children

The House allowed an increase of \$38,134, of which \$16,209 is for mandatory items, and \$21,925 for 3 new positions to strengthen the Bureau's research activities. The House reduction of \$59,386 eliminates \$54,753 for 9 positions for child health and child welfare research studies and statistical reporting of juvenile delinquency and child welfare services; \$4,500 for increased travel for 1956-57 staff; and \$133 for improved health services for employees.

Activity 5. Information for parents and others working with children

The House allowed an increase of \$7,895 for mandatory items and eliminated \$56 for improved health services for employees.

Activity 6. Administration

The House allowed an increase of \$22,144, of which \$13,190 is for mandatory items and \$8,954 for 2 new positions to initiate planning for the 1960 White House Conference on Children and Youth. The reduction of \$1,192 in this activity consisted of \$1,100 for increased travel for 1956-57 staff; and \$92 for improved health services for employees.

Obligations by objects

Object classification	1957 appropriation	1958 budget estimate	1958 House allowance
Total number of permanent positions.....	248	277	259
Full-time equivalent of all other positions.....	1	1	1
Average number of all employees.....	227	247	232
Number of employees at end of year.....	235	262	246
01 Personal services.....	\$1,498,500	\$1,662,183	\$1,567,625
02 Travel.....	143,700	194,915	151,807
03 Transportation of things.....	1,500	1,500	1,500
04 Communication services.....	25,500	27,508	26,368
05 Rents and utility services.....	400	400	400
06 Printing and reproduction.....	115,000	115,000	115,000
07 Other contractual services.....	4,300	4,300	4,300
Services performed by other agencies.....	10,100	14,641	10,421
08 Supplies and materials.....	12,500	13,616	12,878
09 Equipment.....	8,000	14,843	10,681
11 Grants, subsidies, and contributions: Contribution to retirement fund.....		104,529	98,455
15 Taxes and assessments.....	2,500	565	565
Total obligations.....	1,822,000	2,154,000	2,000,009

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Detailed list of new positions, fiscal year 1958

	Grade	Position	Amount
1. State and local health services for children:			
Pediatrician.....	14	1	\$11,395
Clerk-stenographer.....	4	1	3,415
Total positions and annual salaries.....		2	14,810
Deduct lapses.....			2,782
Net permanent positions.....			12,028
Regular pay in excess of 52-week base.....			57
Total personal services.....			12,085
2. State and local social services for children:			
Administrative methods consultant.....	12	1	7,570
Regional foster care consultant.....	12	1	7,570
Total positions and annual salaries.....		2	15,140
Deduct lapses.....			2,844
Net permanent positions.....			12,296
Regular pay in excess of 52-week base.....			58
Total personal services.....			12,354
3. Technical assistance to States and communities for juvenile delinquency programs:			
Assistant director of division.....	14	1	10,320
Community services consultant.....	13	1	8,990
Institutions consultant.....	13	1	8,990
Juvenile court and probation consultant.....	13	1	8,990
Police services consultant.....	13	1	8,990
Training consultant.....	13	1	8,990
Juvenile delinquency program analyst.....	12	1	7,570
Secretary.....	5	1	3,670
Clerk-stenographer.....	4	3	10,245
Total positions and annual salaries.....		11	76,755
Deduct lapses.....			14,423
Net permanent positions.....			62,332
Regular pay in excess of 52-week base.....			
Total personal services.....			62,332
4. Research in child life and services for children:			
Chief of branch.....	14	1	10,320
Medical consultant.....	14	1	11,395
Research analyst.....	13	1	8,990
Legal research specialist.....	12	1	7,570
Juvenile delinquency program statistics analyst.....	11	2	12,780
Program statistics analyst.....	11	1	6,390
Clerk-stenographer.....	4	3	10,245
Statistical clerk.....	4	2	6,830
Total positions and annual salaries.....		12	74,520
Deduct lapses.....			14,001
Net permanent positions.....			60,519
Regular pay in excess of 52-week base.....			250
Total personal services.....			60,769
6. Administration:			
Program planning consultant.....	15	1	11,610
Clerk-stenographer.....	4	1	3,415
Total positions and annual salaries.....		2	15,025
Deduct lapses.....			7,495
Net permanent positions.....			7,530
Regular pay in excess of 52-week base.....			58
Total personal services.....			7,588
Total positions and annual salaries.....		29	196,250
Deduct lapses.....			41,545
Net permanent positions.....			154,705
Regular pay in excess of 52-week base.....			423
Total personal services.....			155,128

Summary of changes

	Positions	Amount
1957 actual appropriation.....	248	\$1,822,000
1958 appropriation request.....	277	2,151,000
Increase requested.....	+29	+332,000

	1958 increase in budget estimate		1958 increase in House allowance	
	Positions	Amount	Positions	Amount
For mandatory items:				
Extra day's pay for 1956-57 staff.....		\$6,368		\$6,368
Retirement-fund contribution, 1956-57 staff.....		95,585		95,585
Total.....		101,953		101,953
For program items:				
Health services.....	2	14,801		
Social services.....	2	15,758	2	15,758
Juvenile-delinquency services.....	11	80,156	4	29,410
Research.....	12	76,678	3	21,925
Administration, White House Conference on Children and Youth.....	2	8,954	2	8,954
Increased travel for 1956-57 staff.....		30,000		
Improved health services for employees.....		3,700		
Total.....	+29	+230,047	+11	+76,047
Total.....	+29	+332,000	+11	+178,000

PREPARED STATEMENT

Senator HILL. The committee will kindly come to order. It is nice to have you here, Mrs. Ross. You may proceed as you wish.

Mrs. Ross. Thank you, Senator Hill. I will read a brief summary, and ask that the full statement be inserted in the record.

Senator HILL. It will be done at this point.

(The statement referred to follows:)

STATEMENT BY ACTING CHIEF OF CHILDREN'S BUREAU, SOCIAL SECURITY ADMINISTRATION, ON SALARIES AND EXPENSES, CHILDREN'S BUREAU

This statement explains the basis for the 1958 budget estimate and indicates the effect of the House action on proposed program plans and objectives.

The Children's Bureau is requesting an appropriation of \$2,154,000 for 1958, an increase of \$332,000 over the 1957 appropriation. This amount provides for salaries and related expenses for a staff of 277. Approximately \$106,000 of this increase is required for payments for present staff to the retirement fund as provided in recent amendments to the Civil Service Retirement Act, an extra day of pay occurring in 1958, and improved health services for employees in accordance with the Department's plan for 1958.

The remaining increase of about \$226,000 provides for 29 new positions and expenses for expanding the Bureau's program activities, mainly for research in childlife and development of services for delinquent youth, and for additional travel of present staff. Small increases are included in this total for health services for children of school age, children in foster care, strengthening the administration of the child-welfare program, and initial planning for the 1960 White House Conference on Children and Youth.

FUNCTIONS OF THE CHILDREN'S BUREAU

The Children's Bureau investigates and reports on the health and welfare of children as provided in its basic act of April 9, 1912 (42 U. S. C., ch. 6). It studies many types of conditions affecting the lives of children, provides data and makes

recommendations to improve practices in child-health and child-welfare programs, and helps establish standards for the care of children.

Grants to States for extending and improving maternal and child health services, crippled children's services, and child-welfare services, authorized by title V of the Social Security Act (42 U. S. C., ch. 7, subch. V), are administered by the Bureau. For these programs, the Bureau develops policies, reviews and approves State plans and budgets, and provides technical consultation to State agencies in carrying out their plans.

The Bureau provides the secretariat for the Interdepartmental Committee on Children and Youth and keeps in touch with the State and Territorial committees for children and youth.

FIGURES ABOUT CHILDREN

The continued rise in the child population and in juvenile delinquency has a serious impact on our health and welfare programs and is of importance to those planning for children and youth. A special group of children whose numbers and potentialities are of great concern to parents and others active on their behalf are the mentally retarded children.

Increase in child population.—The Nation's child population under 18 years increased from 47 million in 1950 to about 56 million in 1955, an 18-percent rise. By 1958 there will be 4 million more children under 18 years of age than in 1955, an increase of about 8 percent. Population projections by the Bureau of the Census indicate that between 1955 and 1965 the number of children under 18 years is expected to rise about 21 percent, to a total of more than 67 million in 1965. In this period, the 10- to 17-year-olds will increase by about 48 percent, as the large number of children born in the late 1940's and early 1950's enter this age group.

Increase in juvenile delinquency.—Juvenile delinquency continued to increase in 1955. Reports received by the Children's Bureau from 987 juvenile courts show a 9-percent increase in juvenile-delinquency cases in 1955 over 1954. The latest Federal Bureau of Investigation uniform crime reports show an 11.4-percent increase in police arrests of young persons under 18 in 1955, as compared with 1954.

The data gathered by the Children's Bureau indicate that approximately 2 percent of the more than 20 million children 10 through 17 years of age were brought to juvenile courts for delinquent behavior in 1955. While the 9-percent increase in juvenile-court cases was occurring, the child population in the 10-17 age group (generally the ages within the jurisdiction of the juvenile court) went up only about 3 percent. About 1.4 million youngsters were picked up by the police in 1955. The offenses of some of these children were not considered serious enough to warrant court action. However, about 1 in every 13 children in the Nation who are between the ages of 10 and 17 was in trouble with either the police or the courts in 1955.

Mentally retarded children.—It is estimated that, in each 100,000 population, 3,000 are mentally retarded. About 84 percent of the total mentally retarded are said to be "educable," and, with proper help to parents, and appropriate health, welfare, and educational services, most of this group can become self-supporting citizens. Approximately 13 percent of the total, if appropriate services are available, can be trained to self-care, acceptable behavior, and can be of help to the family. The remaining 3 percent are "dependent" and will need full-time care and supervision throughout their lives. Only 5 percent of the mentally retarded are in institutions; 95 percent are in the home and the community.

PROGRAM EMPHASES

The Bureau's long-range plans take into account the tremendous population, economic, and social changes that are occurring in our Nation today, and the gaps that exist in what is being done and what needs to be done for children. Its immediate plans must be selective within limited resources and provide for the most urgent priorities of ongoing programs.

In 1958, the Bureau proposes to continue to give special attention to the health and welfare needs of delinquent children, mentally retarded children, children of migratory agricultural workers, and children involved in adoption.

Of major concern to the Bureau is more adequate provision for its research activities. In 1958, the estimate proposes expansion of these activities which would serve to bring about a somewhat better balance between the Bureau's research and fact-finding activities and its programs of services in the child health and welfare and juvenile delinquency fields.

Another area that should have concentrated attention in 1958 is that of initial planning for the 1960 White House Conference on Children and Youth. These conferences have been called by the President approximately every 10 years. The Bureau has been the focal point in the Government for planning and organizing these conferences.

Other important activities of bureauwide concern being given special consideration by the four program divisions of the Bureau are referred to later in reporting upon the work of these divisions.

JUVENILE DELINQUENCY SERVICE

Juvenile delinquency in the United States has been on the upswing for the past 7 years, and percentage-wise rising faster than our juvenile population. It continues to be a major social problem.

Serious shortages exist in personnel serving delinquent youth. In nearly one-half of the communities of over 10,000 population, not even one police officer is assigned to special responsibility for work with juveniles. More than half the counties in the United States fail to offer probation services for delinquent youth. In addition most personnel now employed in this field lack training for work with the delinquent children.

For more than 4 years the Children's Bureau has been directing its efforts toward focusing public attention on problems related to the control and treatment of delinquency and stimulating action by States and communities leading to the improvement of services for delinquent youth.

The concern being expressed throughout the country about this problem is encouraging. But if real progress is to be made in bringing this serious problem under control, greater effort on the part of all must be made. Families must assume more responsibility in strengthening their family ties. Local communities must take more effective steps in providing the necessary services for the control and treatment of their delinquent youth. Local official agencies, such as the police, schools, public welfare agencies and juvenile courts, must redouble their efforts toward providing a comprehensive, integrated, and coordinated network of services for their community's children. Voluntary organizations and the official organizations together must bridge the gaps that exist in providing a comprehensive program for children and youth. State departments of welfare, health, education, mental health, corrections, and employment must assume leadership in assisting the local community in surveying the needs and providing both financial and technical help in developing and expanding services for their predelinquent children and their families. The Children's Bureau and other Federal agencies concerned with the welfare of children and youth must respond to the requests of States and provide strong leadership in stimulating activities through careful studies of the best practices, imparting professional knowledge and technical know-how.

The Bureau's Division of Juvenile Delinquency Service, now with a staff of 10 professional workers, is providing consultant services to States and communities in relation to juvenile courts, probation, institutions, police work, personnel training, and community services for the control of juvenile delinquency. During the fiscal year 1956 this staff met, through field visits, over 200 requests from agencies in more than 40 States. At the close of the fiscal year 1956, there were pending 150 requests, from more than 30 States, from a variety of State and local, public and private organizations, and requests continue to come. Present staff cannot keep pace with the demands.

The 1958 estimate proposes an increase of \$80,156 for 11 new positions which would increase the total professional staff for the division from 10 to 17, and the clerical from 6 to 10, a small number for the varied activities covered by the program.

The Division needs to be strengthened by adding an assistant division director (GS-14), program analyst (GS-12), and secretary (GS-5) to assist in the planning and overall administration of the program. An urgent need is for the preparation of materials in which facts about current developments in the field are made available to those concerned. Another is that the Division Director be relieved of many of the day-to-day administrative demands so that more time can be devoted to the overall planning aspects of the program.

The estimate includes amounts for 5 new consultants (GS-13), one each for the special fields of community services, police, juvenile courts, and probation, institutions, and training. The Bureau now has only one consultant for each of these fields except for training where there are two. Clerical assistance will be required for these consultants and 3 clerk-stenographers (GS-4) are required.

The job of the community services consultant is to work with States and localities on plans looking toward the coordination and improvement of services to children in various communities. The absence of such coordination results in duplication of effort, gaps in essential services, and in some communities the complete lack of many basic programs. Even worse, it results in ill-treated and untreated delinquent children.

The police consultant is called upon for advice on the establishment, operation, or reorganization of juvenile bureaus, training of law enforcement officers, and improving police record-keeping. The one consultant for this field now on the staff cannot begin to meet even the most significant opportunities for service requested of the Bureau.

The concern of the juvenile courts and probation consultant is the great increase in the number of delinquent children coming before the juvenile courts, 70 percent in 7 years (1948 to 1955). This makes it imperative that means be found to stimulate higher quality of the services as rapidly as possible. At present about half the counties in the United States are without juvenile probation services. The judges in those jurisdictions are without competent help to investigate the child's background, the precipitating causes, and the support within the family or neighborhood on which the court can draw. There is also no help for the judge in providing supervision for the child and counseling with the family. This lack of service is one of the most serious problems confronting the courts today.

An institutions consultant to give concentrated attention to detention care is proposed. There are about 168 detention homes in the country. It is important that the Bureau assist communities that ask for help with their efforts on behalf of children who require detention.

To carry forward the Bureau's work in the training field an additional consultant is needed. A paramount problem as expressed by the field is the lack of trained staff for delinquency programs. The two training consultants on the Bureau's staff have been helping schools of social work and the Council on Social Work Education, courts and institutions to make plans for professional education and for inservice training of workers already employed or to be employed. All approved schools of social work in the country are engaged in the second year of a 3-year review of their curricula, both course content and field placements. That study, plus many other factors, including the increasing demand on schools for trained correctional workers, has precipitated major rethinking of the educational essentials to equip social workers to be of maximum value in the correctional field.

RESEARCH IN CHILDLIFE

The 1958 estimate for the Division of Research has been developed in keeping with the Bureau's long-range plan of work. During the past 5 years the Bureau's research history has been carefully examined, the objectives of its research programs have been reformulated, and a base laid for undertaking the kinds of studies now deemed most important for advancing the well-being of children in the United States. This long-range study plan includes factfinding surveys, evaluative studies, and action research. The Division of Research, responsible for carrying out the Bureau's research plan, has the following three functions:

1. Conducting and fostering studies of conditions detrimental to the well-being of children and of the means by which children who are physically, emotionally, or socially handicapped can be aided.
2. Collecting and analyzing statistics on the health and welfare of children, including statistics related to the grant-in-aid programs administered by the Children's Bureau.
3. Collecting and disseminating information about research findings related to children and childlife; conducting a clearinghouse on current research in these fields; preparing pamphlets that interpret research findings for use by parents, professional workers, and others concerned with problems of childlife; and answering individual inquiries from the public about problems of child care and childlife.

The 1958 estimate proposes an increase of \$76,678 for 6 new positions for technical studies, 2 new positions for child welfare statistics, and 4 new positions for the statistical reporting of juvenile delinquency.

Technical studies and the promotion of research.—It is in this area of the Bureau's research work that the chief need for increase in staff and activities lies, for it is here that most of the studies of the sort contemplated by the act of 1912, under which the Bureau basically operates, are centered. With only 4 full-time professional positions, plus the part-time services of 4 individuals who have regular

duties in other branches, it is clear that the Bureau's ability to carry on direct investigations of matters "pertaining to the welfare of children and childlife" is severely limited.

The three projects for which we are requesting funds for additional staff in 1958 are as follows:

(1) *Research on State laws relevant to child health and welfare services.*—The provision of adequate health and welfare services to children is affected by many laws in addition to those establishing the services and providing for their administration. Among the ones regarded by the Children's Bureau as in especial need of study and evaluation are those bearing on the termination of parental rights, on guardianship, and on residency requirements for the receipt of services. In these and other laws the Bureau is concerned not only with the substantive statements but also with administrative procedures and practices in carrying them out.

Such studies require cooperative work on the part of the legal research experts, child health and welfare administrators, and sociologists. To undertake these studies, the Bureau is proposing in 1958 to add to its staff 1 professional worker and 1 clerical assistant (1 GS-13; 1 GS-4). This specialist would work cooperatively with law schools, schools of social work, public health, and public administration, bar associations, institutes for legal research, and the like. With their help, State laws and procedures would be analyzed and compared, administrative practices in carrying them out evaluated, and guides for the development of improved legislation prepared.

(2) *Studies of reproductive wastage and congenital handicaps.*—The Children's Bureau has been asked to take the lead in organizing a National Committee To Reduce Hazards to Inheritance and Child Development. This request has grown out of the interests and needs of the Association of State and Territorial Health Officers, the United States National Committee on Vital and Health Statistics, and the Executive Council of the Organization of Maternal and Child Health and Crippled Children's Directors.

The Committee will be composed of representatives of the disciplines concerned with scientific studies, reporting, and administration in the field of maternal and child health. It will give national leadership to and help coordinate planning for research and other activities designed to reduce reproductive wastage and safeguard normal, healthy foetal development.

The Committee will advise workers in the field of maternal and child health how best to translate new findings from research on childbearing and childbirth problems into better services and safeguards for mothers and children. It will also feed back to research groups unanswered questions that call for further investigation on provision of uniformly good maternity and pediatric care.

A start toward organizing the National Committee To Reduce Hazards to Inheritance and Child Development will be made in fiscal year 1957. For fiscal year 1958, the Division of Research is requesting one additional position, a research specialist (GS-13) to provide the secretariat for the committee and to enable the Children's Bureau to carry out its cooperative role in this highly important and promising undertaking.

(3) *Child health studies.*—The Children's Bureau sees in the National Health Survey, recently authorized by Congress, an excellent opportunity for securing authentic nationwide data on the health status of mothers and children. During the current fiscal year, the Division of Research will take the first steps toward working out with the Public Health Service a plan for obtaining pertinent information about the illnesses and handicapping conditions of children and for analyzing the data. In 1958, additional staff will be needed to initiate special studies based on the survey material, such as study of the medical care received by sample groups of children revealed by the survey to have crippling conditions. The estimates make provision for a medical consultant (GS-14) and clerk-stenographer (GS-4) to carry on this work.

In addition to the staff for these 3 new projects, the Bureau is requesting the establishment of 1 other new position in the Technical Studies Branch (GS-14). This is needed to provide a Chief for the Branch, this being the part of the Research Division in which the new research projects would be located. Since the establishment of this Branch in 1951, the work of directing its activities has been carried by the Division Director. With the increase in the work of the Division the double duty of the Technical Studies Branch has become too burdensome for one individual and of doubtful efficiency. The addition of the one new position would greatly strengthen the Bureau's scientific work.

Statistical reporting.—To make reasonably satisfactory progress in the statistical reporting of juvenile delinquency, the 1958 estimate requests 4 new positions

(2 GS-11; 2 GS-4), bringing the total staff for this important activity to 4 professional and 4 clerical workers. The Division is working on a reporting plan for juvenile court probation services. The focus will be on developing material which will lead to increased utilization of case and administrative data in the probation field. Further exploration with State and local agencies on the feasibility of and problems related to new delinquency reporting plans, such as police services to juveniles, is needed.

Additional staff is greatly needed for consultation with State agencies concerned with the reporting of child welfare services and for the tabulation and analyses of statistics received from the States, especially since in 1958 State child welfare agencies are planning to extend the variety of services provided under the program. Present staff responsible for the child welfare reporting activities consists of only 3 professional and 3 clerical workers. Two new staff members are proposed for 1958 (1 GS-11; 1 GS-4).

HEALTH SERVICES FOR CHILDREN

Grants to States for maternal and child health services and crippled children's services, authorized by title V, parts 1 and 2 of the Social Security Act, are administered by the Division of Health Services. The Division is also responsible for other activities of the Bureau relating to the health of mothers and children.

The purposes of the two grants programs are to extend and improve services for promoting the health of mothers and children, and for locating crippled children and providing medical, surgical and other care for these children.

The central office staff of the division carries major responsibility for the development and preparation of program materials. The regional staff, assigned to eight regional offices, works with State maternal and child health and crippled children's agencies. This staff reviews and gives Bureau approval to State plans for these services, and provides technical consultation to State agencies in carrying out the State plans.

The Division will also continue its cooperative activities with the Public Health Service in developing an improved program of health services and medical care for Indian mothers and children.

Health services for children in families of migratory agricultural workers will receive special attention as in the past 3 years. The kinds of services States are encouraged to provide under their maternal and child health programs include increased public health nursing services so that migrant camps can be served, clinics for mothers and babies in rural areas, advice on feeding and health education materials adapted to special cultural groups.

The Division will continue to assist State crippled children's agencies in their programs for children with special handicapping conditions, such as epilepsy, amputations, speech and hearing handicaps, heart disease.

Mentally retarded children.—In 1958 a major activity of the Division's staff will be to continue to give technical assistance to the States in the development and extension of community programs for mentally retarded children that will provide diagnostic, psychological, and casework services as well as coordination with education and vocational rehabilitation. This entails also planning with other Federal agencies, participation in the Department's Committee on Mental Retardation, and working with other national organizations such as parents' groups that are active in these programs.

Health services for children of school age.—For 1958 the estimate proposes an increase of \$14,801 for a pediatrician (GS-14) and clerical assistant (GS-4) to provide technical leadership for the Children's Bureau in the further development and improvement of health services for children of school age. Under the State maternal and child health programs, aided by grant-in-aid funds, children of school age receive health services, such as medical examinations, screening for hearing and vision defects. The programs vary greatly from community to community in their quality and adequacy. However, few data are available on the services provided under these programs. Many health and education authorities are aware of the fact that, even though good screening or medical examinations have indicated conditions needing treatment, followup and treatment are not carried out. In a few communities in the country special projects have demonstrated new methods of providing health services for schoolchildren.

The proposed staff would be a part of the Department's joint effort as represented by the Children's Bureau, Office of Education, and Public Health Service to work with national organizations and State agencies which are concerned with the administration of school health services. The school health staff would prepare recommended principles of administration and program development as

guides to State and local agencies and would give technical consultation in specialized areas, such as growth and development.

SOCIAL SERVICES FOR CHILDREN

The Division of Social Services has responsibility for activities related to the development of State and local social services for children. This includes (1) administration of the child welfare services grant-in-aid program under title V, part 3, of the Social Security Act, (2) development of guides, recommendations for practice, and informational materials in relation to the child welfare program as a whole, and (3) consultation to and cooperative work with National, State, and local agencies, public and voluntary, in relation to social services to children and youth.

The central office staff of the Division carry responsibility in each of the above-mentioned major activities. The field staff carry major responsibility within regions for the first and third activities.

The Division of Social Services has a small staff of specialists in various kinds of services for children, i. e., foster-family care including adoptions, institutional and other forms of group care, homemaker services, social services to children in their own homes including protective services to neglected children, services to unmarried mothers and their babies, and staff development and training. This staff is responsible for keeping abreast with developments in their respective fields and for preparation of new materials when needed. They also augment the consultation service of the regional staff through visits to States and regions upon request.

The regional child welfare representatives provide consultation services to States and communities on all aspects of their child welfare programs and the use of Federal funds to strengthen these programs. In two of the largest regions, a foster-care consultant assists the child welfare representative in meeting requests for consultation on foster-care programs from public and voluntary agencies.

Preserving the child's own home.—Through the preparation of guide materials and consultation the division will continue to give emphasis to services needed in strengthening and preserving a child's own home, particularly protective services to neglected children and homemaker service. The large number of requests for consultation from the Bureau received last year shows increased concern throughout the country about this problem. The Division of Social Services in cooperation with the Division of Juvenile Delinquency Service is gathering information on how protective services are or should be provided in those difficult situations in which a child suffering from parental neglect requires protection through official action. Leaders in the field, including police, juvenile court judges, probation officers, and social agency representatives will be consulted individually and in a meeting to be called by the Bureau. A pamphlet on protective services will be developed in 1958 as a guide to the organization and strengthening of protective services.

Homemaker service keeps children at home with their families by making available under social agency direction a woman experienced in household management with some training in family relationships to come into the home during illness or absence of a parent. Wide use has been made by newspapers and magazines of a series of articles on homemaker service prepared by the Bureau in July 1956; a revised national directory has been published since then. The Bureau also has in process a popular pamphlet on homemaker service to be used by State and local agency and citizen planning groups. Representatives of health and welfare agencies, National, State, and local, voluntary and public, who came together last summer to consider how homemaker service programs can be expanded, emphasized the importance of homemaker service as an integral part of a community health and welfare program.

Foster care.—Some children must be cared for outside their own homes for a variety of reasons, such as parental death, illness, abandonment, neglect, abuse, or because the treatment essential for the children's physical or mental handicaps, emotional upsets, and delinquent behavior cannot be provided while they live at home.

Adoptions.—The nearest permanent substitute for the child who has no home is an adoptive home. Adoptions and adoption practices of agencies continue in the limelight in the newspapers and magazines and on television and radio. The Bureau prepared a series of articles on some of the myths about adoptions which have been widely reprinted. The Bureau's staff are working with professional groups and organizations, with States and communities on methods for protecting children in adoptions, and standards for agency adoption practice. In 1958, the

staff will work closely with State and community agencies in planning for expanding and strengthening services to unmarried mothers and adoptive services.

Foster family and group care.—All States have some provision for foster family and group care for children. Foster family care has increased enormously in the past 20 years. There have been important changes in institutional care of children over the years. The States are not using large institutions for dependent and neglected children as extensively as they once did. The trend now is toward small group homes for study and diagnosis, treatment of emotionally disturbed children and for temporary shelter care. States are examining the effectiveness of available foster care resources and studying ways for better diagnostic evaluation of the kind of foster care a child needs. The rapid and numerous changes in foster care have greatly increased the requests of the Bureau for help from the States.

The Bureau has only two regional consultants on foster care. Their initial focus has been on obtaining facts on the status of the foster care program in each State in the region, major problems and unmet needs, and in developing plans with public and voluntary agencies for the extension and improvement of both quality and quantity of the foster care program throughout the region. To provide similar consultation in one more region with many unmet requests, an increase of \$8,013 is requested for 1958 for one regional foster care consultant position (GS-12).

Mentally retarded children.—These children are heavily represented in the case-loads of child welfare workers. In recent information sent to the Bureau by State welfare agencies, 37 States indicated they had mentally retarded children in need of foster care who were not receiving such care. The Bureau will begin this year to develop informational and guide materials for the use of social agencies that will concentrate on training programs for social workers providing services to mentally retarded children.

Administration of child welfare program.—An increase of \$7,745 is included in the 1958 estimate to strengthen the Bureau's work with the States on some of the administrative aspects of the child welfare program. Local public welfare programs have increased in numbers and improved in quality of services during the past 2 decades. But there is still wide variation between and within States as to the public child welfare services available locally. On June 30, 1955, about one-fourth of the Nation's children lived in the counties which had no services available from public child welfare workers. A specialist in administrative methods (GS-12) is included in the 1958 budget to meet some of the requests of State and local child welfare agencies for consultation in the most appropriate administrative methods and procedures in carrying out the child welfare program in the different States. States urgently seek the Bureau for advice on analyses and evaluation of existing methods and procedures for the purpose of improving both quality and quantity performance in the program. In 1958, attention will be given to developing guides and principles and providing consultation on financing and fiscal aspects of the child welfare program; records and reporting procedure and determination of workloads. Consultation of this specialist will be both to regional Children's Bureau staff and to State and local agencies.

WHITE HOUSE CONFERENCE ON CHILDREN AND YOUTH

The 1958 estimate includes an increase of \$8,954 to initiate the planning for the Sixth Decennial White House Conference on Children and Youth in 1960. These conferences have been called approximately every 10 years by the President. The Children's Bureau is the focal point in the Government for planning and organizing these conferences. Experience indicates that detailed planning should begin in 1958 if effective work by State and local committees is to be possible. A program planning consultant (GS-15) and clerical worker (GS-4) are requested.

INCREASED TRAVEL

The activities of the Bureau are seriously hampered by lack of travel funds. Increased costs in travel have been absorbed for the past several years and the substantial increase in the per diem rate in 1956 drastically curtailed the Bureau's consultation service in all areas. At the same time additional demands are being made by States and communities for help in the prevention and control of juvenile delinquency, in the provision of services for mentally retarded children, and in many other special areas.

An increase of \$30,000 is included in the 1958 estimate for additional travel of the Bureau's staff. The amount requested will enable the Bureau's regional staff

to spend approximately 30 percent of their time away from their headquarters. Since the primary job of these consultants is to work with States and communities this is still a conservative estimate. In 1956 the regional consultants had travel funds that enabled them to spend only about 25 percent of their time working in the States. Consultants working out of the central office could accept only a fraction of the requests received for help on various aspects of the Bureau's health and welfare programs.

INFORMATION FOR PARENTS AND OTHERS WORKING WITH CHILDREN

The Bureau produces written and visual materials for citizens, agencies, and organizations in advancing the well-being of children. Publications for parents are always in great demand. Infant Care is the most widely distributed, and consumes the major portion of the Bureau's printing fund. Most of the copies purchased are to meet requests of Members of Congress.

EFFECT OF HOUSE ACTION 1958 REQUEST

The House Appropriations Committee recommended, and the House has allowed, \$2 million of the \$2,154,000 requested, an increase of \$178,000 over 1957. For mandatory costs for continuing 1957 positions, a total of \$101,953 is required, \$95,585 for payments to the retirement fund, and \$6,368 for the extra day of pay occurring in 1958.

The remainder, \$76,047, will provide for 11 of the 29 positions and related expenses requested for expanding the program activities of the Bureau. These 11 positions will make it possible for the Bureau to begin planning, as stated in the House Appropriations Committee report, for the 1960 White House Conference on Children and Youth, and will enable the Bureau to strengthen somewhat its activities in the fields of juvenile delinquency, research, and child-welfare services.

The House cut of \$154,000 in the budget estimate eliminates 18 positions and related expenses for important activities, including (1) consultant services to States and communities in relation to juvenile courts, probation, police work, personnel training, and community services for the control of juvenile delinquency; (2) child health and child welfare research studies; (3) statistical reporting of juvenile-delinquency and child-welfare services; (4) technical assistance in the further development and improvement of health services for children of school age; (5) more adequate travel funds for present staff; (6) improved health services for employees.

APPROPRIATION REQUEST

Mrs. Ross. This statement explains the basis for the 1958 budget estimate and indicates the effect of the House action on proposed program plans and objectives.

An appropriation for 1958 of \$2,154,000 for "Salaries and Expenses" is requested by the Children's Bureau for carrying out its combined responsibilities of investigating and reporting under the 1912 act and administering grants to States for the 3 maternal and child-welfare grant-in-aid programs authorized by title V of the Social Security Act. An increase of \$332,000 over 1957 is included, of which about \$106,000 is necessary for payments to the retirement fund, an extra-day of pay, and improved health services for employees. The remaining increase of approximately \$226,000 provides for 29 new positions for expanding the Bureau's program activities and for more adequate travel funds for present staff.

JUVENILE DELINQUENCY PROGRAM

For the Bureau's juvenile-delinquency program of technical assistance to States and communities, an increase of 11 positions and \$80,156 is proposed. Present professional staff cannot keep abreast of the requests that come for help, and the increase provides for consultants for services in relation to juvenile courts, probation, institu-

tions, police work, personnel training, and community services for the control of juvenile delinquency, as well as for strengthening the headquarters staff.

For research studies, as well as for statistical reporting of juvenile delinquency and child-welfare services, an increase of 12 positions and \$76,678 is proposed. The research studies proposed are (1) study and evaluation of laws bearing on the termination of parental rights, guardianship, and on residency requirements for the receipt of child health and welfare services; (2) special studies of the health status of mothers and children based on material available from the national health survey, such as study of the medical care received by sample groups of children revealed by the survey to have crippling conditions; (3) provision of the secretariat for a committee of research experts that will translate the latest research findings for use by maternal and child health workers.

To provide technical leadership in the further development and improvement of health services for children of school age, the estimate includes 2 positions and \$14,801.

An increase of \$15,758 for 2 positions is requested for strengthening the Bureau's work with the States on some of the administrative aspects of the child-welfare program, and for meeting the increasing requests from States resulting from the rapid and numerous changes that are taking place with reference to children in foster care.

To initiate planning for the 1960 White House Conference on Children and Youth, an increase of \$8,954 for 2 positions is proposed. These conferences have been called approximately every 10 years by the President, and planning should begin in 1958 if effective work by State and local committees is to be possible.

EFFECT OF HOUSE ACTION ON 1958 REQUEST

The House Appropriations Committee recommended, and the House has allowed, \$2 million of the \$2,154,000 requested, an increase of \$178,000 over 1957. For mandatory costs for continuing 1957 positions a total of \$101,953 is required—\$95,585 for payments to the retirement fund, and \$6,368 for the extra day of pay occurring in 1958.

The remainder, \$76,047, will provide for 11 of the 29 positions and related expenses requested for expanding the program activities of the Bureau. These 11 positions will make it possible for the Bureau to begin planning, as stated in the House Appropriations Committee report, for the 1960 White House Conference on Children and Youth, and will enable the Bureau to strengthen somewhat its activities in the fields of juvenile delinquency, research, and child-welfare services.

The House cut of \$154,000 in the budget estimate eliminates 18 positions and related expenses for important activities, including (1) consultant services to States and communities in relation to juvenile courts, probation, police work, personnel training, and community services for the control of juvenile delinquency; (2) child health and child welfare research studies; (3) statistical reporting of juvenile delinquency and child-welfare services; (4) technical assistance in the further development and improvement of health services for children of school age; (5) more adequate travel funds for present staff; (6) improved health services for employees.

Senator HILL. Are you asking for the restoration of \$154,000?

Mrs. Ross. We were advised to report the effect of House action rather than request restoration. That was the technique used within our Department this year.

Senator HILL. All right; I see.

Mr. Kelly, do you have anything to add?

ITEM NOT APPEALED

Mr. KELLY. Mr. Chairman, you will recall the Secretary indicated that each of the program officials will give you the effect of the House action, but the Secretary limited his appeals to a selected group of items, and this item was not appealed.

Senator HILL. This item was not in that selected group. That is the reason I asked the question, because, as I recall, it was not among the number of selected items. Let me ask you this: There is no doubt but what the juvenile delinquency is definitely on the increase?

Mrs. Ross. Yes, sir; there is a substantial increase. Should you wish it, we have some figures more recent than those included in our opening statement that are available to you.

Senator HILL. Would you submit those figures for the record?

Mrs. Ross. I would be delighted to.

Senator HILL. I would like to know just what the elimination of these 18 positions would mean, particularly in this field of juvenile delinquency.

REQUESTS FOR TECHNICAL ASSISTANCE

Mrs. Ross. Well, it will reduce the number of technical consultants that can respond to small community and big city requests from the police, juvenile courts, the detention authorities, or others who ask for advice and help. It will reduce the number that can advise the States on their responsibilities for delinquent children in institutional or other care, and reduce the chance to respond to a great many requests for more help on the training in such an undertrained field as is the total field of delinquency care.

Senator HILL. These requests come from the States or local communities mostly?

Mrs. Ross. They come from both.

Senator HILL. They come from both the States and the local communities. Are you getting a good many of these requests today?

Mrs. Ross. A great many. We responded to more than 200 of them in the last fiscal year and we ended up the year with about 150 unmet requests. They roll in day by day.

Senator HILL. You did not meet the 150 because you did not have the personnel sufficient to meet them; is that it?

Mrs. Ross. That is correct.

STATISTICS ON DELINQUENCY

There is another aspect that is relative to your broader question which is that there are very inadequate figures not only about the incidence of delinquency but about what happens to delinquent children. For instance, there is now no national reporting system with respect to children on probation. We are just beginning to try to set up such a reporting system as well as one relating to children who are

in institutions. The original budget request included items that would increase the statistical reporting in the delinquency field.

Senator HILL. If this cut is sustained, you have some reporting but not that which you think is desirable and that you should have; is that right?

Mrs. Ross. Correct. Yes, sir.

PREPARED STATEMENT

Senator HILL. Well, in this additional detailed information you are going to give us, you might include anything else that might occur to you in connection with this matter of juvenile delinquency and the urgency and immediacy of the problem.

Mrs. Ross. Thank you. You are very generous. We will be glad to do it.

Senator HILL. Thank you.

(The information referred to follows:)

INCREASE IN JUVENILE DELINQUENCY AND CURRENT PROGRAM OF THE CHILDREN'S BUREAU

Juvenile delinquency in the United States has been on the upswing for the past 8 years, and percentage-wise rising faster than our juvenile population.

Provisional figures for 1956, based on reports received thus far by the Children's Bureau from approximately 1,000 juvenile courts, show an increase of 21 percent in juvenile delinquency cases over 1955. The recently issued Federal Bureau of Investigation Uniform Crime Reports show an increase of 17.3 percent in police arrests of young persons under 18 in 1956 as compared with 1955.

While these high increases in juvenile delinquency were occurring, the child population in the 10- to 17-year age group went up only about 3 percent.

The continued increase in juvenile delinquency calls for greater effort on the part of all concerned to bring this serious major social problem under control. Families must assume more responsibility in strengthening their family ties. Local communities must take more effective steps in providing the necessary services for the control and treatment of their delinquent youth. Local official agencies, such as the police, schools, public welfare agencies and juvenile courts, must redouble their efforts toward providing a comprehensive, integrated and coordinated network of services for their community's children. Voluntary organizations and the official organizations together must bridge the gaps that exist in providing a comprehensive program for children and youth. State departments of welfare, health, education, mental health, corrections, and employment must assume additional leadership in assisting the local community in surveying the needs and providing both financial and technical help in developing and expanding services for their pre-delinquent children and their families. The Children's Bureau and other Federal agencies concerned with the welfare of children and youth must respond to the requests of States and provide strong leadership in stimulating activities through careful studies of the best practices, imparting professional knowledge and technical know-how. They must aid in expanding research about delinquent behavior and its prevention.

For more than 4 years the Children's Bureau has been directing its efforts toward focusing public attention on problems related to the control and treatment of delinquency and stimulating action by States and communities leading to the improvement of services for delinquent youth. The existence of widespread delinquent behavior and the inadequate provisions for delinquent children is of national concern, almost independent of statistics of increased incidence. Evidence of nationwide readiness to improve the caliber of personnel, programs and facilities which serve individual delinquent children is continuously illustrated by inquiries and reports received by the Children's Bureau.

Serious shortages exist in personnel serving delinquent youth. In nearly one-half of the communities of over 10,000 population, not even 1 police officer is assigned to special responsibility for work with juveniles. More than half the counties in the United States fail to offer probation services for delinquent youth. In addition most personnel now employed in this field lack training for work with the delinquent children.

The Children's Bureau has centered in the Division of Juvenile Delinquency Service responsibility for giving, on request, technical aid and consultation to the States and communities in their program developments. The Division of Research collects and analyzes statistics on juvenile delinquency and on services to delinquents and conducts studies relating to the reduction of delinquency and the treatment of delinquent children. The Division of Administrative Services provides the general administrative services for this program as for all other Bureau programs.

The Division of Juvenile Delinquency Service, established in the fall of 1954, and now with a staff of 10 professional workers, provides assistance to State and local agencies in the following fields:

- (1) Coordination and planning of community programs for the control of juvenile delinquency.
- (2) Juvenile courts and probation services.
- (3) Police services.
- (4) Group work with delinquent youth.
- (5) Care and treatment of delinquent youth in detention facilities and in training schools.
- (6) Training of probation officers, institutional personnel, juvenile police officers, and teaching personnel in the field of juvenile delinquency.

During the fiscal year 1956 the Division staff met, through field visits, over 200 requests from agencies in more than 40 States. At the close of the fiscal year 1956, there were pending 150 requests, from more than 30 States, from a variety of State and local, public and private organizations, and requests continue to be received. Present staff cannot keep pace with the demands and the 1958 estimate makes provision for additional staff for service in the specialized fields represented by the requests of States and communities.

In general, the requests for services have related to the improvement of administrative structure, program development, recruitment and training of personnel, and institutional facilities for delinquent children, such as detention homes, training schools, forestry camps, and reception and diagnostic centers. Also, many requests have come from local communities asking for assistance in organizing and pulling together their local services. Assistance has been given to various State and local governmental bodies in regard to juvenile court legislation, domestic relations or family court laws, and also in regard to interstate compacts for return of runaway juveniles.

The 1958 estimate includes an increase for consultants for services in relation to juvenile courts, probation, institutions, police work, personnel training, and community services for the control of juvenile delinquency, as well as for strengthening headquarters staff. It also provides an increase for the reporting of statistics in areas not yet covered by reporting or where improvement is needed, such as statistics on juvenile court and probation services and on police work with juveniles.

The following summarizes the positions and funds in the 1958 budget estimate for the Bureau's juvenile delinquency program:

Amounts for juvenile delinquency program

	1956 actual		1957 appropriation		1958 budget estimate		1958 House allowance		1958 House cut	
	Posi- tions	Amount	Posi- tions	Amount	Posi- tions	Amount	Posi- tions	Amount	Posi- tions	Amount
1. Technical assistance to States and communities for juvenile delinquency programs: Division of Juvenile Delinquency Service-----	16	\$114,220	16	\$130,857	27	\$227,531	20	\$167,919	7	-\$59,612
2. Studies and statistical reporting of juvenile delinquency statistics: Division of Research-----	5	24,743	5	29,030	9	51,987	5	31,028	4	-20,959
3. Administration and printing: Division of Administrative Services-----	1	5,772	1	6,153	1	6,553	1	6,553		-----
Printing-----		3,896		2,500		2,500		2,500		-----
Total-----	22	148,631	22	168,540	37	288,571	26	208,000	11	-80,571

GRANTS TO STATES FOR MATERNAL AND CHILD WELFARE

The next item is "Grants to States for maternal and child welfare."

APPROPRIATION ESTIMATE

"Grants to States for maternal and child welfare: For grants to States for maternal and child-health services, services for crippled children, and child-welfare services as authorized in title V, parts 1, 2, and 3, of the Social Security Act, as amended (42 U. S. C., ch. 7, subch. V), ~~[\$39,361,000]~~ \$41,500,000, of which \$15,000,000 shall be available for services for crippled children, ~~[\$16,000,000]~~ \$16,500,000 for maternal and child health services, and ~~[\$8,361,000]~~ \$10,000,000 for child welfare services: *Provided*, That any allotment to a State pursuant to section 502 (b) or 512 (b) of such Act shall not be included in computing for the purposes of subsections (a) and (b) of sections 504 and 514 of such Act an amount expended or estimated to be expended by the State: *Provided further*, That \$1,000,000 of the amount available under section 502 (b) of such Act shall be used only for special projects for mentally retarded children."

Funds available for obligation

Appropriation or estimate:	
1957 appropriation.....	\$39,361,000
1958 budget estimate.....	41,500,000
House allowance.....	41,500,000

Obligations by activities

Grants to States:	
1957 appropriation.....	\$39,361,000
1958 budget estimate.....	41,500,000
House allowance.....	41,500,000

Obligations by object

11 Grants, subsidies, and contributions:	
1957 appropriation.....	\$39,361,000
1958 budget estimate.....	41,500,000
House allowance.....	41,500,000

Summary of changes

1957 actual appropriation.....	\$39,361,000
1958 appropriation request.....	41,500,000
Increase requested.....	+2,139,000

	1958 increase in budget estimate	1958 increase in House allowance
For mandatory items.....		
For program items:		
Grants to States for:		
Maternal and child health services.....	\$500,000	\$500,000
Crippled children's services.....		
Child welfare services.....	1,639,000	1,639,000
Total.....	+2,139,000	+2,139,000

STATEMENT BY ACTING CHIEF OF CHILDREN'S BUREAU, SOCIAL SECURITY
ADMINISTRATION ON GRANTS TO STATES FOR MATERNAL AND CHILD WELFARE,
CHILDREN'S BUREAU

This statement explains the basis for the 1958 budget estimate and indicates the effect of the House action on proposed program plans and objectives.

This appropriation provides grants to the States authorized by title V of the Social Security Act (pts. 1, 2, and 3) for three programs: maternal and child health services, crippled children's services, and child-welfare services.

The 1958 estimate requests \$16,500,000 for maternal and child health services, \$15 million for crippled children's services, and \$10 million for child-welfare services.

All three types of grants are available to the 53 States and Territories, and all, with one exception, are participating in the programs. Arizona is not presently applying for crippled children's grants.

PURPOSE OF THE PROGRAMS

The purpose of these grant-in-aid programs is to help States to extend and improve their specialized health and welfare services for children, especially in rural areas.

HOW GRANTS ARE USED BY THE STATES

Almost all of the funds for the three programs are used to pay for or to facilitate professional services to children.

Maternal and child health services.—Under the maternal and child health program State health agencies use most of the Federal funds for basic health services for mothers and children. These services include: prenatal clinics, well-baby clinics, immunizations, care of premature infants, infant and maternal mortality studies, health services for children of school age. Currently the States are developing services for mentally retarded children.

Practically all States use some of the funds for improving the quality of services to mothers and children by providing a variety of training opportunities to physicians, nurses, medical social workers, and other professional personnel.

In the calendar year 1955, services provided under the program show little change from 1954: 189,000 expectant mothers attended prenatal clinics where they received the advice of doctors, nurses, nutritionists, and medical social workers. About 448,000 infants and 575,000 preschool children attended well-child clinics. Some 2.7 million schoolchildren received dental inspections. About 4 million immunizations against smallpox and diphtheria were given. There were also over 4,900,000 nursing visits for mothers, infants, and preschool children, and 2.3 million nursing visits for schoolchildren.

Crippled children's services.—Through State crippled children's agencies the Federal funds provide diagnostic services for physically handicapped children and skilled treatment for some of these children, including medical care, hospitalization, and convalescent care. The children most generally helped through this program are those needing orthopedic or plastic treatment.

Reports from the States show that more children received services during the calendar year 1955 than in any previous year. About 278,000 children were provided physician's services compared with 271,000 the previous year. Of these about 110,000 were new cases—children who had received no previous help from the crippled children's agencies.

Approximately 221,000 children received diagnostic or treatment services at clinics, a slight decrease from the preceding year. These children made 472,000 visits to clinics. About 48,000 children were hospitalized, an increase over 1954 and averaging 26 days of hospital care per child. Approximately 53,000 children were seen by physicians through home or office visits, and 2.3 such visits were made during the year. About 362,000 days of convalescent home care were provided to 3,800 children averaging out to 96.5 days per child.

Child welfare services.—These grants help State welfare agencies to finance social services for children which are usually provided by child-welfare workers in local communities. The first concern of these workers is to assist parents to protect and care for their children at home. They aid parents and children in resolving difficulties which hinder the child's wholesome personality development. These difficulties may stem from harmful neighborhood conditions, illness or absence of a parent, neglect or abuse of the child, antisocial values and behavior, or chronic handicapping conditions such as mental retardation. They also help unmarried mothers plan their own and their babies' future. They search for, select and supervise foster family homes or make plans for institutional care for children who cannot or should not stay in their own homes. They place children for adoption when they need permanent homes. They find day care for children. They participate in community planning to meet the needs of children.

On June 30, 1955, 3,989 workers were devoting full time to public child-welfare services in 1,656 counties, or 52 percent of the 3,187 counties in the United States. About 498,000 children in the United States received child welfare services in the calendar year 1955.

In the fiscal year 1956, 82.4 percent of the Federal funds expended under the program were spent for personnel.

The States use some of the Federal child-welfare services funds for the training of child welfare personnel. They are also using limited amounts for care of children in foster family homes or institutions and for homemaker services, care of unmarried mothers and their babies, and other specialized services.

CONGRESSIONAL ACTION INCREASING 1957 GRANTS FOR MATERNAL AND CHILD HEALTH SERVICES

In 1957 Congress provided an increase of \$4,072,300 over the budget estimate for maternal and child health services, and earmarked \$1 million of the \$16 million appropriated to be used only for special projects for mentally retarded children.

Information from the States regarding their 1957 plans indicates that the States are using the increases to provide health services for school-age children, mentally retarded children, children of migrant agricultural workers; to extend and improve the hospital care of premature infants and maternity patients with complications; provide more and better well-child and prenatal clinics, and other health services for mothers and children.

The action of State health departments thus far in moving forward with the development of special projects for mentally retarded children is most gratifying. As of December 27, 1956, incomplete information from 28 States indicates that these States will require about \$796,000 in the current fiscal year for special projects for these children. Plans are in operation now in 11 of the States, and it is expected that 7 additional States whose plans are far advanced will be in operation shortly. Ten additional States now have plans under consideration for the current fiscal year.

In addition to developing special projects for mentally retarded children which are being financed from the \$1 million earmarked funds, the Children's Bureau has encouraged the States to use additional maternal and child health funds for providing services for these children. Incomplete information at the present time from a number of States indicates that substantial amounts are being used for nonproject services. The Bureau will have in the near future reports from the States that will enable it to compile for the first time fairly complete information on the activities of the States for mentally retarded children for the current fiscal year.

SOCIAL SECURITY AMENDMENTS OF 1956

The "Social Security Amendments of 1956," approved August 1, 1956 (Public Law 880), increased the authorized annual appropriation for grants to States for child-welfare services from \$10 million to \$12 million, to become effective July 1, 1957. They made no change, however, in the amount of the authorized flat grant to each State of \$40,000.

AMOUNT OF ESTIMATE, 1958

The estimate continues the 1957 amount of \$15 million for crippled children's services, provides \$16,500,000 for maternal and child-health services, an increase of \$500,000, and \$10 million for child-welfare services, an increase of \$1,639,000.

The amount requested for the maternal and child health program as well as the program for crippled children is the maximum authorized for annual appropriation by title V of the Social Security Act. For child-welfare services the estimate is \$2 million below the annual appropriation recently authorized by the Social Security Amendments of 1956.

Maternal and child health services.—For this program, within the total estimate of \$16,500,000, it is proposed to continue the language inserted in the appropriation by Congress for 1957 providing \$1 million of the total available to States under section 502 (b) shall be used only for special projects for mentally retarded children.

State agencies responsible for providing health and welfare services to mothers and children take into account in their planning the marked rise in the child population and in the cost of services, and the gaps that exist in the programs. They continue to report that additional Federal funds are required to make the services now provided through these programs available in more geographic areas and to more children, and to extend the variety of services under the programs. Some 600 counties do not have the services of a full-time local public health nurse. More and better planned health services for schoolchildren are needed, as well as services for preschool children including premature infants.

Crippled children's services.—Continuance in 1958 of the \$15 million appropriation for crippled children's services will assist the States to substantially maintain the recent gains made in providing services for crippled children. These gains were made possible through an increase by Congress in crippled children's funds of \$4,156,600 for 1956 and continued in 1957. State agencies have been able to provide care for more children with conditions already included in the program and to include new types of services. Services that are new in many State programs include those for children with epilepsy, heart disease, cleft palate, disorders of the brain and neurological system, speech and hearing handicaps.

Child welfare services.—To assist States in meeting problems created by rising costs, increased numbers of children coming for care, and need for new types of facilities, the amount of \$10 million requested for 1958 is needed for child-welfare services. The ways in which the funds will be used will vary with program needs in individual States.

Extension of coverage of child-welfare services and improvement in the quality of these services are needed throughout the country. Of the 3,187 counties in the United States, 1,531 (48 percent) are without the services of a full-time public child welfare worker. Fourteen million children live in these counties; 8 million in 1,307 rural counties and 6 million in 224 urban counties. More foster-care resources are needed in nearly every State. Even in counties with workers available services are not adequate in quantity or quality to meet the needs of children for these services.

With the increase of \$1,639,000 requested about 21,000 more children can be served. These children would include some in counties now without child-welfare services and others in counties where the present number of workers is insufficient to provide the services required. In a few States some new programs not now available could be established. These include adoption services, care and services for unmarried mothers, protective services to neglected and abused children, and services for mentally retarded, emotionally disturbed children, and migrant children.

EFFECT OF HOUSE ACTION ON 1958 REQUEST

The 1958 appropriation bill as reported by the House Appropriations Committee and passed by the House includes the full amount of the budget request for grants to States—\$16,500,000 for maternal and child health services, \$15 million for crippled children's services, and \$10 million for child-welfare services. These amounts will enable the States to carry forward their programs as outlined above.

BASIS OF ESTIMATE

Mrs. Ross. This statement explains the basis for the 1958 budget estimate and indicates the effect of the House action on proposed program plans and objectives.

Senator HILL. The House did not reduce any of this?

Mrs. Ross. No, sir; it is exactly the same.

Senator HILL. It agrees with the budget?

Mrs. Ross. Yes, sir.

Senator HILL. All right, proceed.

Mrs. Ross. The estimate of \$41,500,000 for "Grants to States" continues the 1957 amount of \$15 million for crippled children's services; provides \$16,500,000 for maternal and child-health services, an increase of \$500,000; and \$10 million for child-welfare services, an increase of \$1,639,000 over 1957. For maternal and child health and crippled children's services these are the maximum amounts authorized for annual appropriation by title V of the Social Security Act. For child-welfare services the estimate is \$2 million below the annual appropriation recently authorized by the Social Security Amendments of 1956.

For maternal and child-health services the estimate proposes continuance in 1958 of the language inserted by Congress in the 1957 appropriation providing \$1 million of the total available to States under

section 502 (b) shall be used only for special projects for mentally retarded children.

The crippled children's program provides diagnostic services for physically handicapped children and skilled treatment for some of these children, including medical care, hospitalization, and convalescent care.

Services provided under the maternal and child health program include: Prenatal clinics, well-baby clinics, immunizations, care of premature infants, infant and maternal mortality studies, health services for children of school age. Currently the States are developing services for mentally retarded children. The States continue to report that additional Federal funds are required to make these services available in more geographic areas and to more children, and to extend the variety of services under the programs. The increase of \$500,000 requested will help to meet some of these needs.

CHILD WELFARE GRANTS

Child welfare grants enable States to establish, extend, and strengthen in rural areas and areas of special need child welfare services for the protection and care of homeless, dependent, and neglected children, children in danger of becoming delinquent, and services for the return of runaway children to their own homes in other States.

The proposed increase of \$1,639,000 will assist States in meeting some of the problems created by rising costs, increased numbers of children coming for care, and need for new types of facilities. It is estimated that with this increase about 21,000 more children could be served under the program.

These children would include some in counties now without child welfare services and others in counties where the present number of child-welfare workers is insufficient to provide the service required. In a few States some new programs not now available could be established. These include adoption services, care and services for unmarried mothers, protective services to neglected and abused children, and services for mentally retarded children, emotionally disturbed children, and migrant children.

EFFECT OF HOUSE ACTION ON 1958 REQUEST

The 1958 appropriation bill as reported by the House Appropriations Committee and passed by the House includes the full amount of the budget request for "Grants to States"—\$16,500,000 for maternal and child health services, \$15 million for crippled children's services, and \$10 million for child welfare services. These amounts will enable the States to carry forward their programs as outlined above.

May I have the full statement inserted in the record?

Senator HILL. The full statement will be inserted in the record.

FUNDS FOR MENTALLY RETARDED

Senator HILL. With reference to funds for the mentally retarded, there is no program today, is there, for training teachers for the mentally retarded?

Mrs. Ross. My understanding is that there is legislation before the Congress for that purpose.

Senator HILL. The Senate passed a bill for that purpose last session, but the bill did not pass the House.

Mrs. Ross. That is correct.

Senator HILL. But the point I wish to bring out is that if funds could be available for this purpose for the training of teachers for the mentally retarded, we would have to have additional legislation.

Dr. LESSER. I understand such a bill has been introduced.

Senator HILL. We have even had hearings before the Senate Committee on Public Welfare on this bill. It is the bill which I said the Senate passed during the last session of Congress, but I just wanted to bring out the reason for the passage of that bill, the funds would not be available for that purpose, for the training of teachers.

Mrs. Ross. That is right.

Senator HILL. Now these special projects would go how far insofar as the field of what we might term "research"?

Mrs. Ross. Dr. Lesser of our staff is here and if you are willing, might he respond to the question?

Senator HILL. Certainly. Proceed.

Dr. LESSER. The major purpose of these projects is to provide clinical services, including diagnostic and followup services, such as social services, public health nursing, and psychological counseling. There will be some studies made of the effectiveness of these programs, but research per se is not the primary function of this.

Senator HILL. Well, if we have to secure the training of teachers for the mentally retarded to have a real research program, then you need this additional legislation; is that correct?

Dr. LESSER. Yes, sir; and the additional legislation referred to for the training of teachers would be the responsibility I believe of the Office of Education rather than the Children's Bureau.

Senator HILL. Yes.

Mr. KELLY. Within the Department, Mr. Chairman, this is part of a well-rounded program. The Office of Education cooperative research program is largely concentrated, or a high proportion of it, is concentrated in the mentally retarded field, and this is being further augmented by research activities of the National Institutes of Health relative to blindness and mental health and the mental and physical aspects of it.

Senator HILL. How many items were there on that selected list, Mr. Kelly?

Mr. KELLY. I believe there were nine.

Senator HILL. What was the sum total amount recommended?

Mr. KELLY. \$11 million.

Senator HILL. \$11 million?

Mr. KELLY. Yes.

Senator HILL. This was not among that number?

GRANTS TO STATES

Mr. KELLY. Not the salaries and expenses. Of course, in the grants the House allowed the full amount of the budget estimate.

Senator HILL. I appreciate that. In the grants to the States the House allowed the full budget estimate; is that correct?

Mrs. Ross. Yes.

Senator HILL. The only reductions came in your salaries and expenses?

Mrs. Ross. Yes.

Senator HILL. All right; thank you very, very much. I appreciate very much your all being here.

Mrs. Ross. Thank you.

COOPERATIVE RESEARCH OR DEMONSTRATION PROJECTS IN SOCIAL SECURITY

STATEMENTS OF CHARLES I. SCHOTTLAND, COMMISSIONER OF SOCIAL SECURITY; AND JAMES F. KELLY, DEPARTMENT BUDGET OFFICER

APPROPRIATION ESTIMATE

"Cooperative research or demonstration projects in social security: For making grants, contracts, and jointly financed cooperative arrangements for research or demonstration projects under section 1110 of the Social Security Act, as amended, including necessary expenses of administration, \$2,080,000."

Funds available for obligation

	1957 appropriation		1958 budget estimate		House allowance	
	Number of positions	Amount	Number of positions	Amount	Number of positions	Amount
Appropriation or estimate.....			8	\$2,080,000	0	0
Total available for obligation.....			8	2,080,000	0	0
Unobligated balance, estimated savings.....			0	0	0	0
Obligations incurred.....			8	2,080,000	0	0

Obligations by activity

Description	1957 appropriation		1958 budget estimate		House allowance	
	Number of positions	Amount	Number of positions	Amount	Number of positions	Amount
1. Grants, contracts, and jointly financed cooperative arrangements.....	0	0	0	\$2,000,000	0	0
2. Review and approval of projects.....	0	0	8	80,000	0	0
Total obligations.....	0	0	8	2,080,000	0	0

EFFECT OF HOUSE ACTION

The House completely eliminated this item from the budget and in so doing permitted no funds for one of the amendments to the 1956 Social Security Act with the greatest potential for a constructive approach to problems in social security.

Activity 1. Grants, contracts, and jointly financed cooperative arrangements

The House disallowed \$2 million requested for this activity. Elimination of this item will prevent the Department and Public and private groups throughout the country from expanding studies and knowledges relating to the causes of dependency in the United States. It will result in:

1. Eliminating the much needed stimulus to spark universities and others to search for knowledge of the nature and causes of many of our highly complex social problems and the most effective ways of dealing with them;
2. Delaying progress to reduce dependency in the United States;
3. Delaying efforts to direct social-welfare activities and programs into the most constructive channels;
4. Delaying efforts to improve the administration and effectiveness of welfare programs in the United States.

While progress has been made in the establishment of a basic social-security program in the United States, a great need exists to know more about many complex problems such as (1) the reasons for dependency; (2) circumstances and problems of older people; (3) reasons why older children are dependents; (4) reasons why some entire families have required public financial assistance for two or more generations. Gathering of facts concerning these and similar problems and development of constructive methods for handling these problems must be accomplished before progress can be made toward reducing dependency in this country.

Activity 2. Review and approval of projects

The House disallowed \$80,000 requested for this activity. This eliminates the eight positions and related expenses requested to review and approve projects to be carried out under activity 1.

Obligations by objects

Object	1957 appropriation	1958 budget estimate	House allowance
Total number of permanent positions.....	0	8	0
Full-time equivalent of all other positions.....	0	2	0
Average number of all positions.....	0	8	0
01 Personal services.....	0	\$58,413	0
02 Travel.....	0	8,500	0
04 Communication services.....	0	2,000	0
07 Other contractual services.....	0	900	0
08 Supplies and materials.....	0	1,000	0
11 Grants, subsidies, and contributions.....	0	2,000,000	0
Contribution to retirement fund.....	0	3,187	0
Total obligations.....	0	2,080,000	0

Summary of changes

	Number of positions	Amount
1957 actual appropriation.....	0	0
1958 appropriation request.....	8	\$2,080,000
Net change requested.....	+8	+2,080,000

	1958 budget estimate		1958 House allowance	
	Number of positions	Amount	Number of positions	Amount
For program items:				
35-40 grants, contracts, or jointly financed cooperative arrangements.....	0	\$2,000,000	0	0
8 positions to administer the program.....	8	80,000	0	0
Total change requested.....	8	2,080,000	0	0

New positions requested in 1958

	Grade	Number of positions	Total annual salary
Activity 2. Review and approval of projects:			
Project director.....	GS-15.....	1	\$11,610
Project analyst.....	GS-14.....	1	10,320
Do.....	GS-13.....	1	8,890
Administrative Assistant.....	GS-9.....	1	5,440
Secretarial.....	GS-5.....	1	3,670
Do.....	GS-4.....	1	3,415
Stenographic.....	GS-4.....	1	3,415
Clerical.....	GS-3.....	1	3,175
Total.....		8	49,935

PREPARED STATEMENT

Senator HILL. All right, Mr. Schottland is the next witness and will speak on the subject of cooperative research or demonstration projects, social security.

The House allowed no funds on that at all.

Mr. SCHOTTLAND. That is correct.

With the permission of the chairman, I shall file my statement and will say a few brief words about the budget estimate of \$2,080,000, for fiscal year 1958.

Senator HILL. That will be inserted at this point.

(The statement referred to follows:)

STATEMENT BY COMMISSIONER OF SOCIAL SECURITY ON COOPERATIVE RESEARCH OR DEMONSTRATION PROJECTS IN SOCIAL SECURITY, SOCIAL SECURITY ADMINISTRATION

This statement explains the basis for the 1958 budget estimate, and appeals the House action which eliminated the request for \$2,080,000 for fiscal year 1958.

BASIS OF 1958 ESTIMATE

The Social Security Act Amendments of 1956 (Public Law 880) approved August 1, 1956, amended title XI of the Social Security Act to authorize grants to States, to public and other nonprofit organizations, and the making of contracts or jointly financed cooperative arrangements for the conduct of research and demonstration projects in social security. This amendment will be used to assist the Department in carrying out its responsibility under section 702 of the Social Security Act of studying and making recommendations as to the most effective methods of providing economic security.

The legislation identifies three illustrative areas in which grants may be made for research or demonstration projects. These are (1) projects relating to the prevention and reduction of dependency, (2) projects which will aid in effecting coordination of planning between private and public welfare agencies, and (3) projects which will help improve the administration and effectiveness of programs carried on or existing under the Social Security Act and programs related thereto.

Research or demonstration projects relating to causes of dependency and methods of eliminating them are an important aspect of a constructive social-security program. Federal participation in the financing of such research should result in the stimulation of research in universities and research facilities and thereby contribute to the knowledge of the nature and causes of these problems and of the most effective ways of dealing with them. If we could but eliminate from the rolls only a small percentage of the 5 million persons receiving public assistance, the rewards would be great both in dollar savings and in human values.

Under the legislation, grants would be made only after the advice and recommendations of specialists had been obtained who are competent to evaluate projects as to soundness, the possibility of securing productive results, the adequacy of resources to conduct the proposed research or demonstrations, and

their relationship to other similar research or demonstrations already completed or in process. In addition, it is contemplated that an advisory committee of outstanding private citizens will be established to advise on the program as a whole and on specific projects of unusual significance.

As you are no doubt aware, Public Law 880 authorized an appropriation of \$5 million for this purpose in fiscal year 1957. However, because the amendment was not enacted until just before the 84th Congress adjourned, there was insufficient time to obtain an appropriation. Because time will be required to plan for and establish the program, to evaluate proposed projects for design and productive results, and to determine adequacy of applicants' resources to conduct the proposed projects, an appropriation of only \$2,080,000 is requested for fiscal year 1958. Of this amount, \$2 million is requested for grants and awards and \$80,000 is requested for administration of the program. It is estimated that \$2 million will permit as many as 35-40 projects to be selected during 1958. Examples of research or demonstration projects which would be undertaken are: (1) Basic studies in the causes of dependency; (2) study of the problem of support aged dependents; (3) effect of lien laws in public-assistance programs; and (4) case studies of the impact of social-insurance programs on depressed areas.

For 1958, it is estimated that \$80,000 will be required to administer this program. This will permit staffing of 4 professional and 4 clerical and stenographic positions, as well as the hiring of specialists to advise on the program as a whole and on specific projects as required by the statute. Total staff costs will approximate \$58,413; contribution to the employees' retirement fund will approximate \$3,187, and costs for items such as travel, supplies, printing, and communication services will approximate \$18,400.

APPEAL FROM HOUSE ACTION

Elimination of funds for this program, as proposed by the House, would seriously set back the efforts of the Department of Health, Education, and Welfare and public and private groups throughout the country to expand studies and knowledge relating to the causes of dependency and to direct social-welfare activities and programs into the most constructive channels. Great progress has been made in the establishment of a basic social-security program. We need to know much more, however, about the reasons for dependency, about the circumstances and problems of older people, their attitudes toward retirement, the extent of public understanding of social insurance, and ways in which the administration and effectiveness of the welfare programs could be improved. During the fiscal year 1958, \$1.7 billion of Federal funds and \$1.2 billion in State and local funds will be expended under the public-assistance-grant programs. In a period of high employment there are still millions of families who need financial assistance and help with their family problems. It is time that we made a real effort to find ways of bringing such families—and particularly the older children in them—to greater self-dependence. If it is to be successful, this attack on dependency, like the attack on cancer or heart disease, must be carried on both by the Government directly and by students and administrators in universities and public and private agencies throughout the country. Many such agencies, on the basis of the authorization included in the 1956 amendments, have already begun to develop plans for research and demonstration projects.

In the event such Federal support is not forthcoming, very little research of the kind in question will be able to go forward, and the country will continue to pay the price of dependency that could be prevented.

We are convinced that Federal financial participation is the stimulus needed to spark universities and others to search for knowledge of the nature and causes of many of our highly complex social problems and the most effective ways of dealing with them. For this reason, we urge that favorable action be taken on our appropriation request of 1958 of \$2,080,000. To delay will only postpone further the day when more constructive action may be taken on such problems. Facilities are not currently available within the Department to carry on research and demonstration projects in the areas covered by this budget request. Furthermore, we believe that it would be highly advantageous to be able to obtain the services of specialists in the fields in which we are seeking answers to problems. The budget request in question would permit us to avail ourselves of this type of expert advice and assistance to help us to provide practical answers to current problems facing welfare administrators. As previously stated, if we could but eliminate from the assistance rolls only a small percentage of the 5 million persons receiving public assistance, the rewards would be great, both in dollar savings and in human values.

RESTORATION REQUEST

Senator HILL. All right; proceed.

Mr. SCHOTTLAND. This sum of \$2,080,000 was requested to begin the program established by the last session of Congress under Public Law 880, and we are appealing from the House action which eliminated this item. I might say that the subcommittee of the House Appropriations Committee recommended \$1,040,000, but this was taken out later, even though recommended by the subcommittee of the House Appropriations Committee.

Senator HILL. Was it stricken by the full committee?

Mr. WYNKOOP. No, sir; on the floor.

Senator HILL. Oh, stricken on the floor.

Mr. WYNKOOP. Yes, sir.

Senator HILL. Did you have a rollcall vote on it: do you recall?

Mr. SCHOTTLAND. It was stricken by the full committee.

Senator HILL. It was stricken by the full committee.

Mr. WYNKOOP. Yes; I am sorry, sir.

Senator HILL. Was the item among the 11 selected items, Mr. Kelly?

Mr. KELLY. Yes, sir.

Senator HILL. It is among the 11 selected items. All right; go ahead.

Mr. SCHOTTLAND. I would like to just very briefly outline why this is among the selected items that the Department is appealing. The program was established, as you recall, Senator, pursuant to an amendment by Senator Kerr which incorporated a recommendation of the administration. Hearings had been held before the House Ways and Means Committee, and this provision, that is, Senator Kerr's amendment, was similar to provisions of bills introduced by Congressmen Daniel Reed and Jere Cooper.

AREAWIDE PROBLEMS OF SOCIAL SECURITY

Both the executive branch and the committees of Congress, that is, the Ways and Means Committee and the Senate Finance Committee, have been concerned about the many problems which we face in this whole area of social security, both public assistance and social insurance. Some of these problems we know very little about, although we are spending many billions of dollars annually on the programs.

This amendment was directed at these problems, and also at the very problems that the Appropriations Committees of both Houses have been concerned with; the question of efficiency of management, efficiency of administration, and the fact that the programs involve huge expenditures of Federal funds. \$1,700,000 of public assistance, and over \$6 billion in old-age and survivors insurance. There are very many problems about which we have very little information.

ASSISTANCE TO UNMARRIED MOTHERS

During this year we will probably spend over \$100 million for assistance to unmarried mothers alone. We know very little about the problem and some of the methods of handling the situation.

This year there will be over 1 million fathers who will desert wives and children. On the administrative side we are seeking answers on how many public assistance recipients can be rehabilitated, what should be the appropriate roles of the voluntary agencies and the relationships of the voluntary agencies, the public agencies and a host of other questions.

REHABILITATION OF RELIEF RECIPIENTS

We have had a few experiments over the country. They have been largely local and they have demonstrated that hundreds of thousands of dollars or perhaps millions of dollars could be saved by adequate work and approaches to this problem of dependency. We had one study in my own State of California when I was State director, the so-called Wiltzie Study where we demonstrated conclusively within a few months we could take a substantial number of persons who had been on relief for a long time and make them self-supporting.

We need demonstration projects to demonstrate to the country the techniques that need to be adopted in order to do this.

Now at the present time we cannot even get answers to all the questions which you gentlemen ask us, as you know, Senator, because we don't have the information.

Now the members of the two committees of both the Houses that consider the substantive legislation have been aware of this desire of the elements all over the country and of the administration, and Members of Congress, to get the answers.

Secretary Folsom has been very much concerned and has a strong conviction that he must focus on the constructive aspect of these various public assistance and social insurance programs. When this legislation was passed it was received with overwhelming approval and endorsement all over the United States by voluntary agencies, religious and nonsectarian, community chests, universities, welfare councils, and we have already had dozens of requests for research grants and demonstration projects should the Congress appropriate funds to put this into operation.

I think I should say this, I think the Senator remembers some of the feeling about this legislation, that had it been passed a few weeks before the adjournment of Congress rather than on the last day there seems little question that Congress would have appropriated money for its implementation last year.

AREAS IDENTIFIED BY LEGISLATION

The legislation identifies three areas of work, first the prevention or reduction of dependency, the coordination of public and voluntary agencies, and the approved administration of programs under the Social Security Act.

These three items in the law are illustrative rather than complete. The law says: "Such as" and lists these three items.

APPROPRIATION AUTHORIZATION

Public Law 880 authorized \$5 million for fiscal year 1957 and thereafter such sums as Congress may appropriate. We felt that \$2,080,000 was all that we could reasonably request.

Senator HILL. What did you say the authorized amount is?

Mr. SCHOTTLAND. \$5 million for fiscal year 1957 and thereafter such sums as Congress may appropriate.

Secretary Folsom stressed, as I mentioned before, this matter in his testimony and we think that the Federal Government has a real opportunity in connection with this legislation not only to help people in distress but to devise ways and means of helping people out of their distress through getting at some of the basic problems.

For 1958, in our request, we are asking for 4 professional and 4 clerical and stenographic positions to handle this program. It is a small staff. It will be grants to States, localities, universities, voluntary agencies.

Senator HILL. Give me an illustration of a project such as you might contemplate under this program.

DISABLED PERSONS RECEIVING ASSISTANCE

Mr. SCHOTTLAND. Well one of the items that we would undoubtedly want to go into will be disabled persons receiving assistance. In the dependent children's program where we have a number of disabled fathers, these are cases that have received attention from various agencies, but we feel that there is need for intensive case work and rehabilitation work, which can take these fathers off of assistance and make them self-supporting. We want to study the whole problem of the support of aged dependents.

Senator HILL. You speak about taking these fathers off of assistance. Are you going to rehabilitate them so that they can hold a job?

What is the basic thought?

Mr. SCHOTTLAND. Well some of the experiments have indicated such things as this. Here you have a man who we will say was a common laborer. He loses the use of his right hand. He has no education, no background. There is very little that can be done to rehabilitate him for a job in a particular area. A study of his personal situation might reveal that he has a relative a thousand miles away. If he goes there, it is a large city and he might be able to get a job as a gate watcher or something of that nature. It is this kind of intensive study that we think that if we had some demonstration projects we could demonstrate to the country some of the things that could be done in this area.

FAMILIES ON RELIEF FOR GENERATIONS

We have listed in our formal statement that we have filed with the committee a number of projects that might be done. One of the things that we would like to do is to do some study of families that have been on public assistance for two or more generations. What can be done to break this cycle of continual dependency? There has been a great controversy in Congress and over the country of the effect of the lien laws. We have little information on lien laws. Does this reduce public expenditure or does it help? How is it administered? Is it costly? Does it pay for itself? These are some of the answers that we hope to get.

POSSIBILITY OF DUPLICATION OF FUNCTIONS

Senator THYE. That would be duplicating the division that General Maas has to assist the handicapped. He is working in that field now, is he not? I am wondering if you are not again proposing a Federal duplication? You are going to put on a demonstration project.

Mr. SCHOTTLAND. We are not proposing that we do any actual rehabilitation. That would be done by State vocational rehabilitation programs and through other programs. What we are proposing is that we study some of the basic problems and demonstrate how we can make people self-supporting; how we can get at some of the basic causes of dependency. We would not be taking an individual and putting him through a rehabilitation project. That is the problem of some others.

Senator THYE. I understand your demonstration to be this, and that is what attracted my thought and attention to it. You referred to demonstration and I could only visualize that you were going to go about the country making demonstrations such as "here is a man that has certain physical handicaps, and yet he got a job of this kind doing this or that." You see, that is what I was getting at.

Mr. SCHOTTLAND. We, of course, would relate this type of demonstration only to the people on public assistance. Let us say we found a person that needed rehabilitation. This would be a question of referring the person to the appropriate rehabilitation agency. Our demonstration would be in taking portions of the caseload and demonstrating what could be done with these 6 million people on assistance, what percentage of them might respond to rehabilitation, what percentage might respond to intensive casework treatment, what percentage could be rehabilitated through some type of reevaluating of the families?

Senator THYE. What are you doing in that field at the present time?

Mr. SCHOTTLAND. We are doing nothing as far as the Federal Government is concerned and the States are doing very little in the area, too. There are 3 or 4 or maybe 5 experiments going on now, but there is very little being done and a great deal of hue and cry has been made about doing something.

Senator THYE. I know there is a need and that is why I have been in complete support of General Maas and the division or committee that he is heading up in their endeavor to effect rehabilitation, bring about rehabilitation of those physically handicapped people and it makes their problems difficult in any employment endeavor.

PROBLEM OF DESERTING FATHERS

Mr. SCHOTTLAND. You see, some of our problems are not just rehabilitation. As a matter of fact, this may be the only one of many factors. As I mentioned before you came in, Senator, we are spending a hundred million dollars this year in helping unmarried mothers.

We spend a tremendous amount of money because of deserting fathers. There will be about a million desertions of fathers this year. The ways and means of getting at this problem have really not been explored. We know there are 1 or 2 voluntary agencies that are doing a very successful job in reuniting families after the father has deserted. We have done very little in the public agencies to work on this prob-

lem because we have not had demonstrations of the techniques or research of the techniques that these other smaller units have used to bring about the reuniting of families and the development of support.

It is this kind of thing which we think, with just very little money in relation to the billions we are now spending in helping people who are receiving assistance, just with a small amount of money we think we can help some of the people out of their distress.

Senator THYE. I have no further questions as to that.

Senator HILL. Is there anything further you would like to add?

Mr. SCHOTTLAND. No, sir.

SALARIES AND EXPENSES, OFFICE OF THE COMMISSIONER

APPROPRIATION ESTIMATE

"Salaries and expenses, Office of the Commissioner: For expenses necessary for the Office of the Commissioner of Social Security, **[\$212,000]** \$315,000, together with not to exceed **[\$160,000]** \$244,000, to be transferred from the Federal old-age and survivors insurance trust fund."

Funds available for obligation

	1957 appropriation		1958 budget estimate		House allowance	
	Number of positions	Amount	Number of positions	Amount	Number of positions	Amount
Appropriation or estimate.....		\$212,000		\$315,000		\$300,000
Reimbursements from non-Federal sources.....		160,000		244,000		240,000
Total available for obligation.....	48	372,000	69	559,000	66	540,000
Unobligated balance, estimated savings.....						
Obligations incurred.....	48	372,000	69	559,000	66	540,000

Obligations by activity

Description	1957 appropriation		1958 budget estimate		House allowance	
	Number of positions	Amount	Number of positions	Amount	Number of positions	Amount
1. Direction and coordination of the social security program.....	25	\$206,612	31	\$267,040	30	\$261,107
2. Appraisal and development of the social security program.....	23	165,388	38	291,960	36	278,893
Total obligations.....	48	372,000	69	559,000	66	540,000

EFFECT OF HOUSE ACTION

Activity 1. Direction and coordination of the social security program

The 1958 budget request provided for 31 positions in this activity; an increase of 6 positions over the 1957 budget. The House allowance permits an increase of 5 positions for three-fourths of a year each and provides funds for mandatory increases.

Activity 2. Appraisal and development of the social security program

The 1958 budget request provided for 38 positions in this activity; an increase of 15 positions over the 1957 budget. The House allowance permits an increase of 13 positions for three-fourths of a year each and provides funds for mandatory increases.

Summary of changes

	Number of positions	Amount
1957 actual appropriation.....		\$212,000
1957 reimbursement from Federal old-age and survivors insurance trust fund.....		160,000
1957 base.....	48	372,000
1958 appropriation request.....		315,000
1958 requested reimbursement from Federal old-age and survivors insurance trust fund.....		244,000
1958 request.....	69	559,000
Net change requested, appropriation.....		+103,000
Net change requested, reimbursement from OASI trust fund.....		+84,000
Total net change requested.....	+21	+187,000

	1958 budget estimate		1958 House allowance	
	Number of positions	Amount	Number of positions	Amount
For mandatory items:				
Extra day's pay.....	48	\$1,366	48	\$1,366
Retirement contribution (base positions).....	48	¹ 22,600	48	² 21,831
Annualization of additional positions authorized in fiscal year 1957.....	8	21,373	8	21,373
Total, mandatory items.....		45,339		44,570
For program items:				
To expand activity 1 in the management, information, and international areas.....	6	46,233	5	39,253
To expand activity 2 to permit proper attention to studying, planning, analyzing, and coordinating the income maintenance and economic security programs.....	15	95,428	13	84,177
Total change requested.....	21	187,000	18	168,000

¹ Computed at 0.065 of net salaries.² Computed at 0.06275 of net salaries.*Obligations by objects*

Object	1957 appropriation	1958 budget estimate	House allowance
Total number of permanent positions.....	48	69	66
Full-time equivalent of all other positions.....	1	1	1
Average number of all positions.....	45	63	61
01 Personal services.....	\$334,225	\$462,700	\$447,451
02 Travel.....	5,500	8,500	8,100
04 Communication services.....	8,066	10,300	10,000
06 Printing and reproduction.....	12,562	23,500	23,500
07 Other contractual services.....	3,947	9,200	9,000
08 Supplies and materials.....	6,200	7,800	7,500
09 Equipment.....	1,500	7,600	7,050
11 Grant subsidies and contributions: Contribution to retirement fund.....		29,400	27,399
Total obligations.....	372,000	559,000	540,000

Detailed list of new positions

Title	Grade	Annual salary
Activity 1. Direction and coordination of the social security program:		
Staff adviser, information.....	GS-14.....	\$10,320
Staff adviser, management.....	GS-13.....	8,990
Staff adviser, management.....	GS-12.....	7,570
Secretary (information).....	GS-5.....	3,670
Secretary (management).....	GS-5.....	3,670
Secretary (international).....	GS-5.....	3,670
Total (6).....		37,890
Activity 2. Appraisal and development of the social security program:		
Staff assistant, family services.....	GS-14.....	10,320
Staff assistant, medical economics.....	GS-14.....	10,320
Staff assistant, voluntary insurance, employee benefit and welfare programs.....	GS-14.....	10,320
Staff assistant, financial studies.....	GS-14.....	10,320
Staff assistant, aging.....	GS-14.....	10,320
Staff assistant, disability studies.....	GS-14.....	10,320
Staff assistant, medical economics.....	GS-12.....	7,570
Staff assistant, aging.....	GS-12.....	7,570
Secretary.....	GS-5.....	3,670
Secretary.....	GS-5.....	3,670
Clerk.....	GS-5.....	3,670
Secretary.....	GS-4.....	3,415
Secretary.....	GS-4.....	3,415
Secretary.....	GS-4.....	3,415
Clerk.....	GS-4.....	3,415
Total (15).....		101,730

**STATEMENT BY COMMISSIONER OF SOCIAL SECURITY ON SALARIES AND EXPENSES,
OFFICE OF THE COMMISSIONER, SOCIAL SECURITY ADMINISTRATION**

This statement explains the basis for the 1958 budget estimate and indicates the effect of the House action on proposed program plans and objectives.

BASIS OF 1958 ESTIMATE

The budget requested for the fiscal year 1958 for the Office of the Commissioner of Social Security is \$559,000. Of this amount, \$315,000 is requested from general funds; the remainder, \$244,000 to be derived from the Federal old-age and survivors insurance trust fund.

The Commissioner of Social Security is responsible to the Secretary for directing and supervising the operations of the four program bureaus of the Social Security Administration: Bureau of Old-Age and Survivors Insurance, Bureau of Public Assistance, Children's Bureau, and the Bureau of Federal Credit Unions. The functions of these four bureaus encompass direct program administration such as the Bureau of Old-Age and Survivors Insurance and the Bureau of Federal Credit Unions, as well as grant-in-aid administration with its inherent problems of Federal-State relations associated with this type of operation. In general, the Commissioner's office has four major areas of responsibility:

1. The overall supervision of the programs of the Social Security Administration and its bureaus;

2. Overall planning with relation to the problem of economic security of the American people;

3. In its capacity as the welfare branch of the Department of Health, Education, and Welfare, it does broad planning in the various welfare areas;

4. A wide range of related activities which include the maintenance of a central source of information on the cost of medical care in the United States, bringing together in one place information on medical care expenditures by private individuals, voluntary insurance, labor unions, and Government. We are also responsible for the coordination of international activities in the welfare and insurance fields and the general direction of a program of research grants.

Reorganizations and budget reductions of previous years have reduced the staff of the Office of the Commissioner until there remains a staff of only 48 positions. This compares with a total employment within the Social Security Administration of approximately 21,000 employees.

As I indicated in my general opening statement, the Social Security Amendments of 1956 included some of the most fundamental changes in the Social Security Act since it was originally enacted in 1935. The impact of these amendments upon our workload was immediate and substantial. We were immediately faced with the major job of developing regulations and policies relating to these amendments and considerable work still needs to be done in this respect. Functions and operations must be reviewed and changed or modified in relation to program and budgetary objectives. Also, since entirely new areas of activities were introduced by the 1956 amendments, it will be necessary to evaluate on a continuing basis the policies that have been established under the regulations and to continually evaluate program accomplishments in relation to legislative objectives. Particular attention must be given to the new emphasis on promotion of self-help and self-care as part of the public assistance program and we need to strengthen our work in such forward-looking areas as problems of family life, services for family and problems of aging.

The present staff of the Office of the Commissioner is insufficient to perform the top-level duties necessitated by our newly assumed activities and the expanded programs. In addition, for a number of years we have not had sufficient staff to make the studies nor compile the material necessary to adequately develop the long-range planning that should be done. Our observations in this respect have been borne out by several management concerns who have had occasion to review the activities of the Office of the Commissioner.

Increases requested

We are requesting an increase of 11 professional staff and 10 clerical and stenographic staff. This will increase our total staff from 48 to 69. Specifically, we are requesting professional staff increases in the following areas:

1. To increase the overall management staff from 3 to 5 in order to expand our management facilities to permit a more adequate appraisal of organization, budgetary needs, and administrative management.

2. To increase our informational staff from 1 to 2. Our press inquiries alone have been averaging 170 a month for the last 4 months. The time of our one informational officer is devoted almost entirely to answering inquiries from the press, Congress, and the public. It is important that we have a well-rounded information program in order to acquaint the public with their rights and responsibilities under the law.

3. To provide one employee to work in the family services area. The economic security of families as affected by desertion, illegitimacy, family disorganization and similar social problems. Policy decisions relating to relatives' responsibility in public assistance and to the selection of representative payees or the provision of services in the Bureau of Old-Age and Survivors Insurance are directly related to the role of the family and its responsibility for the economic support of one member for another. The one additional professional person requested would carry on continuing study and appraisal of economic, social, ethnic, and other factors affecting family life in America as a basis for developing proposals for programs and activities designed to strengthen family life.

4. To increase the staff available for work in the medical economics area from 2 to 4, to provide for an expansion of the analysis and collection of data on enrollment and coverage, benefits and financing of voluntary health insurance and related studies now carried on by the Office. At present, the Social Security Administration is the only central source of overall information on all types of voluntary health insurance and the only agency collecting information on independent medical care plans. Staff has not been available to do the kinds of intensive studies in this field that are needed.

5. To increase the staff available for work in the voluntary insurance, employee benefit and welfare program areas from 1 to 2. The additional staff will make it possible for the Office to carry out more intensive studies of developments in the voluntary insurance field and of private employee benefit plans. With the growth in the number of such plans, there is increasing need for basic information relating to all types of plans and for analyses of the protections they provide.

6. To increase the staff available for work in the financial studies area from 2 to 3, to make possible an expansion of our studies of the relation of social security costs to the national output and to economic stabilization, of developing trends and problems in Federal-State fiscal relations and the effects of changes in population and productivity on these relationships. Such studies would include analyses of the relations of social security contributions and expenditures to overall fiscal and monetary policy and related questions.

7. To provide two professional staff members to strengthen and expand the work now carried on in the field of aging, including the compilation and development of new and current information on the budgetary needs of older persons and assistance to groups engaged in surveys of the income and financial resources of the aged population of particular States and localities.

8. To increase the professional staff available for work in the area of disability studies from 1 to 2, to provide staff in the Commissioner's Office who can review, coordinate and stimulate work on problems relating to disability with particular emphasis on the relationship between rehabilitation and income maintenance for disabled persons.

To perform secretarial and clerical work for the increased professional staff, we are requesting 10 clerical positions. Funds requested for total staff increases amount to \$128,475. An additional \$58,525 is requested to pay the Government's contribution to the employees retirement fund which will be approximately \$28,500 and to pay for other objects of expenditure such as equipment, travel, supplies, telephone, and employee insurance for the additional staff. These costs are based on the current costs per person of staff now on duty. One new item of \$3,500 is requested for annual membership in the International Social Security Association. This worldwide organization of social-security institutions is affiliated with the International Labor Organization and conducts technical discussions and reports on social-security matters. The United States should be represented at this sole international forum on social security so as to present the full picture of our economic security measures, both public and private, and so as to keep abreast of developments elsewhere.

EFFECT OF HOUSE ACTION

The House allowance will provide funds for 9 of the 11 professional staff and 9 of the 10 clerical staff requested in the 1958 budget. This allowance, while not meeting 100 percent of our estimated requirements, will permit us to work in each of the specific subject areas for which staff was requested. This will substantially increase the Commissioner's resources for directing and supervising the operations of the Social Security Administration. No appeal on the House action is proposed.

EFFECT OF HOUSE ACTION

Activity 1. Direction and coordination of the social-security program

The 1958 budget request provided for 31 positions in this activity; an increase of 6 positions over the 1957 budget. The House allowance permits an increase of 5 positions for three quarters of a year each and provides funds for mandatory increases.

Activity 2. Appraisal and development of the social-security program

The 1958 budget request provided for 38 positions in this activity; an increase of 15 positions over the 1957 budget. The House allowance permits an increase of 13 positions for three quarters of a year each and provides funds for mandatory increases.

Total funds available for obligation

	1957 appropriation		1958 budget estimate		House allowance	
	Number of positions	Amount	Number of positions	Amount	Number of positions	Amount
Appropriation or estimate.....		\$212,000		\$315,000		\$300,000
Reimbursements from non-Federal sources.....		160,000		244,000		240,000
Total available for obligation.....	48	372,000	69	559,000	66	540,000
Unobligated balance, estimated savings.....						
Obligations incurred.....	48	372,000	69	559,000	66	540,000

1634 LABOR-HEALTH, EDUCATION, WELFARE APPROPRIATIONS

Obligations by activity

	1957 appropriation		1958 budget estimate		House allowance	
	Number of positions	Amount	Number of positions	Amount	Number of positions	Amount
1. Direction and coordination of the social-security program.....	25	\$206,612	31	\$267,040	30	\$261,107
2. Appraisal and development of the social-security program.....	23	165,388	33	291,960	36	278,893
Total obligations.....	48	372,000	69	559,000	66	540,000

Obligations by objects

	1957 appropriation	1958 budget estimate	House allowance
Total number of permanent positions.....	48	69	66
Full-time equivalent of all other positions.....	1	1	1
Average number of all positions.....	45	63	61
01 Personal services.....	\$334,225	\$462,700	\$447,451
02 Travel.....	5,500	8,500	8,100
04 Communication services.....	8,066	10,300	10,000
06 Printing and reproduction.....	12,562	23,500	23,500
07 Other contractual services.....	3,947	9,200	9,000
08 Supplies and materials.....	6,200	7,800	7,500
09 Equipment.....	1,500	7,600	7,050
11 Grant subsidies and contributions: Contribution to retirement fund.....		29,400	27,399
Total obligations.....	372,000	559,000	540,000

Summary of changes

	Number of positions	Amount
1957 actual appropriation.....		\$212,000
1957 reimbursement from Federal old-age and survivors insurance trust fund.....		160,000
1957 base.....	48	372,000
1958 appropriation request.....		315,000
1958 requested reimbursement from Federal old-age and survivors insurance trust fund.....		244,000
1958 request.....	69	559,000
Net change requested—appropriation.....		+103,000
Net change requested—reimbursement from OASI trust fund.....		+84,000
Total net change requested.....	+21	+187,000

Summary of changes—Continued

	1958 budget estimate		1958 House allowance	
	Number of positions	Amount	Number of positions	Amount
For mandatory items:				
Extra day's pay.....	48	\$1,366	48	\$1,366
Retirement contribution (base positions).....	48	¹ 22,600	48	² 21,831
Annualization of additional positions authorized in fiscal year 1957.....	8	21,373	8	21,373
Total mandatory items.....		45,339		44,570
For program items:				
To expand activity 1 in the management, information, and international areas.....	6	46,233	5	39,253
To expand activity 2 to permit proper attention to studying, planning, analyzing, and coordinating the income maintenance and economic security programs.....	15	95,428	13	84,177
Total change requested.....	21	187,000	18	168,000

¹ Computed at 0.065 of net salaries.² Computed at 0.06275 of net salaries.

HOUSE REDUCTION

Senator HILL. Are you going to testify on the Office of the Commissioner?

Mr. SCHOTTLAND. I can do that extremely briefly.

Senator HILL. They cut you \$15,000?

Mr. SCHOTTLAND. \$19,000 even.

Senator HILL. \$19,000 even.

Mr. SCHOTTLAND. Yes, sir. The House, in its action, did recognize the increased responsibilities and workload pressures on the Office of the Commissioner and the statement which we have filed with this committee, we believe adequately explains the situation, unless there are questions? We will be very happy just to submit that unless there are some questions?

Senator HILL. I think that statement covers it pretty fully.

Mr. SCHOTTLAND. Yes, it does, Senator.

Senator HILL. There is no appeal, as I understand it?

Mr. SCHOTTLAND. No, sir.

Senator HILL. Thank you, sir.

We will insert your full statement in the record.

OFFICE OF THE SECRETARY

SALARY AND EXPENSES

STATEMENTS OF JOHN A. PERKINS, UNDER SECRETARY; ELLIOT RICHARDSON, ASSISTANT SECRETARY; AND JAMES F. KELLY, DEPARTMENT BUDGET OFFICER

APPROPRIATION ESTIMATE

"Salaries and expenses, Office of the Secretary: For expenses necessary for the Office of the Secretary, [\$1,588,000] \$2,015,000, together with not to exceed [\$225,000] \$282,000 to be transferred from the Federal old-age and survivors insurance trust fund."

1636 LABOR-HEALTH, EDUCATION, WELFARE APPROPRIATIONS

Funds available for obligation

	1957 appro- priation	1958 budget estimate	1958 House allowance
Appropriation.....	\$1,588,000	\$2,015,000	\$1,800,000
Advance from Federal OASI trust fund.....	225,000	282,000	260,000
Total amount available for obligation.....	1,813,000	2,297,000	2,060,000

Obligations by activities

Description	1957 appropriation		1958 budget estimate		1958 House allowance	
	Posi- tion	Amount	Posi- tion	Amount	Posi- tion	Amount
1. Executive direction and program coordination.....	77	\$603,200	88	\$821,000	76	\$698,500
2. Publications and reports.....	13	107,400	18	157,000	13	117,100
3. Administrative and financial management.....	184	1,102,400	199	1,319,000	191	1,244,400
Total obligations.....	274	1,813,000	305	2,297,000	280	2,060,000

ACTIVITY I.—Executive direction and program coordination

Personal services	1957 estimate		1958 estimate		1958 House allowance	
	Posi- tion	Amount	Posi- tion	Amount	Posi- tion	Amount
1. Office of the Secretary.....	24	\$215,545	22	\$198,830	22	\$198,830
2. Office of Internal Security.....	12	87,490	13	91,160	12	87,490
3. Office of Assistant Secretary.....	11	98,605	11	94,630	9	80,640
4. Office of Assistant Secretary (Legislation).....	10	79,945	12	98,660	10	79,945
5. Office of Assistant to the Secretary (for program analysis).....	20	156,795	30	222,560	23	173,280
Total annual salaries and positions.....	77	638,380	88	705,840	76	620,185
Less: Lapses and other adjustments.....		-85,705		-24,635		-13,160
Plus: Temporary employment and consultant services.....		+3,800		+11,800		+3,800
Overtime.....		+6,625		+6,625		+6,625
Net personal services.....		563,100		699,630		617,450
Plus: Miscellaneous expenses.....		40,100		121,370		81,050
Total, activity I.....	77	603,200	88	821,000	76	698,500

ACTIVITY II.—*Publications and reports*

	1957 appropriation		1958 budget estimate		House allowance	
	Number of positions	Amount	Number of positions	Amount	Number of positions	Amount
Personal services:						
Total annual salaries and positions.....	13	\$87,055	18	\$125,265	13	\$87,055
Less: Lapse and other adjustments.....		-6,105		-8,740		-1,405
Plus: Overtime.....		+800		+800		+800
Net personal services.....		\$1,750		117,325		86,450
Plus: Miscellaneous expenses.....		25,650		39,675		30,650
Total, activity II.....	13	107,400	18	157,000	13	117,100

ACTIVITY III.—*Administrative and financial management*

	1957 appropriation		1958 budget estimate		House allowance	
	Number of positions	Amount	Number of positions	Amount	Number of positions	Amount
Personal services:						
1. Office of Director of Administration.....	3	\$26,465	4	\$36,785	4	\$36,785
2. Office of Financial Management.....	42	269,915	42	271,205	42	269,915
3. Office of Management Policy.....	18	131,920	18	131,920	18	131,920
4. Division of Personnel Management.....	27	185,385	31	208,720	28	192,955
5. Division of General Services.....	94	418,967	104	459,997	99	436,202
Total annual salaries and positions.....	184	1,032,652	199	1,108,627	191	1,067,777
Less: Lapse and other adjustments including portion of salaries paid from other accounts.....		-86,742		-49,222		-47,275
Plus: Temporary employees and consultant service.....		+1,500		+3,500		+1,500
Overtime.....		+8,575		+8,575		+8,575
Net personal services.....		955,985		1,071,480		1,030,577
Plus: Miscellaneous expenses.....		146,415		247,520		213,823
Total, activity III.....	184	1,102,400	199	1,319,000	191	1,244,400
Total obligations, all activities.....	274	1,813,000	305	2,297,000	280	2,060,000

EFFECT OF HOUSE ACTION

Activity I. Executive direction and program coordination

The House allowed an increase of \$95,300 including \$45,580 for mandatory items and \$49,720 for program expansion including three additional positions primarily in the field of aging and other miscellaneous expenses. The House denied an increase of \$122,500 and 12 positions for program expansion. This reduction will have the following principal effects:

The Special Staff on Aging will be hard pressed to provide adequate technical assistance and guidance to the State and local communities, voluntary groups, and our own regional offices who are continually requesting their help. In this vital field where the problems are growing more urgent every day, the reduction of five of the requested "aging" positions will not allow for a very great step-up in the dissemination of information on all phases of activities affecting the increasing aging population, such as housing, income, employment, recreation, and like activities. A planned limited program of research into such activities will have to be deferred. All of these efforts on this Department's part would also have provided greater stimulation to the many groups working in this field.

The Defense Coordinator of the Department will be seriously hampered in attempting to complete the many assignments made to the Department by the ODM. This Department has also been given representation on the Defense Mobilization Board and is expected to participate actively in the preparation and review of mobilization readiness plans. It is very difficult for the Defense Coordinator to handle all of these activities alone.

In the past 2 years responsibilities of the Department have increased greatly due to enactment of new legislation. The Department must review and coordinate its many programs and analyze and report on numerous bills. The reduction will generally make it very hard to cope with this burden.

Activity II. Publications and reports

The House allowed an increase of \$9,700 including \$7,970 for mandatory items and denied an increase of \$39,900 and 5 positions for program expansion. This program reduction will have the following effect.

There has been a steady growth of interest by the public in the Department's programs, particularly since its elevation to departmental status which has been further accelerated by enactment of new legislation in the Department's fields.

This increased interest has resulted in an increase in requests for factual and interpretive information about the Department's programs from the major mass media such as magazines, radio, television, and motion pictures. At the present time only the daily news service receives adequate service.

This office will also not be able to give closer scrutiny in the Department's information work to the cost factors involved in projects and materials.

Due to the vast expansion of the Department's programs it was planned to allocate more staff to assist the regional offices who are being called upon increasingly for public information services. These services must now be given on a much reduced scale.

Activity III. Administrative and financial management

The House allowed an increase of \$142,000, including \$80,450 for mandatory items and \$61,550 for program expansion including 7 additional positions and miscellaneous expenses principally to provide minimum additional services such as file, messenger, and library services to the operating agencies of the Department which have greatly expanded in the past 2 years. The House denied an increase of \$74,600 and 8 positions for program expansion. This reduction will slow the Department's efforts in the recruitment of persons in occupations of shortest supply and will not enable the Personnel Office to do a more positive and aggressive job in identifying the most able young people with potential for rising to higher-level positions both within the Department and among recent college graduates.

Also, as a result of the reduction, our work in preparing for continuing the Department's essential functions at the seat of government and elsewhere during a civil defense emergency which has increased in magnitude over the years will have to be carried on on a part-time basis by persons who already have a full-time job as has existed during the past year. This affects not only the quality of the employees' duties but this function also. These functions include providing transportation, space, both office space and other quarters at relocation sites, facilities and equipment, including housing and feeding arrangements and maintenance of these facilities in a standby condition of readiness. Also reliable communications must be assured, as well as many other administrative services.

The present allowance provides three additional persons in the library which will alleviate some of the serious deficiencies now existing in our central library in enabling it to give better and more prompt service and in overcoming some of the backlogs in cataloging. However, due to the reduction of two positions from the request there will still exist a heavy backlog of charge cards to be checked and cleared, and the periodical shelving will continue to be done by the periodical circulation desk assistants who already carry a heavy load of checking in and circulating. Our service without a periodical stack attendant is therefore much less efficient than it should be.

Obligations by objects

Object classification	1957 appropriation	1958 budget estimate	1958 House allowance
Total number of permanent positions.....	274	305	280
Full-time equivalent of all other positions.....	1	2	1
Average number of all employees.....	247	291	267
Number of employees at end of year.....	260	295	273
01 Personal services.....	\$1,600,835	\$1,888,435	\$1,734,477
02 Travel.....	27,365	42,465	28,365
03 Transportation of things.....	500	1,500	500
04 Communication services.....	38,750	49,050	39,550
05 Rents and utility services.....	20	20	20
06 Printing and reproduction.....	52,250	75,350	54,250
07 Other contractual services.....	37,780	47,020	39,060
08 Supplies and materials.....	30,000	31,960	30,460
09 Equipment.....	23,400	36,600	26,500
11 Grants, subsidies, and contributions: Contributions to retirement fund.....		121,500	104,900
13 Refunds, awards, and indemnities.....	1,000	2,000	1,000
15 Taxes and assessments.....	1,100	1,100	918
Total obligations.....	1,813,000	2,297,000	2,060,000

Summary of changes from 1957

1957:		1958 budget estimate	
Appropriation.....		\$1,588,000	
Transfer from OASI.....		225,000	
			\$1,813,000
1958:			
Appropriation.....		2,015,000	
Transfer from OASI.....		282,000	
			2,297,000
Net change requested.....			+ 484,000

	Positions	1958 budget estimate	Positions	1958 House allowance
For mandatory items:				
Extra days pay related to 1957 positions.....		\$6,200		\$6,200
Annualization of new positions in 1957.....		29,000		29,000
Retirement contributions related to 1957 positions (262 base positions).....		105,800		98,800
Subtotal.....		141,000		134,000
For program items:				
1. Executive direction and program coordination (15 new positions requested were offset by 4 positions eliminated): Retirement: Request, \$7,000; House allowance, \$2,700.....	15	169,030	3	49,720
2. Publications and reports: Retirement: Request, \$2,100; House allowance, \$50.....	5	41,115	0	1,730
3. Administrative and financial management: Retirement: Request, \$6,000; House allowance, \$3,350.....	15	132,855	7	61,550
Total.....	35	484,000	10	247,000

New positions requested, fiscal year 1958

	Grade	Annual salary
Executive direction and program coordination:		
Assistant to the Secretary (Legislation).....	GS-16.....	\$12, 900
Defense planning officer.....	GS-14.....	10, 320
Special adviser to the Director, Special Staff on Aging.....	GS-14.....	11, 180
Chief of Branch, Special Staff on Aging.....	GS-14.....	10, 320
Specialist on aging.....	GS-13.....	8, 990
Analytical statistician.....	GS-13.....	8, 990
Statistical clerk.....	GS-7.....	4, 525
Secretary.....	GS-7.....	4, 525
Do.....	GS-6.....	4, 080
Security assistant.....	GS-5.....	3, 670
Secretary (4).....	GS-5.....	14, 680
Clerk-typist.....	GS-4.....	3, 415
Total annual salaries (15).....		97, 595
Less lapse.....		-14, 315
Net amount.....		83, 280
Office of Publications and Reports:		
Magazine-radio-TV specialist.....	GS-13.....	8, 990
Writer.....	GS-13.....	8, 990
Program development officer.....	GS-13.....	8, 990
Production analyst.....	GS-12.....	7, 570
Clerk-stenographer.....	GS-5.....	3, 670
Total annual salaries (5).....		38, 210
Less lapse.....		-7, 510
Net amount.....		30, 700
Administrative and financial management:		
Staff assistant to Director of Administration.....	GS-14.....	10, 320
Relocation planning officer.....	GS-14.....	10, 320
Management placement officer.....	GS-12.....	7, 570
Personnel examiner.....	GS-12.....	7, 570
Do.....	GS-7.....	4, 525
Law reference librarian.....	GS-7.....	4, 525
Cataloger.....	GS-5.....	3, 670
Secretary (3).....	GS-5.....	11, 010
Clerk-typist (2).....	GS-3.....	6, 350
File clerk.....	GS-3.....	3, 175
Stack attendant.....	GS-2.....	2, 960
Messenger.....	GS-1.....	2, 690
Total annual salaries (15).....		74, 685
Less lapse.....		-7, 505
Net amount.....		67, 180
Total new positions, all activities (35).....		210, 490
Less lapse.....		-29, 330
Net amount.....		181, 160

PREPARED STATEMENT

Senator HILL. We will be glad to have you make any statement you see fit, sir.

Mr. PERKINS. We have a very brief statement and a longer one has been filed with you.

Senator HILL. That statement will be inserted in the record at this point.

(The statement referred to follows:)

STATEMENT BY JOHN A. PERKINS, UNDER SECRETARY OF HEALTH, EDUCATION, AND WELFARE ON "SALARIES AND EXPENSES, OFFICE OF THE SECRETARY"

Mr. Chairman and members of the committee, the 1958 budget requests a modest expansion in the Office of the Secretary to deal with its sizable responsibilities and workload. I shall endeavor to present a brief summary and highlight of those budget requirements and will then outline the effect of House action.

Considering the magnitude of its responsibilities, the staff of the Office of the Secretary is quite small. The programs and operations of the Department have

been considerably enlarged in recent years through both new legislation and an expanded budget. The Office of the Secretary has not kept pace with these increases in operational responsibility. For example, although it is one of the most complex of Government departments, we have only 2 Assistant Secretaries, as compared with 4 or more for the other Cabinet departments. Since experience clearly indicates the need for greater top level assistance, the Secretary plans to recommend a change in law which will authorize a third Assistant Secretary.

Not only in this respect but in other ways it is very evident to me that we are operating with less than adequate staff to provide necessary leadership and coordination for the complex set of responsibilities which we must carry out. The budgets for 1956 and 1957 did strengthen the Office somewhat and Secretary Folsom is deeply appreciative of the committee's action on his first budget request last year. However, some further increase in staff is still needed.

I assure the committee that we have no desire to develop a large superstructure over the operating agencies. We do not wish to develop a centralization of operating responsibilities. On the other hand, we want, and I am sure that the committee wants, the programs to be administered in a coordinated and efficient manner. To this end we have organized our work in such a manner as to provide a close working relationship directly with the six operating heads. Thus, in performing the day-to-day operations of the Department and in carrying out established programs, every effort is made to see that activities are decentralized to the operating agencies. In this way the routine day-to-day operations are minimized for the Office of the Secretary so as to give the maximum time of the Office to perform its prime responsibilities.

These responsibilities may be grouped into four principal functions. First, the Office of the Secretary works closely with the operating agency heads to develop basic program policies and policy recommendations in the fields of health, education, and welfare. Second, it provides management leadership, and assistance to the operating agencies of the Department in the administration of their numerous responsibilities. Third, it attempts to respond to the numerous demands of the Congress, the press, interested organizations and the public for information about the activities of the Department. And fourth, for convenience and economy, there are located in the Office of the Secretary certain administrative services to the operating agencies because it is obviously uneconomical for each operating agency to provide such specialized administrative services separately.

The general policy of emphasizing responsibility of the operating agencies holds down the size of the staff necessary in the Office of the Secretary and minimizes the possibility of duplication of effort. A relatively small, highly qualified staff in the Office of the Secretary which is able to work closely with the operating agencies is of greater value than a large, independent staff in the Office of the Secretary. However, the workload upon the individuals engaged in these functions in the Office of the Secretary is heavy and many of the things which should be done are either deferred or performed in a less thorough manner than is desirable.

The "Office of the Secretary" 1957 appropriation provides for 274 positions at a total cost of \$1,813,000. The 1958 budget request is for 305 positions at cost of \$2,297,000. This represents an increase of 31 positions and \$484,000. Included in this is \$121,500 for contribution to the civil service retirement fund.

The net increase of 31 positions consists of a total increase of 35 positions offset by the elimination of 4 positions.

The areas which we propose to strengthen are:

1. An expansion of the special staff on aging by seven positions. This will bring the staff to 17. This enlarged staff will permit extension of the work of coordinating the activities related to aging performed throughout the Department, provide increased assistance to States, local communities, and volunteer groups, and a stepped-up program of disseminating information in all areas affecting aging. The special report on the Department's activities in the field of aging which was made available to you earlier, fully describes the program in this area. This is obviously an important coordinating function which needs to be strengthened in 1958.

2. An increase in staff for executive direction and program coordination of 8 positions is requested, offset by the decrease of 4 positions. The new jobs consist of 2 in the Office of the Assistant Secretary that handles legislation, 1 professional, and 1 secretarial. The amount of legislation being considered by the Congress affecting our Department and on which our views are solicited is tremendous and clearly exceeds the capacity of the existing staff which coordinates the Department's activities in this area.

We wish also to enlarge the staff concerned with program analysis by 1 professional and 2 clerical positions. This group works with the operating agencies in the evaluation of program data, trends, objectives, and problem areas and keeps our key staff informed of these program operations. We are constantly aware of shortcomings in this area and consequently urge your favorable consideration of this small but important increase.

An additional professional position and a secretary are needed to assist the Defense Coordinator in the liaison activities with the Federal Civil Defense Administration and the Office of Defense Mobilization and in coordinating the Department's planning for operational readiness in the event an enemy attack occurs.

One additional clerical position is requested for the Office of Internal Security. The need for this increase is occasioned by the increase in overall employment of the Department.

3. Five new jobs are recommended for addition to the Office of Publications and Reports, bringing the total staff to 18. It has been observed for some time that this Office has had large backlogs of work, heavy overtime, and delayed service. Repeated studies have concluded that these conditions result from an insufficient staff, and that an enlarged organization is needed to effectively discharge the workload of this Office. Further, lack of staff now prevents the Office from performing additional functions which would increase the economy, efficiency, and effectiveness of the public information activities of the Department. I urge your favorable consideration of this increase of five people.

4. In the field of administrative and financial management—mostly in the area of more adequate services to the operating agencies—we are requesting 15 additional positions. Five of these positions are for the central library in order that the increased services requested by the staffs of the operating agencies in the conduct of their work might be satisfied. This need has been carefully studied and verified. Four more of the 15 positions are for strengthening personnel management. This staff is needed to explore the potential of greater employment opportunity within the Department for older workers and to expand the very important function of identifying, training, and developing promising young talent who will be called upon to staff and manage the various parts of the organization as present key supervisory and staff personnel retire or resign.

Five positions are needed for general administrative services, 3 of which are clerical and messenger type positions needed to keep pace with the expansion of the operating agencies, and 2 of which, 1 administrative and 1 clerical, are to provide planning and arrangements for transportation, office space, housing, and communications for emergency relocation operations including test exercises. It is important to distinguish between the function of these two jobs and that of the assistant to the Defense Coordinator, previously mentioned. The latter is concerned with what functions the Department would perform in the event of enemy attack and how they would be organized and carried out; the two positions requested here are to provide the actual physical and communications arrangements with respect to the various relocation sites of the Department.

One new position is very much needed to serve as an analyst and staff assistant to the Director of Administration in handling numerous miscellaneous assignments.

These proposed increases will do much toward improving the effectiveness of the work of the Office of the Secretary.

EFFECT OF HOUSE ACTION

The House of Representatives in acting upon the 1958 budget for the Department appropriated for the Office of the Secretary a total of \$2,060,000, a reduction of \$237,000 from the estimate. This allowance after providing for the existing authorized staff and for mandatory increases allows a staff increase of 10 positions out of the 35 new positions requested. The 10 positions are being tentatively allocated to the areas of most urgent need, as follows:

Special Staff on Aging.....	2
Program analysis.....	1
Personnel management in connection with problems of older workers.....	1
Other administrative services principally to provide minimum additional services such as file, messenger and library services to the operating agencies of the Department.....	5
Staff Assistant to the Director of Administration.....	1
Total.....	10

Thus 25 new positions requested were not allowed. The effect of this reduction by major activities of the Office of the Secretary is as follows:

Executive direction and program coordination

The House allowance decreased the budget by \$122,500 and 12 positions.

The Special Staff on Aging will be hard pressed to provide adequate technical assistance and guidance to the State and local communities, voluntary groups and our own regional offices who are continually requesting their help. In this vital field where the problems are growing more urgent every day, the reduction of five of the requested "Aging" positions will not allow for a very great stepup in the dissemination of information on all phases of activities affecting the increasing aging population, such as housing, income, employment, recreation, and like activities. A planned limited program of research into such activities will have to be deferred. All of these efforts on this Department's part would also have provided greater stimulation to the many groups working in this field.

The Defense Coordinator of the Department will be seriously hampered in attempting to complete the many assignments made to the Department by the ODM. This Department has also been given representation on the Defense Mobilization Board and is expected to participate actively in the preparation and review of mobilization readiness plans. It is very difficult for the Defense Coordinator to handle all of these activities alone.

In the past 2 years responsibilities of the Department have increased greatly due to enactment of new legislation. The Department must review and coordinate its many programs and analyze and report on numerous bills. The reduction will generally make it very hard to cope with this burden.

Publications and reports

The House allowance decreased the budget by \$39,900 and 5 positions.

There has been a steady growth of interest by the public in the Department's programs, particularly since its elevation to departmental status which has been further accelerated by enactment of new legislation in the Department's fields.

This increased interest has resulted in an increase in requests for factual and interpretive information about the Department's programs from the major mass media such as magazines, radio, television, and motion pictures. At the present time only the daily news service receives adequate service.

This office will also not be able to give closer scrutiny in the Department's information work to the cost factors involved in projects and materials.

Due to the vast expansion of the Department's programs it was planned to allocate more staff to assist the regional offices who are being called upon increasingly for public information services. These services must now be given on a much reduced scale.

Administrative and financial management

The House allowance decreased the budget by \$74,600 and 8 positions. This reduction will slow the Department's efforts in the recruitment of persons in occupations of shortest supply and will not enable the Personnel Office to do a more positive and aggressive job in identifying the most able young people with potential for rising to higher level positions both within the Department and among recent college graduates.

Also, as a result of the reduction, our work in preparing for continuing the Department's essential functions at the seat of Government and elsewhere during a civil-defense emergency which has increased in magnitude over the years will have to be carried on on a part-time basis by persons who already have a full-time job as has existed during the past year. This affects not only the quality of the employees' duties but this function also. These functions include providing transportation, space, both office space and other quarters at relocation sites, facilities and equipment, including housing and feeding arrangements and maintenance of these facilities in a standby condition of readiness. Also reliable communications must be assured, as well as many other administrative services.

The present allowance provides three additional persons in the library which will alleviate some of the serious deficiencies now existing in our central library in enabling it to give better and more prompt service and in overcoming some of the backlogs in cataloging. However, due to the reduction of two positions from the request there will still exist a heavy backlog of charge cards to be checked and cleared, and the periodical shelving will continue to be done by the periodical circulation desk assistants who already carry a heavy load of checking in and circulating. Our service without a periodical stack attendant is therefore much less efficient than it should be.

The effect of the House action has been detailed in this manner in order that the committee can be informed of the effect of the budget reduction on the operations of the Office of the Secretary. Restoration of the reduction is not being requested consistent with the overall Department approach of selective appeals. Although this reduction will preclude doing the kind of coordination and administration of the Department's programs which we believe to be appropriate we recognize that it does permit limited strengthening of the office. Appeals for restoration have been restricted to the most urgent areas of program impairment.

Thank you for the opportunity of presenting this statement.

GENERAL STATEMENT

Senator HILL. All right, sir, proceed.

Mr. PERKINS. We are not appealing from any of the House actions insofar as the Secretary's Office is concerned. The 1958 budget request was a very modest expansion in the Office of the Secretary to deal with the sizable responsibilities and workload that we have and I shall simply present a brief summary of the budget requirements and will then outline the effects of the House action.

The programs and operations of the Department, as you well realize, have been considerably enlarged in recent years through many new laws and through a number of program expansions such as medical research and the enlargement of the other activities. The Office of the Secretary has not kept pace with the increases in operational responsibilities resulting from these expansions.

The budgets for 1956 and 1957 did strengthen the Office somewhat and Secretary Folsom is deeply appreciative of the committee's action on this first budget request of a year ago. However, he does feel that some further increase in the staff is still needed.

ADDITIONAL POSITIONS

The "Office of the Secretary" 1957 appropriation provides for 274 positions at a total cost of \$1,813,000. The 1958 budget request is for 305 positions at a cost of \$2,297,000.

This represents an increase of 35 new positions and that number is offset by the elimination of 4 positions, leaving a net increase of 31 positions at a cost, not just of the positions alone, but the increase in money is \$484,000. A substantial part of the increase of this \$484,000 is for contributions to the civil service retirement fund.

AREAS TO BE STRENGTHENED

The areas which we propose to strengthen in the 1958 budget request are as follows:

1. An expansion of the special staff on aging by 8 positions. This will bring the staff to 17. This is obviously an important coordinating function which needs to be strengthened in 1958.

2. An increase in staff for executive direction and program coordination of 8 positions is requested. This is offset by a decrease of 4 positions. The new jobs consist of 2 in the Office of the Assistant Secretary that handles legislation. Mr. Elliot Richardson is here and he would like 1 professional and 1 secretarial person in addition to his current staff. The amount of legislation being considered on which our views are solicited is tremendous.

PROGRAM ANALYSIS

We wish also to enlarge the staff concerned with program analysis by 1 professional and 2 clerical positions. This group works with the operating agencies in the evaluation of program data, trends objectives and problem areas and keeps the Secretary and myself and our key staff informed of these program operations and how they are proceeding.

An additional professional position and a secretary are needed to assist the Defense Coordinator in the liaison activities with the Federal Civil Defense Administration and the Office of Defense Mobilization and in coordinating the Department's planning for operational readiness in the event an enemy attack occurs.

One additional clerical position is requested for the Office of Internal Security. The need for this increase is occasioned primarily by the increase in overall employment of the Department.

3. Five new jobs are recommended for addition to the Office of Publications and Reports, bringing the total staff to 18. It has been observed for some time that this Office has had large backlogs of work, heavy overtime, and delayed service and should be enlarged.

REQUESTS FOR PUBLICATIONS

Senator HILL. Mr. Secretary, do you have many requests for your different reports and publications?

Mr. PERKINS. Yes, sir, many, many requests.

Some of those are directed to the operating agencies as such.

This office, in connection with the reports and publications of the operating agencies is largely one of review. It helps them to get out more effective reports to make sure they are not duplicating materials published and in coordinating the operating agencies to see that they are relating the work of one operating agency to another.

Now I will continue my statement.

ADMINISTRATIVE MANAGEMENT

4. In the field of administrative and financial management, we are requesting 15 additional positions. Most of these positions are needed to provide more adequate housekeeping and library services to the operating agencies. The library particularly has been unable to meet the increased demands for services from the expanded programs over the last few years. This has resulted in large backlogs of work. Four of these positions will provide better personnel management in the following areas: Better use of older employees and better training, transfer, and promotion of employees with potential for higher level work. A staff assistant to the Director of Administration is urgently needed. The increase of 15 also includes a disaster relocation planning officer to arrange for all physical requirements needed for continuing this Department's activities in case of a defense emergency.

EFFECT OF HOUSE ACTION

Now, Senator, I should like to simply review very briefly the effect of the House action.

The House of Representatives in acting upon the 1958 budget for the Department, appropriated for the Office of the Secretary a total of \$2,060,000, which is a reduction of \$237,000 from the estimate.

This allowance, after providing for the existing authorized staff and for mandatory increases, allows a staff increase of 10 positions out of the 35 that I mentioned as originally requested. Primarily, the increase will be used to provide minimum additional services such as file, messenger, and library services where we mentioned we would like 15 people. Five people would be allotted to serve the operating agencies of the Department in central services. Two people are to work in the field of aging. One person would be placed in program analysis, one in personnel administration and one would be assigned to the Director of the Administration. That is how we were thinking of using the 10 positions which have been permitted under the House increase.

Restoration of the reduction is not being requested, which is consistent with the overall policy that we mentioned the first day we came before you. Ours is a policy of selected appeals from House action. We readily admit that this may preclude us from doing exactly the kind of coordinating and administering of the Department's program which we believe most appropriate, but we recognize it does permit some limited strengthening of the Office of the Secretary.

Appeals for restoration have been restricted to the most urgent areas of program impairment.

I certainly thank you for the opportunity to make this statement.

Senator HILL. We are delighted to have had you.

Secretary Richardson, would you like to add anything?

Mr. RICHARDSON. No; thank you. I think we have had ample opportunity to make a complete statement.

Senator HILL. Senator Thyne, do you have any questions?

Senator THYNE. No; I think it has been well explained.

Senator HILL. I want to say I am sorry we kept you so late. We very much appreciate your being here.

Mr. PERKINS. We appreciate the attention you have given to our many activities. Thank you, too.

OFFICE OF FIELD ADMINISTRATION

SALARIES AND EXPENSES

STATEMENT OF MR. CHESTER B. LUND, DIRECTOR, OFFICE OF FIELD ADMINISTRATION, AND MR. JAMES F. KELLY, DEPARTMENT BUDGET OFFICER

APPROPRIATION ESTIMATE

Salaries and expenses, Office of Field Administration: For expenses necessary for the Office of Field Administration, **[\$1,985,000]** \$2,355,000, together with not to exceed **[\$500,000]** \$708,000 to be transferred from the Federal old-age and survivors insurance trust fund.

Funds available for obligation

	1957 appro- priation	1958 budget estimate	1958 House allowance
Appropriation or estimate.....	\$1,985,000	\$2,355,000	\$2,300,000
Advances and reimbursements, Federal old-age and survivors insurance.....	568,000	708,000	700,000
Department of Labor, working fund.....	44,880	54,880	44,880
Total available for obligation.....	2,597,880	3,117,880	3,044,880

Obligations by activities

Description	Appropriation		1958 budget estimate.		1958 House allowance	
	Posi- tions	Amount	Posi- tions	Amount	Posi- tions	Amount
Activity I: Field Administration:						
Departmental.....	15	\$156,500	15	\$169,960	15	\$168,965
Field.....	254	1,244,500	284	1,532,740	274	1,473,635
Total.....	269	1,401,000	299	1,702,700	289	1,642,600
Activity II: Division of Grant-in-Aid Audits:						
Departmental.....	16	125,680	18	146,510	18	146,510
Field.....	124	872,320	135	1,011,990	135	1,009,990
Total.....	140	998,000	153	1,158,500	153	1,156,500
Activity III: Division of State Merit Systems:						
Departmental.....	9	66,225	12	92,000	10	\$1,800
Field.....	18	132,655	21	164,680	21	163,980
Total.....	27	198,880	33	256,680	31	245,780
Total obligations.....	436	2,597,880	485	3,117,880	473	3,044,880
Less working fund from the Department of Labor for State merit system services.....	6	44,880	7	54,880	5	44,880
Adjusted obligations.....	430	2,553,000	478	3,063,000	468	3,000,000

EFFECT OF HOUSE ACTION

Activity I. Field administration

The House allowed an increase of \$241,600, which is \$60,100 less than requested. This increase includes \$101,385 for mandatory items and \$140,215 for 20 new clerical positions for increased workload payrolling, voucher examination, recruitment, records management, plus increases in miscellaneous objects. The House disallowed an increase of \$60,100 for 5 administrative assistants with secretaries that were requested to relieve executive assistants in 5 of the largest regions of business-management supervision. The executive assistants are having to spend an increasingly great amount of their time assisting the regional director because of his heavy workload in program coordination resulting from the large amount of new legislation affecting the programs and to represent the regional director on a number of intradepartment committees. This reduction will not assure the thorough supervision of these business management activities.

Activity II. Grant-in-aid audit

A \$158,500 increase is provided in the House allowance, a reduction of \$2,000. The increase includes \$67,670 for mandatory items and \$90,830 for 6 new positions for the audit of State surplus property agencies and 7 new positions for auditing new and expanded programs. The reduction of \$2,000 involves a minor adjustment in miscellaneous expenses.

Activity III. State merit systems

The House allowed an increase of \$46,900, a reduction of \$900. The increase includes \$9,445 for mandatory items and \$37,455 for 5 new positions, travel and related expenses. This will permit this activity to provide for the increased workload resulting from expanded program activities and the numerous requests of the States for technical assistance.

1648 LABOR-HEALTH, EDUCATION, WELFARE APPROPRIATIONS

Obligations by objects

Object classification	1957 appropriation	1958 budget estimate	1958 House allowance
Summary of personal services: ¹			
Total number of permanent positions.....	436	485	473
Full-time equivalent of all other positions.....			
Average number of all employees.....	417	467	456
Number of employees at end of year.....	422	462	457
01 Personal services.....	\$2, 277, 486	\$2, 540, 837	\$2, 483, 912
02 Travel.....	129, 746	170, 436	169, 836
03 Transportation of things.....	5, 925	5, 925	5, 925
04 Communications.....	86, 650	96, 700	96, 700
05 Rents and utilities.....	1, 350	1, 350	1, 370
06 Printing and reproduction.....	10, 210	10, 500	10, 500
07 Other contractual services.....	22, 503	39, 027	39, 012
08 Supplies and materials.....	47, 360	61, 000	60, 710
09 Equipment.....	14, 500	27, 340	23, 840
11 Grants, subsidies and contributions: Contribution to retirement fund.....		161, 885	150, 215
13 Refunds, awards and indemnities.....	1, 000	1, 000	1, 000
15 Taxes and assessments.....	1, 150	1, 880	1, 880
Total obligations.....	2, 597, 880	3, 117, 880	3, 044, 880
Less: Working fund from the Department of Labor for State merit system services.....	44, 880	54, 880	44, 880
Adjusted obligation.....	2, 553, 000	3, 063, 000	3, 000, 000

¹ Includes working fund positions: 1957—6; 1958—7; and House allowance—5.*Summary of changes from 1957*

	1958 budget estimate
1957 appropriation.....	\$1, 985, 000
1957 transfer from OASI.....	500, 000
1957 supplemental pending transfer from OASI.....	68, 000
Total 1957.....	2, 553, 000
Nonrecurring overtime in supplemental.....	18, 200
1957 revised base.....	2, 534, 800
1958 appropriation.....	2, 355, 000
1958 transfer from OASI.....	708, 000
Total.....	3, 063, 000
Net change.....	528, 200

	Positions	1958 budget estimate	Positions	House allowance
Mandatory item:				
Extra days pay for 1957 positions.....		\$8, 715		\$8, 715
Annualization of new positions authorized in 1957.....		36, 210		36, 210
Retirement contribution related to 1957 positions (430 base positions).....		146, 045		141, 800
Miscellaneous objects (communications and supplies to service new staff authorized by operating agencies in 1957).....		9, 975		9, 975
Total mandatory.....		200, 945		196, 700
Program items:				
Field administration:				
Requested new positions for regional offices; administrative assistants, fiscal, payroll, personnel and records (retirement: request \$9,055; House allowance \$2,530).....	30	197, 570	20	140, 215
Grant-in-aid audit: Requested new positions (retirement: request \$2,200; House allowance \$1,700).....	13	91, 330	13	90, 830
State merit systems: Requested new positions (retirement: request \$1,400; House allowance \$1,585).....	5	38, 355	5	37, 455
Total program items.....		327, 255		268, 500
Total increases.....		528, 200		465, 200

Detailed list of new positions by activity

Title	Grade	No.	Annual salary
Activity 1, Field Administration:			
Administrative officer.....	GS-12.....	5	\$37,850
Records analysts.....	GS-5.....	9	33,030
Personnel clerks.....	GS-4.....	3	10,245
Appointment clerks.....	GS-4.....	3	10,245
Payroll, time and leave clerks.....	GS-4.....	3	10,245
Fiscal accounting clerks.....	GS-4.....	2	6,830
Secretary.....	GS-4.....	5	17,075
Total.....		30	125,520
Activity 2, Division of Grant-in-Aid Audits:			
Fiscal consultant.....	GS-13.....	1	8,990
Auditor.....	GS-12.....	4	30,280
Auditor.....	GS-9.....	7	38,080
Secretary.....	GS-5.....	1	3,670
Total.....		13	81,020
Activity 3, Division of State Merit Systems:			
Chief, Standards and Operations branch.....	GS-14.....	1	10,320
Assistant regional representatives.....	GS-12.....	3	22,710
Secretary.....	GS-5.....	1	3,670
Total.....		5	36,700

PREPARED STATEMENT

Senator HILL. All right, we will take the "Office of Field Administration, salaries and expenses." Mr. Lund.

Mr. LUND. Mr. Chairman and Senator Thye. I would like to make a brief summary statement on the situation in the Office of Field Administration as the full statement has been presented to you.

Senator HILL. We will insert the full statement at this point.
(The statement referred to follows:)

STATEMENT BY DIRECTOR, OFFICE OF FIELD ADMINISTRATION ON "SALARIES AND EXPENSES, OFFICE OF FIELD ADMINISTRATION"

Mr. Chairman and members of the committee, this opportunity to present the 1958 budget requirements for the Office of Field Administration is appreciated. I should like to highlight and summarize the budget requirements and direct your attention to the problems with which we are faced. With me are members of my staff who can then go into the estimate in whatever detail the committee wishes.

SUMMARY OF THE ESTIMATE

The 1958 budget estimate requests a total of \$3,063,000, represented by a direct appropriation of \$2,355,000 and \$708,000 to be transferred from the OASI trust fund. This is a total increase of \$510,000. This budget provides for 478 positions, an increased staff of 48 required to meet increased workload due primarily to the expansion of old programs and the enactment of new legislation. The bill as reported by the House allowed \$3 million, a reduction of \$63,000 which eliminated 10 of the 48 new positions requested.

RESPONSIBILITIES

This appropriation finances all of the activities of the Office of Field Administration except the handling of surplus property. These responsibilities include the operation of nine regional offices, including the cost of the regional directors and their immediate staffs and the provision of common business management services to operating agency staff located in or administered through the regional offices. These business management services consist of payrolling, voucher examination, accounting, personnel services, and office services such as purchasing, mail, messenger, mimeograph, supply and like activities. Also financed from this appropriation are the departmentwide grant-in-aid audit and merit system programs.

CURRENT PROBLEMS

The basic problem faced both by the regional offices and at headquarters is that of sustaining the steadily growing workloads resulting from the expansion of established Department programs and the development of new programs and activities. For example: Staff serviced by regional offices has increased from 7,850 in 1955 to an estimated 12,100 in fiscal year 1957. This represents an increase of more than 50 percent in the number of employees serviced by the regional offices. During the same period, the service staffs were increased by only 15 percent. The grant-in-aid audit function and the State merit systems services have also sustained an increase in workload resulting from new and expanded programs.

Field administration

This activity, in addition to covering the overall functions of the director's office, and the supervisory and coordinating responsibilities of the regional directors, also finances and operates the management services provided to the operating agencies by the regional offices. These offices cannot continue to perform their increasing tasks with their currently limited personnel. The staff requested numbers 299 positions, an increase of 30.

Ten of the positions—five administrative assistants with secretaries—are required to relieve the executive assistant to the regional director of supervision of business management activities. In a number of the larger regions especially, the time required for participation in the expanding regular programs and in the new special areas of aging, rural development, migratory labor, civil defense, defense mobilization, and in the many other new fields of activity of the Department, is growing far beyond the capacity of the regional director. Accordingly, in these regions, the executive assistant is forced to be called upon to represent the regional director in many of the above areas and in negotiations with State and local officials, and other Federal agencies. The executive assistants are also required to meet the increasing calls for regional information needed by the Secretary's Office for use in nationwide policy development and operations planning.

These rapidly growing additional tasks are removing many of the executive assistants, in large part, from their former thorough supervision of fiscal, personnel, and general services activities. At the same time, with expansion of programs, there are, of course, greatly increasing requirements for these services by the operating agencies. Further, because of the expanded programs of field inspection by Federal control agencies, such as GAO and CSC, it is essential that provision be made for maintaining proper supervision of regional service activities in order to assure compliance with regulations and instructions issued by the control agencies, and by the Department. The supervisory positions requested will assure proper attention to the service needs of the Department's program operations, and the maintenance of sound and efficient administration.

Twenty of the positions are requested—5 in the fiscal sections, 6 in the personnel sections and 9 in the general services sections—in order to maintain adequate administrative services without overtime and to bring operations to a state of currency. This additional staff will enable the regional offices to keep abreast of the mounting service demands, and to maintain standards of performance quality and safeguards which have been forced to be, in a degree, neglected because of insufficient personnel. For example: It has been necessary to backlog work on items which can be temporarily deferred, for example, audits of time and leave, maintenance of application files, performance ratings, training of new employees, development of procedural instructions, classification and records management review and other items required for continuing effective operation. It is essential that we have sufficient staff to perform the various service activities adequately for the needs of program operations, and in accordance with established regulations.

If the increase now requested is approved, the performance ratios for payrolling and personnel services in the regional offices to the number of persons served in 1958 will be 1 to 269 and 1 to 141 respectively. These ratios are still higher than the guides suggested in 1955 by the Bureau of the Budget of 1 personnel clerk to 110 persons served, and 1 payroll clerk for 250 persons served.

Division of Grant-in-Aid Audits

An increase of 13 positions is requested. The Division has the responsibility for auditing grants made to State agencies for 33 of the grant-in-aid programs administered by the Department through the Public Health Service, the Social Security Administration, the Office of Vocational Rehabilitation, the Office of

Education, and the Division of Surplus Property Utilization. It is also the function of this Division to work with other divisions of the Office of Field Administration and the several program bureaus and offices in the development and interpretation of fiscal requirements and standards governing the use of grant-in-aid funds. Approximately 89 percent of the budget of the Department is for grants-in-aid, most of which are audited by this Division. Audits will be made this year of State expenditures of approximately \$3,600 million, more than one-half of which is from Federal funds.

Six of the additional staff is needed for audits of State surplus property agencies to determine conformity to minimum standards of operation prescribed by the Secretary for the disposal of surplus property. The remaining seven positions requested are for new programs under recently enacted legislation, such as construction of health research facilities, library services in rural areas, practical nurse training, as well as expanded activities under amendments to public assistance titles of the Social Security Act. The Division's audit backlog on June 30, 1956, was estimated at 48 man-years, and as of June 30, 1957, at 38 man-years. Added staff provided by the Congress for the current year is expected to enable the Division based on its former workload, to eliminate its backlog of audits by 1961. Exclusive of backlog, the Division's workload for 1958 is estimated to be 2,400 audits, including 1,020 construction audits which must be made immediately upon completion so that contractors may be paid. Without a corresponding increase in staff to meet the added workload for 1958, reduction of the backlog will of course be materially affected.

Division of State merit systems

An increase of five positions is requested to meet the growing program workload and service requirements of the States. The Division administers the personnel and merit system provisions of the grant-in-aid programs for the Bureau of Public Assistance, the Children's Bureau, the Public Health Service, and the Office of Vocational Rehabilitation. This function is also performed for the Bureau of Employment Security of the Department of Labor. Funds are allocated from the Department of Labor for this purpose. The Division provides consultative service and technical materials to the States for the more efficient administration of their own personnel systems. It also conducts field reviews of the personnel operations of 290 State agencies administering the programs in the States, and 70 State merit systems.

This Division has not been able to keep up with essential work with its present small staff, and in 1958 the workload will be even greater owing to expanded program activities. The increased workload includes services in the public health fields, particularly relating to mental health and the improvement of local health services, and in the child health and welfare fields. It also includes additional work in public assistance, for example, relating to the new training grants for State personnel. Staffing and other problems in vocational rehabilitation and in the State agencies administering OASI disability determinations are reflected in the need for services relating to personnel. In the current fiscal year, numerous State requests for assistance on recruitment and examination materials and methods, technical training, classification and pay survey methods, performance evaluation techniques, etc., have not been filled. It has also not been possible to make even the needed minimal reviews in all States.

Over 70 percent of the Federal grants for administration are for personal services. It is our belief that a modest increase in the State merit-system services, as requested, will be reflected in increased economy and efficiency of State administration of grants-in-aid.

EFFECT OF HOUSE ACTION

The \$3 million allowed by the House will enable the Office of Field Administration to provide current management services, initiate audits of new and expanded programs, continue work on the accumulated backlog of audits. It will also permit the Division of Merit System Services to meet more effectively State requests for technical assistance.

The reduction of \$63,000 will not allow the 5 administrative assistants with secretaries to assure fully adequate supervision of the business-management activities in the 5 largest regions. These activities are now under the supervision of the executive assistants who are having to spend an increasingly large amount of their time assisting the regional director because of his heavy workload in program coordination and to represent the regional directors on a number of intra-Department committees and in consultation with appropriate State officials.

GENERAL STATEMENT

Mr. LUND. We appreciate the opportunity of presenting this statement concerning the Office of Field Administration. I would like merely to highlight and summarize these requirements and direct your attention to the problems with which we are faced.

SUMMARY OF THE ESTIMATE

The 1958 budget estimate requests a total of \$3,063,000, represented by a direct appropriation of \$2,355,000 and \$708,000 to be transferred from the OASI trust fund. This is a total increase of \$510,000. This budget provides for 478 positions, an increased staff of 48 required to meet increased workload due primarily to the expansion of old programs and the enactment of new legislation. The bill as reported by the House allowed \$3 million, a reduction of \$63,000 which eliminated 10 of the 48 new positions requested.

RESPONSIBILITIES

This appropriation finances all of the activities of the Office of Field Administration except the handling of surplus property. These include the central office and the operation of nine regional offices, which includes the cost of the regional directors and their immediate staffs and the provision of common business management services to operating agency staff located in or administered through the regional offices. Services to operating agencies consist of payrolling, voucher examination, accounting personnel services, and office services such as purchasing, mail, messenger, mimeograph, supply, and like activities. Also financed from this appropriation are the departmentwide grant-in-aid audit and merit system programs.

CURRENT PROBLEMS

From 1955 to the present time, staff serviced by regional offices has increased from 7,850 to an estimated 12,100 or more than 50 percent. In contrast, service staffs have increased only 15 percent. In order to do an adequate job and in order to keep work reasonably current, we are requesting 20 additional service-type employees, for the fiscal, personnel, and general service sections. We are also requesting 5 administrative assistants with secretaries to undertake supervision of management activities in 5 of the regional offices and small additions for the Grant-in-Aid Audit and State Merit System Divisions resulting from new or expanded programs.

EFFECT OF HOUSE ACTION

The \$3 million allowed by the House will enable the Office of Field Administration to provide current management services, initiate audits of new and expanded programs, continue work on the accumulated backlog of audits. It will also permit the Division of Merit Systems Services to meet more effectively State requests for technical assistance.

The reduction of \$63,000 will not allow the 5 administrative assistants with secretaries to assure fully adequate supervision of the business management activities in the 5 largest regions. These activi-

ties are now under the supervision of the executive assistants who are having to spend an increasingly large amount of their time assisting the regional director because of his heavy workload in program coordination and to represent the regional directors on a number of intra-Department committees and in consultation with appropriate State officials.

Senator HILL. Are there any questions?

Senator THYE. I have none.

Senator HILL. Thank you very much.

Mr. LUND. Thank you.

SALARIES AND EXPENSES, OFFICE OF THE GENERAL COUNSEL

STATEMENTS OF PARKE M. BANTA, GENERAL COUNSEL, AND JAMES F. KELLY, DEPARTMENT BUDGET OFFICER

APPROPRIATION ESTIMATE

Salaries and expenses, Office of the General Counsel: For expenses necessary for the Office of the General Counsel, **[\$426,000]** \$559,000, together with not to exceed **[\$24,000]** \$25,000 to be transferred from the appropriation "Salaries and expenses, certification and inspection services", and not to exceed **[\$395,100]** \$452,000 to be transferred from the Federal old-age and survivors insurance trust fund.

Funds available for obligation

	1957 appropriation	1958 budget estimate	1958 House allowance
Appropriation.....	\$426,000	\$559,000	\$500,000
Advance from "Federal old-age and survivors insurance trust fund".....	395,100	452,000	425,000
Transfer from "Certification and inspection services, Food and Drug Administration".....	24,000	25,000	25,000
Total available for obligation.....	\$45,100	1,036,000	950,000

Obligations by activities

Description	1957 appropriation		1958 budget estimate		1958 House allowance	
	Positions	Amount	Positions	Amount	Positions	Amount
1. Supervisory and general legal services.....	24	\$191,520	28	\$236,906	25	\$210,306
2. Departmental program services:						
(a) Public health.....	12	75,614	14	89,671	12	80,017
(b) Food and drug.....	23	147,683	31	203,409	29	189,142
(c) Old-age and survivors insurance.....	21	123,047	24	145,920	21	130,598
(d) Welfare and education.....	12	76,749	14	98,273	13	90,055
3. Regional and field.....	31	230,487	35	261,821	33	249,882
Total obligations.....	123	\$45,100	146	1,036,000	133	950,000

EFFECT OF HOUSE ACTION

Activity I. Supervisory and general legal services

The House allowed an increase of \$18,786, including \$10,277 for mandatory items. One attorney position was also allowed in legislation. The House denied an increase of \$26,600 for 1 attorney and 2 nonprofessional positions, 2 in the Legislation Division and 1 messenger-typist. During the 84th Congress many requests from congressional committees for reports on bills went unanswered or

were delayed because the staff was inadequate. The workload of this Division has increased tremendously the past few years with no comparable increase in staff. We have added only 1 attorney since 1953.

Activity II. Departmental program services

(a) *Public health.*—The House allowed an increase of \$4,403 for mandatory items and denied an increase of \$9,654 for 1 attorney and 1 secretarial position. These additional positions are necessary if we are to properly serve the new programs such as the \$30 million a year grants for medical research facilities and the \$50 million program for construction of sewage treatment works.

The 84th Congress provided \$30 million annually for the construction of research facilities ((Public Law 835). The Department now has applications for this money aggregating more than \$130 million. These applications are approved or disapproved by an advisory council composed chiefly of scientists capable of appraising the value of the facility from the standpoint of its scientific utility. The applications should be carefully screened by the General Counsel's Office for the purpose of determining legal eligibility before they are presented to the Advisory Council. Failure to do so could result in grants to ineligible applicants. The same is true of the new program for construction of sewage treatment works.

Despite the increase in workload, this Division has the same number of attorneys as in 1953.

(b) *Food and drug.*—The House allowed an increase of \$41,459, including \$9,494 for mandatory items. Six positions (4 attorney and 2 secretarial) were allowed. The House denied an increase of \$14,267 for 2 positions (1 attorney and 1 secretarial). The House bill increases the appropriation for the Food and Drug Administration from approximately \$6.8 million to \$9.3 million. This indicates a substantial expansion of the Food and Drug Administration's program of investigation and enforcement. Its functions have heretofore been greatly increased by reason of recent amendments to the law. This increased activity will generate a substantial additional workload for the Office of the General Counsel, and such enforcement activities will be handicapped and delayed if the office is not adequately staffed. We presently have one less attorney in this Division than we had 4 years ago, and all the requested positions are needed now.

(c) *OASI.*—The House allowed an increase of \$7,551 for mandatory items and denied an increase of \$15,322 for 3 positions. In recent years the Congress has included an additional 10 million persons for OASI coverage, and has also provided for the payment of disability benefits and made women eligible for retirement at age 62 on an elective basis. Applications for benefits are now being filed at the rate of approximately 75,000 per week. Having in mind that a certain percentage of claims have always required legal service, it is obvious that this increase of applications, if properly and promptly serviced, will require an increased staff. We have four less attorneys in this Division than we had 4 years ago.

(d) *Welfare and education.*—The House allowed an increase of \$13,306, including \$4,810 for mandatory items. One attorney position was allowed. The House denied an increase of \$8,218 for 1 attorney position. This reduction will not allow sufficient staff to furnish the necessary legal services for the very important programs in this Division, arising in the Bureau of Public Assistance, the Children's Bureau, Bureau of Federal Credit Unions, the Office of Education, and the Office of Vocational Rehabilitation. In recent years, new and expanded programs in all these fields have increased the need for legal services with no comparable increase in staff. This Division has only one more attorney than it had 4 years ago. If the various statutory requirements which underlie the programs of this Division are to be properly interpreted, some further addition to the staff will be required.

Activity III. Regional and field

The House allowed an increase of \$19,395, including \$13,665 for mandatory items. Two secretary positions were allowed. The House denied an increase of \$11,939 for 2 positions, 1 attorney and 1 secretarial. The secretary is needed in 1 of the regional offices where we have 3 attorneys and only 1 secretary.

The additional attorney is needed in the regional office at Chicago. This office has been handling most of the workload previously handled in two regional offices, Cleveland and Chicago. There were 6 attorneys in these 2 regional offices in 1953, at which time the Cleveland office was abolished. We now have only two attorneys in the enlarged region.

LABOR-HEALTH, EDUCATION, WELFARE APPROPRIATIONS 1655

Obligations by objects

Object classification	1957 appro- priation	1958 budget estimate	1958 House allowance
Total number of permanent positions.....	123	146	133
Average number of all employees.....	121	144	130
Number of employees at end of year.....	118	140	130
01 Personal services.....	\$812, 600	\$932, 700	\$866, 900
02 Travel.....	8, 000	8, 000	8, 000
04 Communications services.....	3, 600	5, 000	3, 600
06 Printing and reproduction.....	1, 400	1, 400	1, 400
07 Other contractual services.....	5, 100	6, 700	5, 100
08 Supplies and materials.....	4, 500	6, 000	4, 500
09 Equipment.....	9, 000	14, 400	9, 000
11 Grants, subsidies, and contributions; contributions to the retirement fund.....		60, 900	50, 600
15 Taxes and assessments.....	900	900	900
Total obligations.....	845, 100	1, 036, 000	950, 000

Summary of changes

1957:	<i>Estimate</i>
Actual appropriation.....	\$426, 000
Advance from OASI trust fund.....	395, 100
Transfer from Certification and Inspection Services, Food and Drug Administration.....	24, 000
Total funds available.....	845, 100
1958:	
Appropriation request.....	559, 000
Requested advance from OASI trust fund.....	452, 000
Requested transfer from Certification and Inspection Services, Food and Drug Administration.....	25, 000
Total funds requested.....	1, 036, 000
Net change requested.....	190, 900

	Positions	Estimate	Positions	House allowance
For mandatory items:				
Extra days pay on 1957 positions.....		\$3, 100		\$3, 100
Retirement contributions related to 1957 positions (113 base positions).....		52, 800		47, 100
Total.....		55, 900		50, 200
For program items: Supervisory and general legal services. (Retirement: Request, \$1,557; House allowance, \$548.).....	4	34, 056	1	8, 509
Departmental program services:				
(a) Public Health.....	2	8, 928		
(Retirement: Request, \$608.).....				
(b) Food and Drug.....	8	45, 512	6	31, 965
(Retirement: Request, \$2,862; House allow- ance, \$1,972.).....				
(c) OASI.....	3	14, 392		
(Retirement: Request, \$952.).....				
(d) Welfare and Education.....	2	16, 296	1	8, 496
(Retirement: Request, \$1,049; House allow- ance, \$549.).....				
Regional and field.....	4	15, 816	2	5, 730
(Retirement: Request, \$1,072; House allowance, \$431.).....				
Total change.....	23	190, 900	10	104, 900

New positions requested in 1958

Title	Grade	Number	Gross annual salary
I. Supervisory and general legal services:			
Immediate Office of the General Counsel:			
Messenger-typist.....	GS-2.....	1	\$2,960
Deduct lapse.....			—60
Net increase.....			2,900
Legislative Division:			
Attorney.....	GS-13.....	2	17,980
Secretary.....	GS-4.....	1	3,415
Total.....			21,395
Deduct lapses.....			1,795
Net increase.....			19,600
II. Departmental program services:			
(a) Public Health:			
Attorney.....	GS-9.....	1	5,440
Secretary.....	GS-4.....	1	3,415
Total.....			8,855
Deduct lapses.....			555
Net increase.....			8,300
(b) Food and drug:			
Attorney.....	GS-13.....	2	17,980
Do.....	GS-11.....	1	6,390
Do.....	GS-9.....	2	10,880
Secretary.....	GS-4.....	3	10,245
Total.....			45,495
Deduct lapses.....			2,995
Net increase.....			42,500
(c) OASI:			
Attorney.....	GS-9.....	2	10,880
Secretary.....	GS-4.....	1	3,415
Total.....			14,295
Deduct lapses.....			895
Net increase.....			13,400
(d) Welfare and education:			
Attorney.....	GS-13.....	1	8,990
Do.....	GS-12.....	1	7,570
Total.....			16,560
Deduct lapses.....			1,360
Net increase.....			15,200
III. Regional and field:			
Attorney.....	GS-9.....	1	5,440
Secretary.....	GS-4.....	3	10,245
Total.....			15,685
Deduct lapses.....			985
Net increase.....			14,700
Total new positions requested.....		23	125,245
Deduct lapse.....			8,645
Net increase.....			116,600

STATEMENT BY PARKE M. BANTA, GENERAL COUNSEL ON "SALARIES AND EXPENSES, OFFICE OF THE GENERAL COUNSEL"

The Office of the General Counsel performs all of the legal work incident to the activities of the Department. The Department is responsible for the administration of programs provided for by many basic statutes and which, in the aggregate, based upon appropriations made by H. R. 6287 require the expenditure of about \$2½ billion of Federal funds, and for the distribution of OASI benefit payments approximating \$7 billion annually.

The workload of the General Counsel's office grows out of (1) the needs for legal assistance by the Secretary; the Surgeon General of the Public Health Service; the Commissioners of Social Security, Education, and Food and Drugs; the Director of the Office of Vocational Rehabilitation; and their staffs; (2) work on legislation involving preparation of reports to Congress and legislative drafting; and (3) litigation arising from program activities.

The 1958 budget estimate requests a total of \$1,036,000 to be represented by direct appropriation of \$559,000 plus \$452,000 to be transferred from the OASI trust fund and \$25,000 from fees collected from food and drug certification services. This is an increase of \$190,900 over funds available in 1957, a substantial amount of such increase being for the contribution to the retirement fund. It will, however, enable us to employ 13 attorneys and 10 nonprofessional personnel, for a total staff of 146 employees (88 attorneys and 58 nonprofessional). The House allowance provides \$950,000, including \$500,000 as a direct appropriation and \$450,000 in transfers from OASI and Food and Drug. This is a reduction of \$86,000 from the request, and will result in the disallowance of 13 of the 23 new positions requested in the estimate.

SUPERVISORY AND GENERAL LEGAL SERVICES AND LEGISLATION

We are asking no increase in the legal staff for supervisory or administrative services, but an increase in the staff of the Legislation Division is necessary. The workload of this Division has greatly increased in recent years as a result of increased congressional interest and activity in legislation affecting this Department. During the 84th Congress, we received 1,105 requests for reports on proposed legislation and prepared or reviewed 733 of these reports as compared with 660 requests and 400 reports during the preceding Congress. There is every indication that this workload will further increase. Two additional attorneys are requested for this Division.

PUBLIC HEALTH SERVICE

The demand for legal services from the Public Health Division has mounted steadily with the growing variety and complexity of the functions of the Service itself. In addition to the transfer from the Department of Interior of functions with respect to Indian Health, effective July 1, 1956, the following programs have been authorized by legislation enacted since that date: a new water-pollution-control program, providing improved enforcement procedures and grants for the construction of sewage-treatment works as well as grants for carrying out State programs; construction of medical research facilities (grants); Alaska mental health program (grants for carrying out Territorial plan and for construction of facilities); national survey of sickness and disability; National Library of Medicine; grants for professional nurse and public health training; provision (in part through PHS) of medical care for members (and dependents of members) of the uniformed services. The present staff is not adequate to meet the needs of the Service, hence the requested addition of one attorney.

FOOD, DRUG, AND COSMETIC ACT—ADMINISTRATION—ENFORCEMENT

The volume of work in this Division continues to increase with the increase in the responsibilities of the Food and Drug Administration. The increase has largely been due to (1) new amendments such as the pesticide chemicals amendment which provides for prompt establishment of safe tolerances for these chemicals on raw foods, and the amendments added to the law by Public Law 335, 83d Congress, and Public Law 905, 84th Congress, which simplify but increase our formal rulemaking proceedings; (2) the increased use of discovery to avoid costly investigations and protracted trials where the essential facts can be developed through examination of parties or witnesses or by requests for admissions; (3) the increased tempo of trial and appellate litigation. Last year alone we had 49 contested cases and had an average of a case a month before the appellate courts. During the last year we have seen an increase in the investigation and enforcement activities of the Food and Drug Administration which has already increased the legal workload of this Office. In view of the recommendations made by the Citizens Advisory Committee as to the need for additional activity in the field of investigation and enforcement recognized by the Department in its request for additional funds for the purpose, we anticipate a much heavier workload for the Food and Drug Division of this Office. The need for five additional attorneys requested is indicated in order to keep up with the present

demands for additional service and the additional demands which we anticipate will come from increased enforcement activities.

OLD-AGE AND SURVIVORS INSURANCE

The Social Security Amendments of 1956 (Public Law 880, 84th Cong.) make important substantive and procedural changes in this program, which, coupled with the amendment made in 1954, substantially increased the legal work of this Division. Coverage has been extended by the 1956 amendments to about 3 million members of the armed services, 600,000 farm owners and operators, and 200,000 self-employed individuals, all being in addition to the 10 million additional persons covered for the first time in 1954. The reduction in the retirement age for women workers and wives and the provision for payment of disability benefits all added to the increased demand for legal services. Two additional attorneys are requested in order to furnish the legal service required.

WELFARE AND EDUCATION

The lawyers in this Division serve the Social Security Administration (the Bureau of Public Assistance, the Children's Bureau, and the Bureau of Federal Credit Unions), the Office of Education, and the Office of Vocational Rehabilitation. They also are called upon to provide some legal services in connection with Federal payments to the American Printing House for the Blind, Howard University, and Gallaudet College. The workload of this Division has increased considerably, primarily because of the enactment of new legislation and the increased emphasis in the problems of children, particularly juvenile delinquency and mental retardation. The Social Security Amendments of 1956 added new provisions in public assistance which will require extensive legal services. The more significant of these are grants for medical care, welfare services directed toward the self-support of recipients, and for training of public-welfare personnel. All three become effective July 1, 1957. In addition, there is the increased workload in the Office of Education because of the recently enacted programs for grants-in-aid for library services and practical nurse training and the authority for contracts and cooperative arrangements for research. Assignments have been shifted to accommodate to these changes as far as possible with the available personnel, but the already existing backlog has increased. An increase of two attorneys for this Division is necessary if work of the operating agencies is not to be delayed unduly.

REGIONAL AND FIELD

One additional attorney and three secretaries are requested for the regional offices. The additional attorney will be employed in Chicago, which office has absorbed most of the workload previously handled in the Cleveland regional office, with no increase in staff. An additional secretary will be employed by the New York, Dallas, and San Francisco regional offices, which are staffed with three attorneys. It was determined by a test project that such additional secretary will substantially increase the efficiency of these offices.

EFFECT OF HOUSE ACTION

The amount allowed by the House will provide for 10 new positions as compared with the 23 positions included in our request. The increase would permit the employment of 6 attorneys, 4 of whom could be assigned to the Food and Drug Division and 1 each to the Legislation and Welfare and Education Divisions. However, the allowance will not only fail to provide the attorneys needed for these divisions, but will not permit any increase in such heavily overburdened areas as public health and Bureau of Old-Age and Survivors Insurance.

While the workload of this office has been steadily increasing, with the increase and expansion in the Department's programs, there has been no comparable increase in the staff of the Office. In fact, we have 8 fewer attorneys today than we had 4 years ago. Even with the increase allowed in the House bill, the staff would be smaller than in 1953.

For examples of recent new and expanded programs calling for legal services which the Office is unable to provide as presently staffed, Public Law 835, 84th Congress, provided \$30 million annually for the construction of research facilities. The Department now has applications for this money aggregating \$130 million. These applications are approved or disapproved by an Advisory Council composed chiefly of scientists capable of appraising the value of the facility from the standpoint of its scientific utility. They should be carefully screened by the General

Counsel's Office for the purpose of determining legal eligibility of the applicant before they are presented to the Advisory Council to assure that grants are not made to ineligible applicants. A similar situation prevails in the \$50-million-a-year program for construction of sewage-treatment works.

The House bill increases the appropriation for the Food and Drug Administration from approximately \$6.8 million to \$9.3 million. This indicates a substantial expansion of the Food and Drug Administration's program of investigation and enforcement. Its functions have heretofore been greatly increased by reason of recent amendments to the law. This increased activity will generate an additional workload for the Office of the General Counsel, and such enforcement activities will be handicapped and delayed if the Office is not adequately staffed.

Other programs of the Department which have been substantially expanded include those of the Social Security Administration. An additional 10 million persons have been included for OASI coverage. The payment of disability benefits has been provided for, and women have been made eligible for retirement benefits at age 62 on an elective basis. All of these changes have increased the rate of applications for benefits, 70,000 to 80,000 of which are presently being received each week. Having in mind that a certain percentage of claims have always required legal service, it is obvious that this increase in the number of applications if promptly and properly serviced will require an increased legal staff.

All necessary legal service to the Department cannot be furnished with the funds provided by the House bill, and we respectfully appeal to the Senate for the restoration of \$79,000 of the \$86,000 decrease from our 1958 appropriation request.

GENERAL STATEMENT

Senator HILL. All right, Mr. Banta; you may proceed.

Mr. BANTA. I filed a statement in considerably more detail than the one which I propose to read.

Senator HILL. All right; that will appear more fully in the record.

Mr. BANTA. Yes. Then I will read, if I may, a summary of the total statement.

Senator HILL. All right.

Mr. BANTA. The budget estimate for the Office of the General Counsel for the fiscal year 1958 requests a total of \$1,036,000 represented by a direct appropriation of \$559,000 plus \$452,000 to be transferred from the OASI trust fund and \$25,000 from fees collected from Food and Drug certification services. This is an increase of \$190,900 over funds available in 1957, a substantial amount of which is for the contribution to the retirement fund. It will enable us to employ 13 attorneys and 10 nonprofessional personnel, for a total staff of 146 employees—88 attorneys and 58 nonprofessional. The House allowance provides \$950,000, including \$500,000 as a direct appropriation and \$450,000 in transfers from OASI and Food and Drug. This is a reduction of \$86,000 from the request, and will result in the disallowance of 13 of the 23 new positions requested in the estimate.

The Department is responsible for the administration of programs which require the expenditure of about \$2½ billion of Federal funds, and for the distribution of OASI benefit payments approximating \$7 billion annually. With the addition of new programs in welfare and education and the Public Health Service, the increase in the activities of the Food and Drug Administration, the increased activity in legislation affecting the Department, and the increased scope of old-age and survivors insurance, there must be an increase in the staff of the Office of the General Counsel if we are to furnish the required legal service.

ADDITIONAL POSITIONS

The amount allowed by the House will provide for 10 new positions as compared with the 23 positions included in our request. The increase would permit the employment of 6 attorneys, 4 of whom could be assigned to the Food and Drug Division and 1 each to the Legislation and Welfare and Education Divisions. However, the allowance will not only fail to provide the attorneys needed for these divisions, but will not permit any increase in such heavily overburdened areas as Public Health and Bureau of Old-Age and Survivors Insurance.

While the workload of this Office has been steadily increasing, there has been no comparable increase in the staff of the Office. Even with the increase allowed in the House bill, the staff would be smaller than in 1953.

Senator HILL. If the House figure was carried it would be still smaller? You would have less?

Mr. BANTA. Yes, we would have fewer people on our staff.

WORKLOAD OF DEPARTMENT

Senator THYE. Mr. Chairman, at that point might I learn what is the workload that your Solicitor's department has; I mean, what is your activity? Is it in the prosecution?

Mr. BANTA. Well, Senator, it is pretty largely a matter of supervising the work of the programs. Of course, we have a pretty big load of litigation in the Food and Drug enforcement field and we are getting an increasing load in old-age and survivors insurance as that program matures and we add to it, such as we did in 1956, provisions authorizing the payment of disability benefits and benefits payable to women at the age of 62, and questions relating to eligibility are sure to be presented to the lawyers. I heard Mr. Roney of the Bureau of Public Assistance remark this morning that for that staff there will be a great burden of reviewing State plans for the receipt of grants in the public assistance field. He said it would increase 50 percent.

Now our staff takes a look at those plans, or we should take a look at them before they are ever approved.

Senator THYE. That is what I was trying to get at.

Mr. BANTA. We look at them first—that is, we should—to determine whether or not they meet requirements imposed by both Federal and State laws. The legislatures in the States constantly, as the Congress does, undertake to improve and make changes in their public welfare laws and they are concerned with receiving grants from the Federal Government and we therefore are asked to review their legislation to determine whether or not it will be in conformity with Federal requirements and can be included in their plans and receive the grant.

WATER POLLUTION FUNCTION

For example, take the water pollution, the grant title in the water pollution control bill: \$50 million is authorized annually for expenditure in that field, and every application ought to be scrutinized by lawyers with a view to determining whether or not it meets the legal requirements for funds. I have no idea how many applications have been received. I think we received applications for 3 times as much money as has been provided and of course there is great pressure to

approve these applications and get this money out and if they stack up on the desks of the lawyers to the point where they cannot process and approve them they finally get them out without legal approval. This means that if we have been paying out money which is contrary to the statute it is because we have not had a chance or opportunity or staff enough with which to screen the applications in advance.

Does that answer your question sufficiently, Senator?

DUPLICATION OF FUNCTIONS

Senator THYE. Well, I do recognize some duplication. You examine and then there is another one that spot-checks out there.

Mr. BANTA. No; that is an administrative review.

Senator THYE. Well, you just can't do it saying that you have to look at it.

Mr. BANTA. No; that is an administrative review.

I have not then made myself clear. Once a plan is approved the situation is this—

Senator THYE. Yes, sir.

Mr. BANTA. The Chief of the Bureau of Public Assistance has pointed out that as often as once in 5 years, his people check to see whether, administratively, they are following the plan submitted and approved. Our function ought to be, and is, to examine plans before they ever go into effect at all, so there is no duplication, to see whether or not the plan which represents a contract between the State and the United States Government meets the terms of the statute. We, therefore, should examine every plan as it is submitted.

I point out that if the one program of public assistance which Mr. Roney mentioned this morning would increase their administrative work by 50 percent it will increase ours equally, if not more, because we should examine every one of those plans when application for approval is made with a view to determining their legality, and that is not a duplication. That is a different thing from an administrative review which they make every 5 years in the State or which they want to make and perhaps should make every 5 years.

RECENT STATUTES INCREASING DUTIES

Senator HILL. If you have not done so, Mr. Banta, in your statement which you filed, I hope you will give a list of the statutes we have passed in the last sessions that has increased these duties. Now it is not necessary for you to read them now, but if you have not got them, I suggest you do that. I am familiar with most of them, I think, but we ought to have it for the record. You referred to the one statute. There are quite a few others that increased your duties, you see, so if you do not have a copy of that list in your statement for the record, I hope you will be sure to get us that tabulation.

Mr. BANTA. I will see that it is provided.

May I continue to read?

Senator HILL. Proceed?

Mr. BANTA. As an example of increased workload, there has been new legislation for construction of research facilities and sewage-treatment works involving numerous applications for grants which should be carefully screened to determine legal eligibility.

Senator HILL. That is a new program?

Mr. BANTA. That was just passed by the last Congress.

In addition to the increased activity of the Food and Drug Administration which already prevails, a further substantial expansion of its program of investigation and enforcement is indicated. Such increased activity will generate an additional workload for the Office of the General Counsel, and enforcement activities will be handicapped and delayed if the office is not adequately staffed.

Senator HILL. When you speak about the activities, you have in mind now the bill pending before Congress?

Mr. BANTA. Well, the House, and I may be wrong about this, but I am sure you would recall, the House has increased the appropriation for the Food and Drug Administration by approximately 25 percent so that their activities will be increased accordingly.

Senator HILL. They make a definite increase in the Food and Drug Administration.

Mr. BANTA. Yes. Of course, we don't think our work will be increased in proportion to that increase, but it will generate additional litigation at least.

EXPANSION OF SOCIAL SECURITY

Other programs of the Department which have been substantially expanded are those of the Social Security Administration. Applications for benefits now approximate 75,000 per week, an increase of at least 50 percent since the 1956 amendments. Since a certain percentage of claims always require legal service, it is obvious that this increase of applications if properly and promptly serviced will require an increased staff.

All necessary legal service to the Department cannot be furnished with the funds provided by the House bill, and we respectfully appeal to the Senate for the restoration of \$79,000 of the \$86,000 decrease from our 1958 appropriation request.

If it is important to explain that difference, it results, as I understand it, from some error made in the calculation of the contribution toward the retirement fund. In other words, there was an error amounting to \$7,000 relating to the contributions to the retirement fund, and having caught that error, we are asking for \$7,000 less than the amount by which the House decreased our request.

Now, I think in the statement I did mention all of the statutes, but with your suggestion, Senator Hill, I shall provide you with a list of the statutes.

LIST OF RECENT LAWS INCREASING WORKLOAD

Senator HILL. When you provide that list for the record, if there are any particular comments you feel that will be helpful to Senator Thye or any other members of the committee, will you please put that in, too?

Mr. BANTA. Yes. I appreciate that very much.
(The information requested follows:)

PUBLIC LAWS ENACTED BY THE 83D AND 84TH CONGRESSES WHICH HAVE INCREASED THE FUNCTIONS AND RESPONSIBILITIES OF THE DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE, AND HAVE IN TURN SIGNIFICANTLY INCREASED THE WORKLOAD OF THE OFFICE OF THE GENERAL COUNSEL

HEALTH

Public Law 482, 83d Congress: "To amend the hospital survey and construction provisions of the Public Health Service Act to provide assistance to the States for surveying need for diagnostic or treatment centers, for hospitals for the chronically ill and impaired, for rehabilitation facilities and for nursing homes, and to provide assistance in the construction of such facilities through grants to public and nonprofit agencies, and for other purposes."

Public Law 568, 83d Congress: "To transfer the maintenance and operation of hospital and health facilities for Indians to the Public Health Service, and for other purposes."

Public Law 159, 84th Congress: "To provide research and technical assistance relating to air pollution control."

Public Law 377, 84th Congress: "To provide grants to assist States to meet the cost of poliomyelitis vaccination programs, and for other purposes."

Public Law 411, 84th Congress: "To extend through June 30, 1957, the duration of the Poliomyelitis Vaccination Assistance Act of 1955."

Public Law 569, 84th Congress: "To provide medical care for dependents of members of the uniformed services, and for other purposes."

Public Law 660, 84th Congress: "To extend and strengthen the Water Pollution Control Act."

Public Law 830, 84th Congress: "To confer upon Alaska autonomy in the field of mental health, transfer from the Federal Government to the Territory the fiscal and functional responsibility for the hospitalization of committed mental patients, and for other purposes."

Public Law 835, 84th Congress: "To amend the Public Health Service Act so as to provide for grants-in-aid to non-Federal public and nonprofit institutions for the constructing and equipping of facilities for research in the sciences related to health."

Public Law 911, 84th Congress: "To improve the health of the people by assisting in increasing the number of adequately trained professional and practical nurses and professional public health personnel, assisting in the development of improved methods of care and treatment in the field of mental health, and for other purposes."

EDUCATION

Public Law 597, 84th Congress: "To promote the further development of public library service in rural areas."

SOCIAL SECURITY

Public Law 761, 83d Congress: "To amend the Social Security Act and the Internal Revenue Code so as to extend coverage under the old-age and survivors insurance program, increase the benefits payable thereunder, preserve the insurance rights of disabled individuals, and increase the amount of earnings permitted without loss of benefits, and for other purposes."

Public Law 880, 84th Congress: "To amend title II of the Social Security Act to provide disability insurance benefits for certain disabled individuals who have attained age 50, to reduce to age 62 the age on the basis of which benefits are payable to certain women, to provide for continuation of child's insurance benefits for children who are disabled before attaining age 18, to extend coverage, and for other purposes."

Public Law 881, 84th Congress: "To provide benefits for the survivors of servicemen and veterans, and for other purposes."

VOCATIONAL REHABILITATION

Public Law 565, 83d Congress: "To amend the Vocational Rehabilitation Act so as to promote and assist in the extension and improvement of vocational rehabilitation services, provide for a more effective use of available Federal funds, and otherwise improve the provisions of that act, and for other purposes."

FOOD AND DRUG

Public Law 518, 83d Congress: "To amend the Federal Food, Drug, and Cosmetic Act with respect to residues of pesticide chemicals in or on raw agricultural commodities."

Senator HILL. Thank you very much, Mr. Banta.

Mr. BANTA. Thank you.

Senator HILL. Your prepared statement will be inserted in the record.

SURPLUS PROPERTY UTILIZATION

STATEMENTS OF MR. CHESTER B. LUND, DIRECTOR, OFFICE OF FIELD ADMINISTRATION; MR. WILLIS T. FRAZIER, CHIEF, DIVISION OF SURPLUS PROPERTY; AND MR. JAMES F. KELLY, DEPARTMENT BUDGET OFFICER

APPROPRIATION ESTIMATE

Surplus property utilization: For expenses necessary for carrying out the provisions of subsections 203 (j), (k), (n), and (o), of the Federal Property and Administrative Services Act of 1949, as amended, relating to disposal of real and personal excess property for educational purposes and protection of public health, **[\$450,000] \$502,000.**

Funds available for obligation

	1957 appropriation	1958 budget estimate	1958 House allowance
Appropriation estimate (totals available for obligation)-----	\$450,000	\$502,000	\$502,000

Obligations by activity

Description	1957 appropriation		1958 budget estimate		1958 House allowance	
	Positions	Amount	Positions	Amount	Positions	Amount
Surplus property utilization-----	69	\$450,000	73	\$502,000	73	\$502,000

Obligations by objects

Object classification	1957 appropriation	1958 budget estimate	1958 House allowance
SUMMARY OF PERSONAL SERVICES			
Total number of permanent positions-----	69	73	73
Average number of all employees-----	68	70	70
Number of employees at end of year-----	68	70	70
01 Personal services-----	\$392,520	\$414,824	\$414,824
02 Travel-----	33,020	34,350	34,350
03 Transportation of things-----	1,120	1,120	1,120
04 Communication services-----	12,530	12,980	12,980
05 Rents and utility services-----			
06 Printing and reproduction-----	2,520	2,286	2,286
07 Other contractual services-----	3,440	4,840	4,840
08 Supplies and materials-----	3,000	3,200	3,200
09 Equipment-----	1,400	1,400	1,400
11 Grants, subsidies, and contributions: Contribution to retirement fund-----		27,000	27,000
15 Taxes and assessments-----	450		
Total obligations-----	450,000	502,000	502,000

LABOR-HEALTH, EDUCATION, WELFARE APPROPRIATIONS 1665

Summary of changes from 1957

	<i>Estimate</i>
1957 actual appropriation.....	\$450,000
1958 appropriation request.....	502,000
Net change.....	52,000

	Posi- tions	1958 budget estimate	Posi- tions	House allowance
For mandatory items:				
Extra days pay.....		\$1,500		\$1,500
Retirement contribution (69 positions).....		25,350		25,350
Total mandatory items.....		26,850		26,850
Program items:				
New positions for Boston and Denver.....	4			
Regional offices (retirement contribution, \$1,650).....		25,150	4	25,150
Total change.....	4	+52,000	4	+52,000

New positions requested

Num- ber	Title	Grade	Annual salary
2	Regional representative.....	GS-13.....	\$17,980
2	Secretary.....	GS-5.....	7,340
	Total.....		25,320
	Lapse.....		4,658
	Total.....		20,662

PREPARED STATEMENT

Senator HILL. Now, Mr. Lund, you may make a statement for the second time for us today on surplus property utilization in the Office of the Secretary.

Mr. LUND. I have a brief summary statement in addition to the full statement.

Senator HILL. That full statement will be inserted in the record at this point.

(The statement referred to follows:)

STATEMENT BY DIRECTOR, OFFICE OF FIELD ADMINISTRATION ON SURPLUS PROPERTY UTILIZATION

The Federal Property and Administrative Services Act of 1949 (Public Law 152, 81st Cong.), as amended, assigned to the Secretary three major responsibilities in the field of surplus property: (1) determination of surplus personal property needed for educational and public health purposes, including research, and the allocation of that property to State agencies for distribution to educational and public health institutions; (2) disposal of surplus real property for educational and public health purposes, subject to the 30-day right of disapproval of the Administrator of the General Services Administration; and (3) administering the interests and rights reserved to the United States under the terms and conditions of transfers made for educational and public health services, including the coordination of recapture of property for use during national emergencies. By delegation of authority from the Federal Civil Defense Administrator, the Secretary is also responsible for allocation of surplus personal property for civil defense purposes. Funds for this portion of the program are obtained by transfer from Federal Civil Defense Administration.

PERSONAL PROPERTY

The volume of surplus personal property available for donation to health and educational institutions continues to be very high. During the fiscal year 1956, General Services Administration advises that approximately \$2.2 billion of surplus property was disposed of by various Federal agencies. Of this amount, \$204,497,000 was allocated by this Division to State agencies for surplus property for donation to health and educational institutions. This is an increase of 55 percent over fiscal year 1955. During 1957 and 1958—it is estimated that allocations will continue to be high—\$210 million and \$215 million respectively.

REAL PROPERTY

The number of surplus real properties available for transfer to health and educational institutions also continues to increase. During fiscal year 1956, 267 real property transfers were made, involving \$13,568,628. Of these, 78 transfers involved land or land and buildings for use in place, while 189 transfers were made for removal of structures for use off site. This represents an increase of 18 percent over the number of transfers made in fiscal year 1955. In addition, 23 transfers were made, involving 41 buildings with an acquisition cost of \$983,998. It is anticipated that during fiscal years 1957, and 1958 approximately 270 transfers will be made.

COMPLIANCE ACTIVITIES

On July 1, 1955, there were 1,220 compliance and utilization cases (both real and personal property) pending. During fiscal year 1956, 855 new cases were opened and 1,116 cases were closed. At the close of fiscal year 1956, 959 cases were still active and 32 of these have been referred to the Office of General Counsel for necessary legal action including possible referral to the Department of Justice.

Cash collections, as a result of all activities of the Division during fiscal year 1956, amounted to \$554,709. In addition, title to 8 parcels of real property, having an acquisition cost of \$17,740,436 and a fair value of \$2,142,209, was reverted in the Government. In the first 10 months of this fiscal year, cash collections were approximately \$600,000. It is anticipated that cash collections will continue to be in the neighborhood of \$600,000 during fiscal years 1957 and 1958.

GENERAL

The appropriation request of \$502,000, which includes an increase of \$25,000 over 1957 for new positions, will enable the Division to retain its experienced personnel and permit the staffing of the Boston and Denver regional offices. As these offices are not presently staffed it will result in a more effective program in the transfer of surplus property for health and educational purposes.

RESPONSIBILITIES UNDER PUBLIC LAW 152

Mr. LUND. Public Law 152, 81st Congress, as amended, assigned three major responsibilities to the Secretary: (1) Allocation of surplus property for educational and public-health purposes; (2) disposal of surplus real property for educational and public-health purposes; and (3) administering the interests and rights reserved to the United States under the terms and conditions of transfers made for educational and public-health services. By delegation of authority from the Federal Civil Defense Administrator, the Secretary is also responsible for allocation of surplus personal property for civil-defense purposes. Funds for this portion of the program are obtained by transfer from Federal Civil Defense Administration.

During the fiscal year 1956, \$204,497,000 of personal property was allocated by this Division to State agencies for surplus property for donation to health and educational institutions. This is an increase of 55 percent over fiscal year 1955. During 1957 and 1958—it is estimated that allocations will continue to be high—\$210 million and \$215 million, respectively.

INCREASE IN DONATIONS OF SURPLUS PROPERTY

Senator HILL. I think Senator Thye would be very interested in what this large increase of 55 percent would be ascribed to.

Senator THYE. I think we would have to have it or otherwise look very foolish when we come before the full committee.

Senator HILL. That is the amount of personal property that has been transferred, surplus property?

Mr. LUND. That is correct.

Senator HILL. What was that 55-percent increase due to?

Mr. LUND. It was due to a number of causes.

It appears that efforts are being made on the part of Government agencies to clean up a good deal of old accumulated material. The armed services are cleaning out warehouses and making buildings and facilities available.

Senator THYE. What, for instance, would they be cleaning out?

Mr. LUND. A great deal of this relates to obsolete equipment, electronics, generators, transportation equipment, old clothing, parachutes, almost anything conceivable within the scope and use of the armed services. A good deal of that material, about 10 percent of the amount declared, is taken for health, education, and civil defense. You will recall there was some change in the law last year that may have liberated other property not heretofore available, and so our volume of lists that we are receiving is greater and I think it is also due to one other factor.

Senator THYE. Would it be possible to just show the material that has brought about the increase, that is, increase in surplus here? I am only thinking about the task that we will have in trying, in manner, to justify this large an increase and to support the request that you are making because a 55 percent increase over fiscal year 1955 is quite large and you say "during 1957 and 1958 it is estimated that allocations will continue to be high." That is in surplus property for donation to health institutions and so forth?

Mr. LUND. That is an increase of the surpluses that became available to us for allocation to the States. We are not asking for a proportionate increase for the cost of our operation.

I think one other factor, Senator, is that a good many of these States at first thought that it didn't pay and therefore they wouldn't fuss with some of this surplus property. They now have found, by taking it and putting it into the vocational schools, that a good deal of this can be rebuilt and, as a result, a good many of the institutions are taking property and equipping shops, farm shops, mechanic shops, and so forth. They have found that where they did not have money for this purpose before they can now build a good many of those school shops.

Surplus property is augmenting the total educational program in that field in this country.

USE OF SURPLUS PROPERTY IN SCHOOLS

I just had a visit this past week with the superintendent of schools from Wyoming and she said that heretofore they could not have done these things. Now they picked up machine tools, used lathes, and so forth, to the point where they take the old equipment and put it into use and it is satisfactory for the learning processes in schools.

Also, there has been a very marked increase in the interest of aviation, as you know, in this country, and more and more schools are taking a number of these planes, breaking them down, cutting the motors up to show how they operate, and using them as a part of the instructional plan. Our universities also have become more and more aware of the fact that it pays to take a good deal of this equipment, recondition it and put it into use again.

The volume of the increase, as you know, we do not control. We get the lists of surplus items from GSA from all the Government departments after they have been circulated to those departments. If this material is then not wanted for any purpose for any Government unit, then the General Services Administration furnishes those lists to us and we allocate, through the States, to the schools and hospitals throughout the country.

Does that answer your question?

Senator THYE. Well you have been disposing of surpluses to some degree in this manner ever since the end of World War II?

Mr. LUND. That is right.

Senator THYE. Because you can go through many a State school, yard and you can still see the remains of old airplanes and we know that their manual training rooms are equipped with much equipment, and that is why here we come along with this very greatly expanded program in 1957 or for the fiscal appropriation of 1958 and it would seem the peak since World War II has long since past. It is terribly hard for me to get myself in a frame of mind that I will be able to stand up here and tell the full committee or to even try to defend ourselves as a committee in our action if we got out on the floor with that, you see, because, and I am being perfectly frank, I am having a terrible time to visualize the need of this increase in this activity here at this particular late stage. Now, if the Armed Forces had such a poor housecleaning and housekeeping management that they finally decided to go in and sweep it out, and they are going to have such a rubbish pile when they get it all swept out that it is going to constitute this, this is an increase of 55 percent over the fiscal year 1955, I am just wondering what is it that they are sweeping out of those warehouses? That is where I am, you see.

Mr. LUND. I appreciate that.

HIGH DEGREE OF OBSOLESCENCE

Of course, with the large armed services it is apparent, I think, with the modern developments such as we have in the technological field, that there is a very high degree of obsolescence. Following replacement we get it and I think a very worthwhile secondary use is made of it in the schools of the country.

Senator THYE. Well I do not deny that the use is good and I do not deny that there is very possible value in the education aspect, but I cannot, for the life of me, get myself enthusiastic about this vastly expanded responsibility that you are going to have in disposing of the surpluses in the educational field. That is where I am up against it right now, frankly, and if I show any inquisitiveness it is not critical, but it is more on the basis of trying to qualify myself to sound half-way intelligent when they start shooting questions from all over the committee room when we are trying to justify this appropriation to

the full committee and that is my only reason for asking these questions and I am having a hard time getting myself enthusiastic and I don't think that I am going to be much of a transmitter of enthusiasm when I get that full committee bombarding us for an explanation of what is involved here.

Now that is the frankness of it.

UTILIZATION OF PROPERTY FOR CIVIL DEFENSE

Mr. LUND. Possibly I could help. One reason for the increase, of course, is the enactment of the law that utilizes this property for civil defense and many communities throughout the country are taking advantage of it. Much of this surplus will be going to communities for civil defense, such as reserve fire equipment, standby engines in the event of disaster. All of that, of course, has another effect, first of which is a good utilization of property already paid for once by the taxpayer and, second, I think it will avoid expenditures from that appropriation for new equipment under existing legislation.

I think that it actually is helpful and will save money. One other factor, I think, sir, that might be pointed out is that according to the bookkeeping system in vogue, we have to report the property on an acquisition-cost basis. The actual value is about only one-fourth of the acquisition cost.

BASIS OF COST

Senator HILL. Now your figure of \$204,497,000—is that based on the cost?

Mr. LUND. That is on the Government's original cost price.

Senator HILL. That is when the property was new, so to speak.

Mr. LUND. That may have been used for 5 or 6 years. Some of it may be new, but we estimate that what we get is worth about 25 percent of the original cost overall. We are getting in many cases an excellent use out of that 25 percent. I think that is really all I can add on that.

Senator HILL. Well, of course, you, meaning you or your office, if you have any authority to make decisions as to the declaration of the property being surplus, it is only after some other agency declared it surplus that you can use it for disposition, so to speak.

Mr. LUND. That is correct. Each governmental department under the law declares its own property. We have nothing to do with that declaration. The lists are prepared and most of them go through the General Services Administration and they in turn circulate them to every Government department. If another department can use them they have the privilege of picking them up.

Senator HILL. They have priority in claiming them?

Mr. LUND. Yes, they have priority. In the absence of any Government agency taking that property for its own use, the General Services Administrator declares it surplus and it comes to us for distribution and utilization. Currently we are only taking roughly 10 percent of that which is declared to us. But we are making the distribution as outlined herein.

CASH COLLECTIONS

Senator HILL. You make some cash collections, though, don't you?

Mr. LUND. Yes, sir.

Senator HILL. I think it is very important to get that in the record, too.

Mr. LUND. Would it be your pleasure for me to now make a statement on real estate?

Senator HILL. You don't have to go to that now. At your pleasure. I do not mean to anticipate anything. You can cover that when you are ready.

Mr. LUND. Yes, sir.

REAL PROPERTY TRANSFERS

There were 267 real property transfers made in fiscal 1956 that involved \$13,568,628. This represents an increase of 18 percent over the number of transfers made in fiscal year 1955. Approximately 270 transfers will be made in 1957 and 1958.

On July 1, 1955, there were 1,220 compliance and utilization cases pending. At the close of fiscal year 1956, 959 cases were active and 32 of these have been referred to the Office of General Counsel for necessary legal action, including possible referral to the Department of Justice.

Cash collections during fiscal year 1956 amounted to \$554,709. In addition, title to 8 parcels of real property, having an acquisition cost of \$17,740,436 and a fair value of \$2,142,209, was revested in the Government. In the first 6 months of this fiscal year, cash collections were approximately \$600,000. It is anticipated that cash collections will continue to be in the neighborhood of \$600,000 during fiscal years 1957 and 1958.

I would like to pause and state, this, to me, is one of the helpful things we find in our method of disposal on behalf of the Government because, when the Government needs the property, it can recapture property amounting anywhere from \$2 million to \$5 million per year. That take-back system has some advantages. Take a large property where the overhead cost is great and where the care and custody of guards and all of that is high. The Government in reality saves money by not having it under their own supervision and putting it to practical use in the interim.

Senator HILL. Give us an illustration of a piece of property.

DISPOSAL OF PROPERTY IN TEXAS

Mr. LUND. Well, we have an armed services installation down in Texas. The total cost of it, of course, was rather high. It ran into millions of dollars. They gave it up directly after the war. Three years ago it was determined that it would again be advantageous for the Government to use it for another purpose. We went back and revested the title in a portion of that property, and during the interim that property was kept up with the exception of some small buildings. This property was used for a number of purposes, for education, and as a thousand-bed hospital. The State now is completing a new thousand-bed hospital on one field, whereas the other area has been

revested to the advantage of the United States Government. That is one specific illustration.

CONDITIONS OF TRANSFER

Senator HILL. The conditions of transfer are such that, if the Government needs it, they could get it back?

Mr. LUND. All transfers of real property that we make have a provision of 20-year utilization either in health or education. There is one provision, however, in that contract or deed, which is really what it amounts to, wherein the recipient may buy the Government out at a fair market value at the time of acquisition of that piece of property. Does that answer your question, sir?

Senator HILL. Yes. If they do not pay that fair market value, then the Government has the right to revest it?

Mr. LUND. Revest it; yes, sir.

SOURCES OF CASH COLLECTIONS

Senator HILL. Now you speak of these large cash collections. Where do these cash collections come from?

Mr. LUND. The cash collections come from a number of sources. For example, a State will take a lot of old radiators or pipe. They then find that some of it cannot be used. They will pick up a lot of navy valves that thread the wrong way and they have a plant partly built, so we allow them to sell those to the account of the Government. In other areas, for example, they will take a piece of property, agree to put it into a certain utilization, and we find that they will rent it out to someone; then we step in and effect a collection of that rent for the benefit of the Government. A part of this also is made up of the settlement on the part of the recipient by the payment of cash where he has breached his contract to the interest of the Government. At that time we attempt to go in and negotiate with him and keep the purpose of the facility and effect a fair collection. Does that answer your question, Senator?

Senator HILL. I think so.

STAFFING OF BOSTON AND DENVER OFFICE

Mr. LUND. The appropriation request of \$502,000, which includes an increase of \$25,000 over 1957, for new positions will enable the Division to retain its experienced personnel and permit the staffing of the Boston and Denver regional offices. As these offices are not presently staffed, it will result in a more effective program in the transfer of surplus property for health and educational purposes.

Senator HILL. Let me ask you a question: I don't know why you should be able to answer this particularly, but you might, you or Mr. Kelly.

TOTAL FEDERAL HOLDINGS OF PERSONAL PROPERTY

Do you have any idea how much personal property the Government of the United States holds today?

Mr. LUND. May I try to answer that and give you the source of our information?

Senator HILL. All right.

Mr. LUND. We, every year, in trying to get a sound basis for the presentation of our budget, do as good a canvassing job of the estimates of all agencies as possible. Then we go to the fountainhead source of the General Services Administration and ask them for their estimate. Their estimate for the coming year, as we have it, is roughly \$2,200 million for the ensuing year.

(GSA's current estimate of total disposals of surplus personal property in fiscal year 1958 is \$3,100 million.)

Mr. KELLY. That is the to-be-declared surplus.

Mr. LUND. That is the to-be-declared surplus.

Mr. KELLY. The chairman's question is: What are the personal property holdings?

Senator HILL. Does anybody know how much personal property, the value of the personal property now owned by the Government of the United States?

Mr. LUND. I have no idea.

Mr. KELLY. I have no idea.

Senator HILL. Have you any way of getting those figures? I imagine you would have to take it over to each department and get an estimate from each one?

Mr. KELLY. I think so.

INVENTORY OF REAL PROPERTY

At the request of Congress, the General Services Administration did put together an inventory of all the real-property holdings of the Federal Government.

Senator HILL. I recall that real-property figure. The fact we did have that inventory of real property is one thing that inspired high inquiry about this personal property.

Mr. LUND. I am sorry; I don't know how I could get it. We can make an effort.

Senator HILL. If you can find it out, I think we would be interested in knowing it.

Senator THYE. We would be most interested.

(The information requested follows:)

The information requested was taken from a report of the Committee on Government Operations entitled "Supplementary Real and Personal Property Inventory Report (Civilian and Military) of the United States Government Located in the Continental United States, in the Territories, and Overseas as of June 30, 1956."

Recapitulation

	1956
Personalty.....	\$179,410,496,000
Realty (excluding public domain).....	41,931,287,000
Public domain realty (including mineral resources) ¹	14,160,362,000
Grand total.....	235,502,145,000

¹ Computed at present-day evaluation.

TOTAL PROPERTY IN CUSTODY

Senator HILL. Incidentally, Mr. Kelly, to refresh our recollection, what does that inventory show on real property?

Mr. KELLY. That figure did not stick in my mind. It was too big for me.

Senator HILL. You mean it was too astronomical.

Mr. LUND. We are serving as the custodians of property which has been distributed and on which we have a yearly inspection valued at \$700 million. We think that generally this property is returning something of a real value to the Government as a result of this program. One could look at this program as paying its way, the amount that we ask for for administrative purposes. We have turned back into the Treasury every year since it came into our Department, actually collections in excess of the amount of the total administrative costs.

This year we will exceed \$600,000 and our total cost for the operation this year is about \$450,000. So that from that angle it is a good investment from the Government's point of view.

Senator HILL. Well, I think the question in Senator Thye's mind, and my mind goes beyond your administration. You are just the distributing agency, so to speak.

Mr. LUND. That is right.

Senator HILL. It goes back to what we might call the holding agencies, which includes the purchasing agencies, the agencies like the Armed Forces purchase billions of dollars in property. They have done that just about ever since it was started in 1940 seriously, seriously started to build up our defense forces.

You see, each year we put more and more billions into it.

Thank you very much for your statements, Mr. Lund. We appreciate it very much.

STATEMENT OF SENATOR COOPER

Senator HILL. Senator Cooper has forwarded to me a statement regarding a number of items in the bill dealing with programs administered by the Department of Health, Education, and Welfare, and has requested that his statement be included in the record. The Senator's statement will appear in the record at this point.

(The statement referred to follows:)

STATEMENT OF SENATOR JOHN SHERMAN COOPER

Mr. Chairman, there are several items in the appropriations bill for the Department of Health, Education, and Welfare, in which the State of Kentucky has particular interest, and which I feel are worthy of special consideration.

AMERICAN PRINTING HOUSE FOR THE BLIND

The President has requested \$328,000 for the American Printing House for the Blind in Louisville, Ky. The House of Representatives approved this figure. I know of no effort to reduce it, nor could I imagine how anyone responsibly could suggest a reduction in the important work being performed by this institution. I hardly need emphasize to you the great dependence placed by the blind among our people on the braille and other special printed material and on the recordings produced by the American Printing House for the Blind.

I am personally familiar with this institution and with those who operate it. I have complete faith in the work they have done and are doing, and in the high level of value received for every dollar spent by them.

GRANTS FOR LIBRARY SERVICES

As the committee knows, Congress last year passed the Library Services Act, which authorized a 5-year program of Federal assistance to the States for expanding and improving rural library services. It authorized the appropriation of \$7.5 million annually. Unfortunately, only \$2,050,000 was appropriated last

year for the first year of this program. This provided the basic minimum of \$40,000 for each State instead of the full amount authorized by the act. For fiscal 1958, the administration has requested only \$3 million. The House of Representatives increased this request to \$5 million—the only such increase, so far as I know—to be voted by the House this year.

I would hope that the Senate will approve the full \$7.5 million authorized under the act. I recognize the difficulties in seeking the full amount in the midst of such apparent enthusiasm for economy. This is a modest program, however, and one limited to a specific period of time. It has been enthusiastically received throughout the country, and particularly in my own State of Kentucky. I can think of no other Federal-State aid program where the return, in terms of human welfare, per dollar spent, is as high as it is in this program, which brings good books to thousands of people who could otherwise be deprived.

The State of Kentucky, through its library extension division, together with hundreds of dedicated citizens at the local, county, and State levels through the Kentucky Library Association and the Friends of Kentucky Libraries, have developed a remarkably comprehensive program for expanding library service in the wide sections of our State which qualify as rural areas.

As evidence of this, the total circulation of books in Kentucky has increased threefold during the 3 years since the privately financed bookmobile project and State aid have been available. In the years 1953–54, over 2 million books were circulated. In 1954–55, circulation grew to more than 5 million books. And in 1955–56, circulation reached a total of more than 6 million books. Kentucky has qualified completely under the Library Services Act. It has its State agency, a sound program, sufficient matching funds have been made available, and everyone involved, both in public and private life, displayed great enthusiasm and devotion to the success of this library services program. The Kentucky State plan calls for careful development of four library regions a year until the whole State has been developed. This program will take the full 5-year period to bring something approaching adequate library service to the estimated 2,172,864 people (74 percent of the total population) who are estimated to have very inadequate service today.

As the committee can understand, the Federal allocation of \$220,815 which Kentucky would receive under the full appropriation, is a critical factor in successful operation of this citizen-inspired program. This is no bureaucratic make-work proposition. This is not a program where administrative costs would eat up most of the funds involved. In brief, the dollars contributed by the Federal Government will result directly in more books being read by more people.

I will not burden the committee with the economic and social statistics of rural Kentucky. Let me say only that they uniformly demonstrate the degree to which so many of our people have been prevented from participating fully in the expanded opportunity and prosperity which the country as a whole enjoys today. Great efforts are being made by the people themselves to lift their standard of living.

The problem is an involved one, however, improved educational and training opportunities are necessary to equip men and women to function effectively in this technological age. Our economy needs our great human resources. Our people, in turn, need the advantages represented by our progressive economy. But first, they need the ideas, the inspiration and the education which can come only from the schools and from the books which we can help to furnish.

GRANTS FOR CONSTRUCTION OF WASTE-TREATMENT WORKS

Another important Federal aid program has been the administration of grants to local communities for construction of waste-treatment works. The administration requested \$50 million. This is the amount authorized by the Water Pollution Control Act. The House of Representatives approved the full amount of the request.

This program has been greatly successful, as is evidenced by the fact that applications are expected to be received for considerably more funds than are included in the bill. This program has acted as a stimulus and encouragement to communities throughout the country to begin planning and construction of sewage treatment facilities, without which the communities' health would be gravely threatened.

In Kentucky about 27 cities have indicated that they are far enough along in plans to be eligible for grants in the near future. There are many more communities in the State that require sewage-treatment facilities and can't build them without assistance.

The people's health is more than a local concern. The history of medicine demonstrates dramatically the interrelationship among people in the tragic stories of plague and epidemic. The Federal Government has recognized and accepted its responsibility in the field of public health. The proposed appropriation of \$50 million should be approved as a further step in carrying out this responsibility.

GRANTS TO STATES FOR PUBLIC ASSISTANCE

This committee earlier this year considered the matter of open-end appropriations for the administration of grants to the States for public assistance. In the urgent deficiency appropriations bill, 1957, the committee and the Senate resisted efforts in the House to place a limitation on State and local administrative costs of the program on the sound grounds that the Federal Government was committed to sharing both the costs of public-assistance programs and the costs of administering them, equally with the States. The committee and the Senate agreed with the contention that an arbitrary limitation on administrative costs could be poor economy. Unless sufficient personnel are available to administer these programs effectively, we can only invite the waste of funds in payments to those who are not eligible to remain on public-assistance rolls.

The validity of open-end appropriations for such programs as Federal grants for public assistance has long been established. Because the number of potential recipients of assistance would not be accurately determined in advance, Congress did not stipulate in the Social Security Act any maximum amount of Federal funds which would be available to match State funds. Rather, Congress promised to match certain percentages of State expenditures both for welfare payments and costs of administration. Congress insisted on just two limitations: the maximums on payments to individuals, and the provision of matching funds for only those administrative expenditures found by the Secretary of Health, Education, and Welfare to be necessary.

Consequently, I hope the committee will recommend removal of the limitation imposed by the House.

GRANTS TO STATES FOR TRAINING OF PUBLIC WELFARE PERSONNEL

I also urge the committee to consider restoring \$2,500,000 requested by the administration to start the program of grants to States for training public welfare personnel. As the committee knows, the House cut this item entirely. The committee is aware of the many difficulties concerning personnel inherent in the field of public welfare. If these vast and necessary programs are to be soundly administered, well-trained personnel are absolutely essential. This is especially true on a State and local level, where the integrity of the career service has not always been respected. This training program can help to encourage the pride of accomplishment and the opportunity for growth which must be an intrinsic part of a successful public welfare career service.

PROPOSED GRANTS TO HOSPITALS IN DEFENSE-AFFECTED AREAS

Under the terms of the Defense Housing and Community Facilities Act (1951), construction aid was granted to hospitals in defense areas. One of the hospitals which made application for this aid was the Jennie Stuart Memorial Hospital, of Hopkinsville, Ky. Jennie Stuart Memorial Hospital did not receive funds pursuant to its application, and the funds which were appropriated for use under the Defense Housing and Community Facilities Act were expended. Under the terms of the omnibus housing bill, section 606, article 6, Public Law 1020, authorization was granted for a 2-year extension of the Defense Housing and Community Facilities Act with an appropriation of \$5 million for each of those 2 years. Appropriations pursuant to the later law have never been made.

The following statement concerning the situation in general and the Jennie Stuart Memorial Hospital and its needs in particular has been furnished to me by Dr. Gant Gaither, immediate past president of the Kentucky State Medical Association, and president of the board of trustees of the Jennie Stuart Memorial Hospital, and will appear in Dr. Gaither's own words:

"The Congress in 1951 passed Public Law 139 to care for the hardship in about 30 defense areas which were demarked by the law, as having had unfair impaction against their public service facilities due to locating military installations in relatively rural areas.

"In many instances these installations were much larger than the entire 2 or 3 counties in which they were located, as far as population and census were concerned.

"So in 1951 they passed this Public Law 139 to enlarge and proportion the main public services of these defense areas to the bilateral needs of the local population and the military personnel involved. Moneys were appropriated for these 30 or more defense areas, so that sewerage and disposal systems, waterworks, public schools, and hospitals would be made adequate for the new burden.

"The amount of money appropriated might have been sufficient the day Congress passed the Public Law 139. But by the time the law was administered, inflationary costs of construction made themselves felt. By the time 18 months had elapsed, the amount appropriated lacked many millions of being enough for the needs of these defense facilities.

"The outcome was that all facilities were serviced properly over the thirty-odd defense areas nicely except the hospitals which had been put in last priority, feeling that sewerage, waterworks, and schools should come first.

"The small amount of money left was applied to service 6 or 7 of the 32 applying hospitals. Then in 1953 the law expired leaving about 25 hospitals still in distress. However, many of these through other channels were cared for, so that by 1955 or 1956 there were left only 6 or 8 hospitals over the United States in these designated defense areas that were still under the burden of military defense impaction.

"The 84th Congress last June decided it was not just or fair to leave these rural communities holding this burden, which burden the Congress fully realized in their passing Public Law 139 in 1951. They, therefore, prepared in the omnibus housing bill a section with an article for hospital construction which extended Public Law 139 for a period of 2 years and authorized \$5 million for each year to service those hospitals who had applied previous to June 30, 1953, but who had not been serviced solely because of a lack of funds.

"The Congress was unwilling to leave an inequitable situation created by military necessity and extended by smallness of appropriations—unwilling to leave this unjust situation. So they passed in Public Law 1020, article 6, section 606, the above law. It was duly signed by the President in June 1956.

"It now awaits only the proper appropriation from the Congress to cure this unfair and unjust situation.

"I have dealt with the situation over the Nation as a whole in the above.

"Of course locally in the defense area of Fort Campbell, Ky., in which the Jennie Stuart Memorial Hospital is located, we have here a continuing impaction and hardship from the fort's location.

"We had a very small hospital to start with, 30 beds. During 1943 under the Lanham Act we added 30 beds, which was not enough to care for more than half our wartime load. But it was all we could get the hardheaded old-line post surgeon, Colonel Shaefer, to allow us.

"When peace came, even with the military demobilized, we found our community hospital still too small. In 1948 we undertook relief under the then new Hill-Burton Act, at which time the requirements were that the hospital and the community should put up two-thirds of the construction cost. This we did, raising locally \$140,000 and receiving from Hill-Burton \$70,000. We thus now spent all our money. But still the fort grew, the Korean impact came on us. Our Hill-Burton addition of 25 beds (all we could afford) was still inadequate, and we had no relief in sight until the 81st Congress realized what was happening in these defense areas over the United States and their allied public facilities. They came up with Public Law 139. We were rejoiced and felt at last our problem was solved. But, alas—the money ran out before we were relieved.

"Now comes Public Law 1020 and its proper section and article to authorize once more our relief. This can come to these eight hospitals, a relief long overdue, if the money authorized in the law is now appropriated.

"As far as our necessity here, may I quote you from a careful survey of our hospital facility made by the Fort Campbell authorities last fall for this purpose?

"Gen. T. L. Sherburne, commanding general at Fort Campbell says, writing to the Department of Defense, who forwarded the report and request to the Surgeon General's Office in USPH 'The Jennie Stuart Hospital serves an area of approximately 65,000 persons with 4,500 patients admitted during the past year. A very definite shortage of medical and surgical beds appears to exist, as the hospital averages over 90 percent of the available beds for such cases. The hospital averages 3,500 outpatient and emergency cases, over 600 births and 1,500 surgical cases per year. This hospital (Jennie Stuart Memorial Hospital) is ideally located to serve in an emergency status for any attack around Paducah or elsewhere in the important Kentucky Lake and Tennessee River area.

"*For the benefit of this station (Fort Campbell), I recommend approval of the request.*"

"This should be enough to show the need for getting these things done promptly.

"Of course Medicare has recently come into play and we find our hospital census is being increased and will continue to increase from this and other prepaid hospital care—the use of hospitals for all types of sickness in increasing by leaps and bounds. The need for more beds is more and more urgent. Building hospital beds is not throwing money down the drain. It becomes a public asset for the next century."

I have discussed this matter with the Department of Health, Education and Welfare, and am assured that it will receive the full and careful consideration of that Department. I urge that funds be appropriated in order that the relief intended by the Defense Housing and Community Facilities Act may be granted.

PUBLIC HEALTH SERVICE

HEART RESEARCH

Senator HILL. A few days ago the subcommittee had the privilege of hearing Dr. E. Cowles Andrus of the Johns Hopkins University School of Medicine urging the appropriation of adequate funds for heart research. Dr. Andrus also spoke of the need for the allowance of adequate funds to the grantee to reimburse for the so-called indirect costs of research. I invited him to submit any additional information he might wish to present the subcommittee on this latter subject and I have received a letter, with accompanying papers, from Dr. W. Barry Wood, Jr., vice president of the Johns Hopkins Medical Institutions. This material will be placed in the record for the information of the committee and of the Senate.

(The material referred to follows:)

THE JOHN HOPKINS MEDICAL INSTITUTIONS,
Baltimore, Md., May 15, 1957.

HON. LISTER HILL,
United States Senate, Washington, D. C.

DEAR SENATOR HILL: Dr. E. Cowles Andrus, senior scientific adviser, National Heart Institute, has asked me to write you in connection with his testimony before your Senate Appropriations Committee concerning H. R. 6287. It is my understanding that you have requested Dr. Andrus to present to the committee information concerning the indirect costs now being carried by the Johns Hopkins Medical Institutions in connection with research grants from the United States Public Health Service.

The Johns Hopkins University presently is running an operating deficit of approximately \$500,000 per year. More than \$350,000 of this deficit is in the school of medicine, and \$100,000 more is in the school of hygiene and public health.

A substantial proportion of the deficits in both of these schools results from indirect costs which must be paid in connection with research grants. The research grants received from the Public Health Service in both schools totaled approximately \$835,000 for the fiscal year ending June 30, 1956.

That each research grant accepted at the present rate of overhead (15 percent) drains dollars from the educational budget is well known to those involved in university administration. The indirect or overhead costs which must be met by the Johns Hopkins University in connection with all its research grants average approximately 40 percent of the direct expenses, exclusive of the overhead itself. This 40 percent figure is based upon the following:

(1) A study made by the certified accounting firm of Haskins & Sells on March 25, 1947, of the "Indirect (overhead) costs, chargeable to instructional and research contracts with various departments or agencies of the United States Government for the 6 years ending June 30, 1946." (A copy of the complete report can be made available to the committee if desired.)

(2) An indirect cost analysis made by Dr. Harry M. Weaver, director of research of the National Foundation for Infantile Paralysis, Inc., New York City. (Copies of a letter from Dr. Weaver and two printed articles summarizing his findings are attached.)

(3) An analysis of indirect costs prepared by administrative officers of the Johns Hopkins University in connection with research and development contracts with the Department of Defense for the year 1956. This analysis called for an overhead rate of 48 percent of salaries and wages, and was approved by the Navy Branch Audit Office.

The question has been raised in your committee as to whether the research grants under discussion should be used to support medical education. It has been rightly pointed out that the research grant funds were not appropriated for this purpose. A second question, however, must also be asked: Namely, should the research grants be awarded in such a way as to weaken medical education? I am sure it is not the intent of the Congress that they should do so.

The difference between the 15 percent and 40 percent referred to above clearly indicates that research grants from the Public Health Service are now indirectly absorbing university funds which are urgently needed for support of the educational programs of the Johns Hopkins Schools of Medicine and Public Health. The present system is particularly harmful because of the fact that it inflicts the greatest financial penalties upon those institutions which are most active in research. By and large, the best schools of medicine and public health are being hurt the most. This effect in the long run can only cause a leveling of educational standards, a result which is certain to do great harm to American medicine.

Finally, I am attaching a copy of a letter which the president of Johns Hopkins University has recently written to Senators Beall and Butler. This letter states clearly the difficult position in which American universities now find themselves in relation to Government-supported research.

Sincerely yours,

W. BARRY WOOD, JR., M. D.,
Vice President.

THE NATIONAL FOUNDATION FOR INFANTILE PARALYSIS, INC.,
New York, N. Y., October 31, 1952.

Dr. LOWELL J. REED,
Vice President, The Johns Hopkins University,
Baltimore, Md.

DEAR DR. REED: It is the purpose of this letter to advise you of a change in the national foundation's policy affecting grants-in-aid for programs of research.

The National Foundation for Infantile Paralysis has been aware of the fact that acceptance of a grant-in-aid requires the grantee institution to expend some of its own funds if the objectives of the grant are to be achieved. We recognize that the total cost of conducting a program of research includes the amount of the grant-in-aid, or direct costs plus the indirect costs, or those other expenses to the grantee institution not included in the grant-in-aid but which are essential to carrying out the investigation.

Perhaps you are cognizant of the fact that it has been the policy of the National Foundation to defray approximately 90 percent of the total cost of conducting those programs of research for which grants are made. In determining the total cost, the amount of the indirect costs have heretofore been calculated by the method described in the enclosed reprint, *A Formula to Determine the Cost of Research* (J. Assn. Am. Med. Coll., 24: 248-254, July 1950). As a result of the experience gained through applying this formula to a number of grants awarded over the past several years, it has been possible to compare the size of the grant with the amount of the indirect costs incurred. From this experience, we now believe that payments for indirect costs can be determined by adding a specified percentage to the amount of the grant, thereby obviating the need for using the time-consuming formula. The details of this study, and the findings resulting therefrom, are described in the accompanying reprint, *The Costs of Conducting a Program of Research* (J. Med. Ed., 27: 316-325, September 1952).

Please be advised that as of October 1, 1952, payments made to cover the national foundation's share of indirect costs will be made in accordance with the following policy:

If the grant is \$10,000 or less, the amount of the grant will be increased by 46 percent.

If the grant is between \$10,001 and \$30,000, the amount of the grant will be increased by 46 percent of the first \$10,000, and 38 percent of all remaining.

If the grant is more than \$30,000, the amount of the grant will be increased by 46 percent of the first \$10,000, 38 percent of the next \$20,000, and 6 percent of all remaining.

It is expected that the funds provided for indirect costs will be expended to maintain the physical facilities, intellectual environment, and those other prerequisites for good research that may properly be expected in institutions for higher learning, and also to cover the cost of those items incidental to the program of research but not specifically provided for in the budget submitted and approved.

We believe that this new policy provides a relatively simple mechanism for fund-granting agencies to defray a more equitable share of the total cost of conducting programs of research. I would be happy to receive any comments you might care to make.

Cordially yours,

H. M. WEAVER, *Director of Research.*

P. S.—I thought you might be interested in this modification.—

[Reprinted from *Journal of the Association of American Medical Colleges*, July 1950]

A FORMULA TO DETERMINE THE COST OF RESEARCH

By Harry M. Weaver, Director of Research, The National Foundation for Infantile Paralysis, Inc., New York City

Many of the institutions for higher learning and, in particular, the schools of medicine in this country are in such an unfavorable financial condition that their responsible officers are gravely concerned about the future. We should take cognizance of and correct this condition because productive research in the medical sciences depends, in large part, on full utilization of the catholicity of knowledge that resides in schools of medicine. It is my purpose to suggest that a prerequisite to the solution of this problem is an analysis of the expenditures made to discharge the purposes of a school of medicine: (1) The training of physicians, teachers, and investigators, and (2) the conduct of research.

Until comparatively recent times, the training of physicians, teachers, and investigators in the medical sciences was relatively inexpensive, and this expense was defrayed, in large part, by the students themselves.¹ The training of these specialists by the system of preceptorships and, later, by proprietary schools of medicine, was quite inexpensive, but the instruction was, generally, so inadequate and devoid of inspiration, and the stimulus for research so lacking, as to bring about the development of the complex and expensive organization called the modern school of medicine, which, usually, is a part of a vastly more complex and expensive university.

Until the turn of the present century, research in the medical sciences was conducted, in the main, by a few individuals who gave to it only a small fraction of their waking hours. This was due, partly, to the paucity of funds available for the support of research, and, partly, to the limited number of institutions that offered full-time employment to any large number of scholars.

In the modern school of medicine, the best qualified individuals are sought to teach the various medical specialties; and, although the scholar's services for teaching might be needed for only a fraction of the year, full-time employment is offered as an inducement. It is understood that any time free of teaching and administrative responsibilities may be devoted to research. This arrangement provides impetus to research, for not only does it support the investigator but it also makes possible the many benefits that accrue from cross fertilization of active minds.

Full-time employment of large numbers of scholars in schools of medicine would seem to provide an effective stimulus for research, but it is a fortunate investigator, indeed, who enjoys more than the most meager of supplies, equipment, space, and assistants with which to experiment in accordance with his particular abilities and interest. If expenditures in support of research are to be regarded as only those costs beyond the total expenses required to maintain the educational programs of the school, it is doubtful if many, or any, schools of medicine were at the turn of this century expending more than 10 percent of their budgets for research.

Within recent years, there have been created many foundations, both private and public, and several departments of Government which provide funds to support research. Most of these organizations have operated on the policy that if they were to provide funds for technical assistants and adequate stores of equipment, supplies and materials, the scholars, for whom the schools of medicine had

¹ Norwood, W. F.: *Medical Education in the United States before the Civil War.* University of Pennsylvania Press, Philadelphia, 1944.

already provided full-time employment, could complete more research in less time than they would otherwise be able to do.

The demand for extrainstitutional funds for the support of research has become enormous because these funds became available at about the same time that there was widespread acceptance of the worth of the products of research (so valuable did these products appear that many schools of medicine provided employment to some individuals who devoted their full energies to research).

Research in the medical sciences, with its relatively small consumption of funds in the latter part of the 19th century, has become a major consumer of money and provides full- and part-time employment for many thousands of individuals. In fact many of our schools of medicine are today more nearly institutions for the conduct of research than they are schools for the training of physicians and teachers. In certain of our schools of medicine, extrainstitutional funds in support of research may equal or even surpass the total of the funds available for the support of all the remaining activities of the institution.

Only within the last few years has there been a general realization that acceptance of a grant-in-aid forces the institution to expend some of its own funds if the original purpose of the grant is to be realized. The acceptance of large amounts of extrainstitutional funds in support of research has forced the institution to expand its physical facilities, its administrative, technical and secretarial staffs, and to spend more money for maintenance and for public utilities, to mention only a few examples. In all too many instances the increased expenditures have been made at the expense of the educational program.

Very few of our institutions for higher learning can do more than guess as to what portion of their operating expenses should be charged to research. It is suggested that it would be relatively easy to correct, at least partly, the unfavorable financial condition of our schools of medicine if these institutions would provide an intelligent analysis as to the cost of their various programs.

A method of determining the actual cost of conducting a program of research has been the subject of some little consideration and study. In fact, several of the grant making agencies have a policy of adding to the grant-in-aid a fixed percentage to help the grantee institution pay part of the hidden cost of conducting the research. Some agencies do not make any contribution whatsoever toward defraying such costs, other agencies increase the amount of the grant-in-aid by from 5 to 8 percent, and still others add approximately 50 percent of the amount of the salaries paid by the grant. These policies are not only evidence of the fact that the actual cost of conducting the research is undetermined and that they, at best, provide a token contribution to the solution of a problem that has not been clearly defined, but the last of these policies actually tends to encourage those programs of research that employ relatively large numbers of individuals and utilize small amounts of space and equipment and consume small quantities of supplies and materials.

An approximation of the cost of conducting research may be obtained by computing the expenditures of an institution in relation to the number of professional persons employed and the number of students enrolled. Such approximations are, however, so patently arbitrary and so obviously do not reflect the cost of conducting any particular program of research that they are of little worth. If any formula for determining the cost of research is to have real value as a fund-raising instrument for the institution, it must reflect within practical limits the actual cost of conducting any particular program of research; and the cost of conducting research varies with the nature of the project and with the institution under whose roof the research is carried out.

Appended herewith is a formula that has been found to be a useful instrument for determining the actual cost, within practical limits, of conducting any program of research. It is believed that this formula, while of necessity employing certain arbitrary figures, does reflect variations in cost due either to the nature of the particular project or to the practices of the institution under whose auspices the research is carried out.

This formula has been employed at a number of institutions with interesting results. A few have objected on the grounds that the application of the formula to a program of research would require too much effort on the part of the business office. It is believed that the real basis for this objection resides in the fact that the bookkeeping practices of the institutions were such that it was impossible to apply the formula. In three institutions with excellent bookkeeping procedures application of this formula to large grants in no case required more than one day's work on the part of one member of the accounting staff.

Application of this formula to 23 grants-in-aid in support of programs of research of quite different nature would indicate that the cost of conducting a program of research is from 11.51 to 44.99 (average 26.90) percent more than the amount of the grant-in-aid. It is also of interest to note that variations in cost were reported from the same institution. This finding quite possibly also explains the suggestion of several institutions that this formula be abandoned in favor of certain current practices for determining the cost of conducting research that are based on the average expenditures of an institution or that employ an arbitrary percentage above the amount of the grant-in-aid.

The responsibility on the part of the grant making agencies to assume all or part of the cost of conducting a program of research for whose conduct a grant has been made is difficult to determine and should be the subject of a future communication. But without further discussion of the problems involved, it is suggested that grant making agencies should assume 90 percent of the cost of conducting a program of research as determined by the formula appended.

Such a policy would aid materially in alleviating the present unfavorable financial condition of schools of medicine and other institutions for the conduct of research. Furthermore, such a policy would permit the grantee institution complete freedom in determining those programs of research which they wish to pursue without there being any advantage to conducting particular kinds of research. Finally, such a policy would require the grantee institution to employ some of its own funds to conduct those programs of research that are aided by a grant, thus assuring interest on the part of the institution to attain maximum return for all moneys expended. Whereas this latter would seem to be important as a matter of principle, it is suggested that the actual amount of the contribution by the fund granting agency and by the grantee institution in support of a program of research be decided by discussions between donor and recipient.

APPENDIX

A FORMULA TO DETERMINE THE TOTAL COST OF CONDUCTING A PROGRAM OF RESEARCH

PREFACE

Any formula for determining the cost of conducting a program of research must of necessity be based upon certain assumptions that are arrived at arbitrarily. The statements of costs and the percentages employed in the following pages are for purposes of example only. The determination of the cost of conducting any particular program of research must be based upon the operating expenses of the institution as reflected in the most recent annual report. The worksheets and the supporting data relating to any such determination should be available on request.

SCHEDULE 1.—Cost of additions to institutional personnel ¹ required for program of research and ordinarily included in grant-in-aid

Item A:	
Professor (Smith) F. T.....	\$9, 000
Associate professor (Jones) F. T.....	8, 000
Assistant professor (Henry) F. T.....	6, 000
Instructor (Doe) F. T.....	3, 500
Research associate (Wear) F. T.....	5, 500
Research assistant (Green) F. T.....	4, 500
Senior technician (Brown) F. T.....	3, 500
Junior technician (Gray) F. T.....	2, 800
Junior technician (Vacancy) F. T.....	2, 400
Laboratory assistant (Johnson) P. T.....	1, 000
Animal caretaker (Harvey) F. T.....	2, 800
Animal caretaker (Vacancy) P. T.....	1, 200
Secretary (Norris) F. T.....	3, 200
Total.....	53, 400
Item B: Amount charged to research (100 percent of schedule 1).....	

¹ Costs as reflected in schedule 1 are only for such additions to present institutional personnel as are required for conducting the program of research. Vacation and sick leave will be allowable in accordance with the established policy of the grantee institution.

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SCHEDULE 2.—Cost of additional long-life equipment required for program of research and ordinarily included in grant-in-aid

Item A:	
(1) Electron microscope.....	\$15, 000
(1) Refrigerated centrifuge.....	2, 500
(20) Monkey cages at \$10 each.....	200
(100) Mouse cages at \$2 each.....	200
Total.....	17, 900
Item B: Amount charged to research (100 percent of schedule 2).....	17, 900

SCHEDULE 3.—Cost of short-life equipment, supplies and materials required for program of research and ordinarily included in grant-in-aid

Item A:	
2,000 monkeys at \$35 each.....	\$70, 000
Express charges (monkeys at \$2 each).....	4, 000
10,000 mice at 30 cents each.....	3, 000
Food for animals.....	5, 000
Miscellaneous chemicals.....	500
Miscellaneous glassware.....	500
Operating and autopsy instruments.....	400
Office supplies and stationery.....	200
Total.....	83, 600
Item B: Amount charged to research (100 percent of schedule 3).....	83, 600

SCHEDULE 4.—Cost of other items required for program of research and ordinarily included in grant-in-aid¹

Item A:	
Travel ^{1 b}	\$1, 000
Contingency ²	6, 000
Total.....	7, 000
Item B: Amount charged to research (100 percent of schedule 4).....	7, 000

¹ Costs not admissible include:

* Expense incident to construction, alteration and maintenance of physical plant.

^b Expense incident to travel, except where travel is required for the conduct of the program of research.

* Expenses incident to purchase of books and periodicals.

^d Expenses incident to purchase of more than 100 reprints of each scientific article written by the principal investigators on subject matter covered by the grant-in-aid.

² Expenditures from this account are allowable only for the payment of items similar to those enumerated elsewhere in the budget submitted and approved. Expenditures for the payment of items not included elsewhere in the budget are allowable only after prior approval in writing.

SCHEDULE 5.—Cost of institutional personnel¹ required for program of research but not ordinarily included in grant-in-aid

Item A:	
Professor (James).....	\$2, 000
$\frac{1}{2}$ of \$10,000.....	
Associated professor (Smythe).....	400
$\frac{1}{20}$ of \$8,000.....	
Technician (Boyd).....	750
$\frac{1}{4}$ of \$3,000.....	

¹ Vacation and sick leave will be allowable in accordance with the established policies of the grantee institutions.

Faculty members designated as full-time employees of grantee institutions shall be considered as being employed and as receiving one-twelfth of the regular annual salary during all months of the calendar year. This applies even in those circumstances where the employee may be required to remain in residence only a portion of the calendar year, and/or in those instances where the annual salary of the employee is prorated over a period of less than 12 months and in which case the employee would normally receive additional compensation by the institution for services rendered during any term when he would not normally be required to be in residence at the institution.

Secretary (Johnston)..... \$280

$\frac{1}{10}$ of \$2,800.....

(200 hours) consultation with other institutional personnel at \$10 per hour..... 2, 000

Total..... 5, 430

Item B: Amount charged to research (100 percent of schedule 5)..... 5, 430

SCHEDULE 6.—*Square footage (or, if the institution prefers, cubic footage may be employed in this and subsequent computations) of building space occupied by program of research*

Item A: Square footage of building space occupied full time by program of research----- 8, 000

Item B:

Square footage of building space occupied part time (but computed as full time occupancy) by program of research:

- (1) 300 square feet (Professor James—See schedule 5, item A) occupied 20 percent of time by program of research equals square feet full time occupancy----- 60
- (2) 400 square feet (Associate Professor Smythe—see schedule 5, item A) occupied 5 percent of time by program of research equals square feet full time occupancy----- 20
- (3) 600 square feet (Technician Boyd—see schedule 5, item A) occupied 25 percent of time by program of research equals square feet full time occupancy----- 150
- (4) 100 square feet (Secretary Johnston—see schedule 5, item A) occupied 10 percent of time by program of research equals square feet full time occupancy----- 10
- (5) 2,000 square feet (college administration of particular college responsible for program of research—see schedule 6, item E, formula 1) occupied 16.19 percent of time by program of research equals square feet full time occupancy----- 324
- (6) 25,000 square feet (institutional administration—see schedule 6, item E, formula 2) occupied 1.47 percent of time by program of research equals square feet full time occupancy----- 368
- (7) 45,400 square feet (library—see schedule 6, item E, formula 3) occupied 1.47 percent of time by program of research equals square feet full time occupancy----- 667

Item C—Square footage of “dead” building space (closets, hallways, lavatories, etc) occupied part time but computed as full time occupancy by program of research (see schedule 6, item E, formula 4) ----- 960

Item D—Total square footage (computed) occupied full time by program of research (add items A, B, and C, schedule 6) ----- 10, 559

Item E:

Formula 1.—Amount of grant-in-aid (\$161,900, schedule 9, item A5) divided by total operating expenses of particular college responsible for program of research including grant-in-aid (\$1 million, schedule 9, item A3) multiplied by square footage of building space occupied by college administration (2,000 square feet schedule 6, item B5) ---

Formula 2.—Amount of grant-in-aid (\$161,900, schedule 9, item A5) divided by total operating expenses of institution including grant-in-aid (\$11 million, schedule 9, item A1) multiplied by square footage of building space occupied by institution administration (25,000 square feet, schedule 6, item B6).

Formula 3.—Amount of grant-in-aid (\$161,900, schedule 9, item A5) divided by total operating expenses of institution including grant-in-aid (\$11 million, schedule 9, item A1) multiplied by square footage occupied by library (45,400 square feet, schedule 6, item B7).

Formula 4.—10 percent of sum of items A and B of schedule 6.

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SCHEDULE 7.—*Cost of utilities (heat, electricity, gas, water, compressed air, vacuum, etc.), required for program of research but not ordinarily included in grant-in-aid*

Item A:

(1) Heat \$0.36 per square foot per year multiplied by square footage occupied full time (computed) by program of research (10,559—schedule 6, item D)-----	\$3, 801. 24
(2) Electricity \$0.12 per square foot per year multiplied by square footage occupied full time (computed) by program of research (10,559—schedule 6, item D)-----	1, 267. 08
(3) Water \$0.025 per square foot per year multiplied by square footage occupied full time (computed) by program of research (10,559—schedule 6, item D)-----	263. 97
(4) Gas \$0.018 per square foot per year multiplied by square footage occupied full time (computed) by program of research (10,559—schedule 6, item D)-----	190. 06
(5) Compressed air—negligible-----	
(6) Vacuum—none-----	

Total-----	5, 522. 35
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Item B: Amount charged to research (100 percent of schedule 7)----	5, 522. 35
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SCHEDULE 8.—*Cost of custodial services and maintenance for building space required for program of research but not ordinarily included in grant-in-aid*

Item A:

(1) Custodial services \$0.10 per square foot per year multiplied by square footage occupied full time (computed) by program of research (10,559—schedule 6, item D)-----	\$1, 055. 90
(2) Maintenance (painting, plastering, electrical, plumbing, alterations, etc.) \$0.50 per square foot per year multiplied by square footage occupied full time (computed) by program of research (10,559—schedule 6, item D)-----	5, 279. 50

Total-----	6, 335. 40
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Item B: Amount charged to research (100 percent of schedule 8)----	6, 335. 40
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SCHEDULE 9.—*Cost of administration required for program of research but not ordinarily included in grant-in-aid*

Item A: A statement of costs:

(1) Total operating expenses last fiscal year of institution including grant-in-aid-----	\$11, 000, 000. 00
(2) Total operating expenses of institution administration (include all expenses chargeable to administration above the level of the college or equivalent except utilities and maintenance and custodial care of buildings)-----	250, 000. 00
(3) Total operating expenses of college or equivalent responsible for program of research including grant-in-aid (include all expenses except maintenance and custodial care of buildings, utilities and proportionate share of cost of (a) library and (b) institution administration)-----	1, 000, 000. 00
(4) Total operating expenses of administration of college or equivalent responsible for work supported by grant-in-aid (include all expenses chargeable to administration except maintenance and custodial care of buildings, utilities, and proportionate share of cost of (a) library and (b) institution administration)-----	25, 000. 00
(5) Amount of grant-in-aid (add schedules 1, 2, 3, and 4)---	161, 900. 00
(6) Total operating expenses of library (include all expenses except maintenance and custodial care of buildings, utilities and proportionate share of institution administration)-----	1, 000, 000. 00

Item B: Proportionate share of operating expenses of institution administration chargeable to program of research: Total operating expenses of institution administration (\$250,000, schedule 9, item A (2)) divided by total operating expenses of institution (\$11,000,000 schedule 9, item A (1)) multiplied by amount of grant-in-aid (\$161,900, schedule 9, item A (5))-----	3, 675. 13
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Item C: Proportionate share of operating expenses of administration of college or equivalent responsible for program of research and chargeable to program of research: Total operating expenses of administration of college or equivalent (\$25,000, schedule 9, item A (4)) divided by total operating expenses of college or equivalent (\$1,000,000, schedule 9, item A (3)) multiplied by amount of grant-in-aid (\$161,900, schedule 9, item A (5))-----	4, 047. 50
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Item D: Amount charged to research (100 percent of schedule 9)-----	7, 722. 63
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SCHEDULE 10.—*Cost of library required for program of research but not ordinarily included in grant-in-aid*

Item A: Proportionate share of operating expenses of library chargeable to program of research: Total operating expenses of library (\$1,000,000, schedule 9, item A (6)) divided by total operating expenses of institution (\$11,000,000, schedule 9, item A (1)) multiplied by amount of grant-in-aid (\$161,900, schedule 9, item A (5))-----	\$14, 716. 71
Item B: Amount charged to research (100 percent of schedule 10)-----	14, 716. 71

SCHEDULE 11.—Allowance for depreciation on building space and on basic equipment required for program of research but not ordinarily included in grant-in-aid¹

Item A, Capital outlay:

- | | |
|---|---------------|
| (1) Gross construction cost of building space occupied by program of research: Total square footage occupied by program of research (10,559 square feet, schedule 6, item D) multiplied by \$12 per square foot..... | \$126,708. 00 |
| (2) Net construction cost of building space occupied by program of research: Gross construction cost (\$126,708, schedule 11, item A1) less 25 percent (salvage value at end of 50 years) | 95,031. 00 |
| (3) Basic equipment cost (include routine equipment such as desks, chairs, tables, microscopes, etc., actually available for use by program of research, but not unusual items of equipment included in grant-in-aid): Total square footage occupied by program of research (10,559 square feet, schedule 6, item D) multiplied by \$1 per square foot..... | 10,559. 00 |

Item B, Allowance for depreciation on construction and on basic equipment utilized by program of research:

- | | |
|---|-----------|
| (1) 2 percent per year of net construction costs (\$95,031, schedule 11, item A2) | 1,900. 62 |
| (2) 5 percent per year of basic equipment cost (\$10,559, schedule 11, item A3) | 527. 95 |

Item C: Amount charged to research (100 percent of schedule 11) .. 2,428. 57

¹ Actual costs should be employed where buildings have been constructed and/or equipped subsequent to 1940. In those instances where construction and/or equipment was completed at a prior date and where costs are not known, 1940 construction and/or equipment costs should be employed.

SCHEDULE 12.—Allowance for loss of income on capital outlay resulting from expending funds for constructing and equipping building space occupied by program of research and not ordinarily included in grant-in-aid

Item A: Total capital outlay (add 1 and 3, item A, schedule 11) .. \$137,267. 00

Item B: Allowance for loss of income equals 3 percent of \$137,267 (schedule 12, item A) 4,118. 01

Item C: Amount charged to research (100 percent of schedule 12) .. 4,118. 01

Summary of expenditures required for program of research

Item A, expense ordinarily included in grant-in-aid:

- | | |
|------------------------------|--------------|
| (1) Schedule 1, item B | \$53,400. 00 |
| (2) Schedule 2, item B | 17,900. 00 |
| (3) Schedule 3, item B | 83,600. 00 |
| (4) Schedule 4, item B | 7,000. 00 |

Total direct costs 161,900. 00

Item B, expenses not ordinarily included in grant-in-aid:

- | | |
|-------------------------------|------------|
| (1) Schedule 5, item B | 5,430. 00 |
| (2) Schedule 7, item B | 5,522. 35 |
| (3) Schedule 8, item B | 6,335. 40 |
| (4) Schedule 9, item D | 7,722. 63 |
| (5) Schedule 10, item B | 14,716. 71 |
| (6) Schedule 11, item C | 2,428. 57 |
| (7) Schedule 12, item C | 4,118. 01 |

Total indirect costs 46,273. 67

Item C: Total cost of conducting program of research 207,973. 67

Item D: Total contribution of sponsoring agency to nearest dollar .. 187,176. 00

Item E: Total contribution of grantee institution 20,797. 67

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THE COSTS OF CONDUCTING PROGRAMS OF RESEARCH

Development of a Method To Determine the Cost of Research Will Encourage Payment of Indirect Costs to Schools Receiving Grants-in-Aid

By Harry M. Weaver

(Dr. Weaver is director of research for the National Foundation for Infantile Paralysis, Inc., New York City. Assistance in collecting and analyzing data used in this study was provided by Dr. Henry W. Kumm, assistant director of research for the foundation.)

Within the last few years there has been a general realization that acceptance of grants-in-aid for programs of research requires grantee institutions to expand some of their own funds if the objectives of the grants are to be achieved. The acceptance of large amounts of extra institutional funds for this purpose has forced grantee institutions to expand materially their physical facilities and their administrative, technical and secretarial staffs, and to spend more money for such items as maintenance and utilities.

In all too many instances in the past these added costs have been met by using funds intended primarily for educational purposes. In this connection it must be realized that the cost of research and the cost of education cannot be considered as separate and unrelated entities in that one is essential to the other. And yet, it is important to determine the fair share of the cost of conducting research so that this activity is not allowed to parasitize the other functions of the institution.

At the present time some agencies which make grants-in-aid to support research make no contribution whatsoever toward defraying these hidden or indirect costs; other agencies increase the amounts of grants by 5 or more percent; still others add to grants-in-aid approximately 50 percent of the amount of the salaries paid by the grant and certain other items. This multiplicity of policies for helping defray such costs is confusing to recipients of grants. Furthermore, these policies suggest that fund-granting agencies are making, at best, only token contributions toward defraying costs which have not been clearly defined.

A method for determining the total cost of conducting programs of research, mutually acceptable to both grantees and grantors, has been the subject of some little consideration and study since it is prerequisite to the question: what portion of the total cost of conducting programs of research should be borne by the sponsoring agency?

In a prior publication, a formula was proposed for use in determining the total cost (direct costs or amount of grant-in-aid, plus indirect costs or those other expenses to the grantee institution not included in the grant-in-aid) of conducting programs of research. The purpose of this paper is: (1) to record an experience with this method of determining such costs, and (2) to suggest a basis for defraying the indirect costs of conducting programs of research for which grants-in-aid are made.

COST DETERMINATION METHOD

The formula has been applied to 91 grants-in-aid to 33 institutions for support of programs of research of heterogeneous nature. An analysis of the indirect costs incurred in conducting these programs of research shows that the amounts of the indirect costs, expressed as percentages of direct costs, varied from 13 to 155.5 percent (weighted mean 38.7) of the direct costs (grants-in-aid).

Figure I illustrates the relation of the amount of the direct costs to the amount of the indirect costs of the 91 grants analyzed. This shows (1) that the relation of indirect to direct costs is not consistent from grant to grant, and (2) that the indirect costs do not increase at the same rate as the direct costs.

Figure II depicts this relationship in another way. Here the indirect cost is expressed as a percentage of the direct cost and the illustration shows that the percentage is subject to much fluctuation, especially in relation to grants amounting to less than \$30,000.

The question might be asked whether such fluctuations are (1) due to the difference in the cost of conducting small as compared with large programs of research, (2) whether it costs more to carry out a particular program of research in one institution than it does in another, or (3) whether it is more expensive to investigate one subject or aspect of a subject than another.

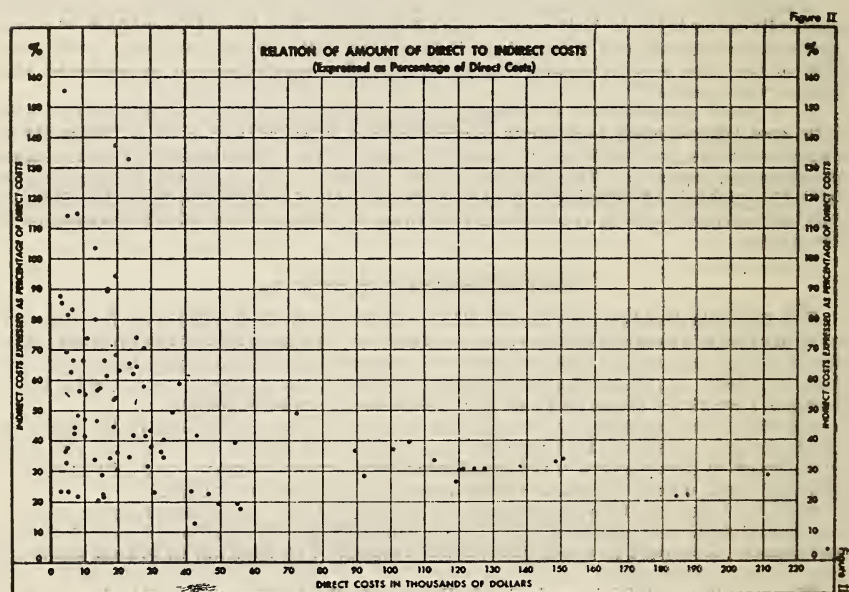
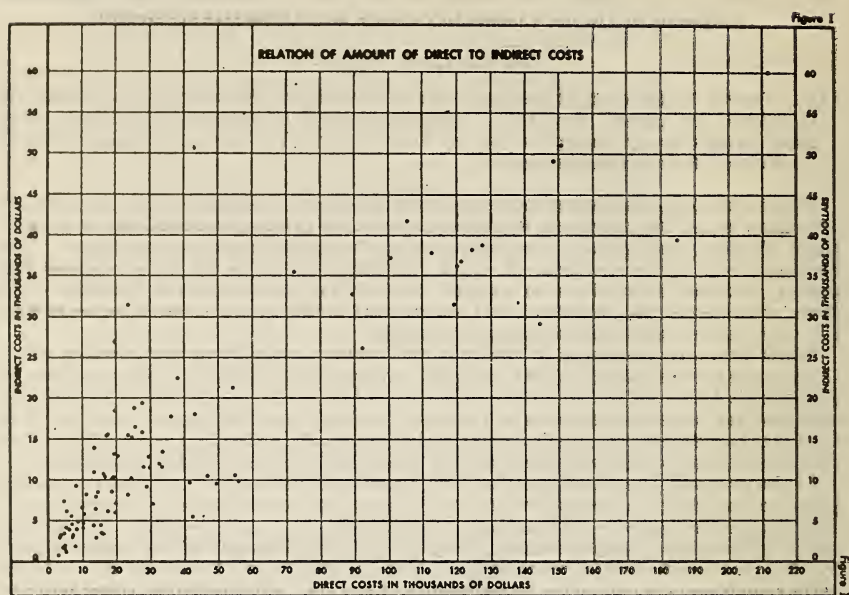


Table 1 illustrates the relation between direct and indirect costs for the 91 grants-in-aid, arranged in three groups according to size. This table and figure 11 suggests that the amount of the indirect costs varies inversely with the size of the grant, although that relationship is by no means constant. For example, although the total indirect costs, expressed as percentage of total direct costs for 40 different grants-in-aid between \$10,001 and \$30,000 were 58.2 percent, only 9 of these 40 grants had indirect costs that fell within plus or minus 10 percent of this figure, and only 15 within plus or minus 20 percent. The least fluctuation in the relation of direct to indirect costs is encountered in those grants of more than \$30,000.

In figure III is shown the relationship between the direct and indirect costs of 12 different grants-in-aid made to the same institution but in support of programs of research of quite dissimilar nature. This graph illustrates that there is considerable fluctuation in the relation of direct to indirect costs even among those grants-in-aid made to the same institution.

Figure IV illustrates the relation of the amount of the direct to the indirect costs of 12 relatively large grants-in-aid made to 4 different institutions (2 private and 2 State), but in support of programs of research of quite similar nature. In this instance there appears to be a close correlation among the several grants in the relation of direct to indirect costs. Thus it would seem that fluctuations in the relation of direct to indirect costs of conducting programs of research are more likely to result from differences in the nature of the research being conducted than from differences in the size of the grant or the financial practices of the institutions under whose auspices the research is being carried out.

The suggestion has been made that some less complicated method than the formula proposed be employed to determine the amount of the indirect costs incurred in conducting a research program. It has been suggested that this might be accomplished by assuming indirect costs to be some arbitrary percentage of the amount of the grant or of the amount of the salaries paid by the grant.

Figure V illustrates, for 91 grants, the amount of the indirect costs determined by 3 different methods. These are:

- (1) An amount equal to one-half the amount of the salaries paid by the grant.
- (2) An amount equal to 8 percent of the grant.
- (3) The amount of the indirect costs paid to the grantee institution after calculating indirect costs in accordance with the formula previously described.¹ (In this latter method, the amount of the grant-in-aid is added to the amount of the indirect costs and the sponsoring agency pays the grantee institution 90 percent of the total cost.)

The amount of the direct costs of the 91 different grants-in-aid totaled \$3,387,458. It is evident that there is little agreement with respect to the amount of indirect costs for any 1 grant-in-aid as determined by these 3 methods. The grantee institution was favored 50 out of 91 times by method 3, and 41 of 91 times by method 1. Additional payments to grantee institutions to defray indirect costs, however, would have totaled \$270,999 if calculated by method 2; \$836,420 by method 1, and \$839,608 by method 3.

It is believed that the formula previously proposed does provide a method for determining the actual cost, within practical limits of conducting any program of research. It is recognized, however, that the application of this formula to every grant-in-aid requires a considerable expenditure of time for both grantee and grantor. Therefore, it is suggested that the amount of the indirect costs be stipulated as certain percentages of the grant. The formula has served a useful purpose in providing data for determining the size of this percentage.

Considering the 91 grants as a whole, it is apparent (see table I) that the amount of the total indirect cost is 38.7 percent of the amount of the total direct costs. If the grants-in-aid are considered in three groups according to size, however, the relation of indirect to direct costs is as follows:

Grants of \$10,000 or less: indirect costs, 62.3 percent of the direct costs (maximum 155.5 minimum 21.9).

Grants between \$10,001 and \$30,000: indirect costs 58.2 percent of the direct costs (maximum 137.2, minimum 21.5).

Grants over \$30,000: indirect costs, 31.2 percent of the direct costs (maximum 58.8, minimum 13.0).

Figure III

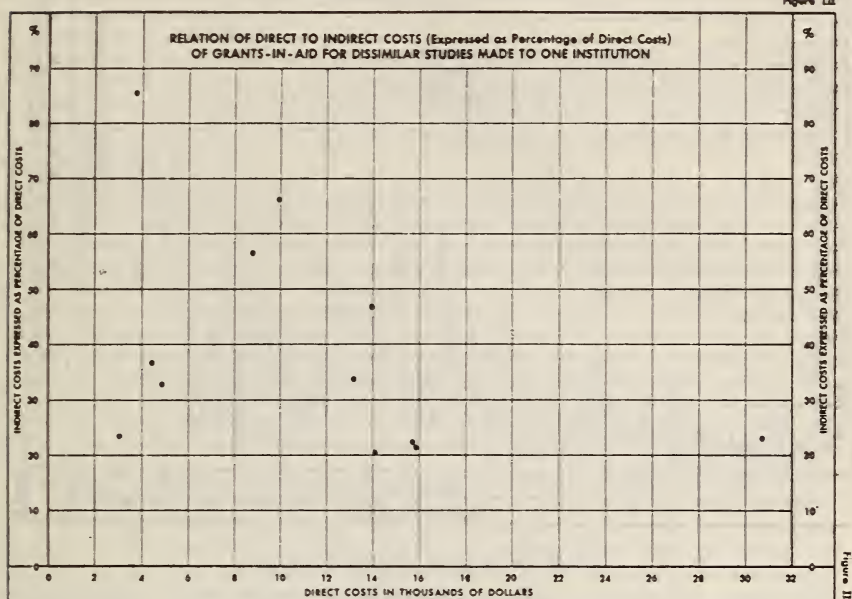
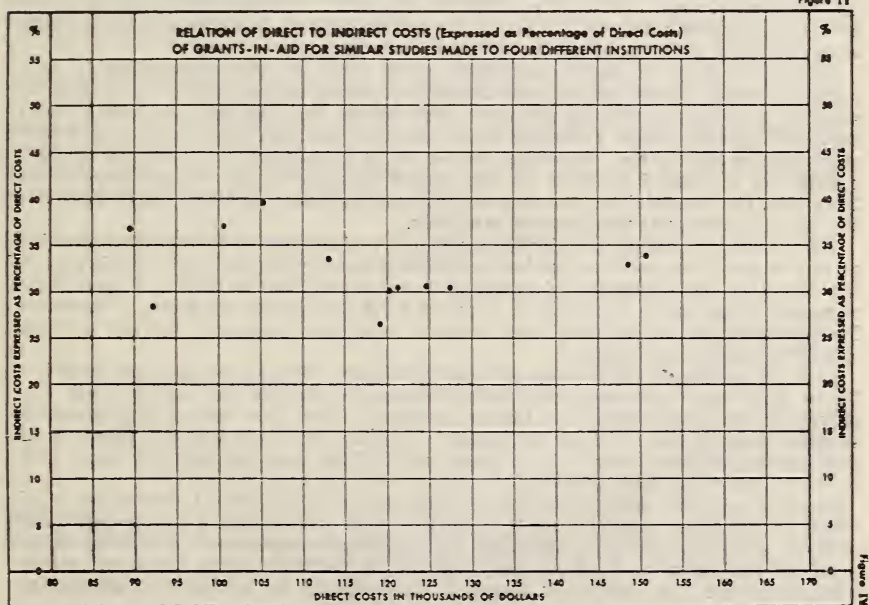
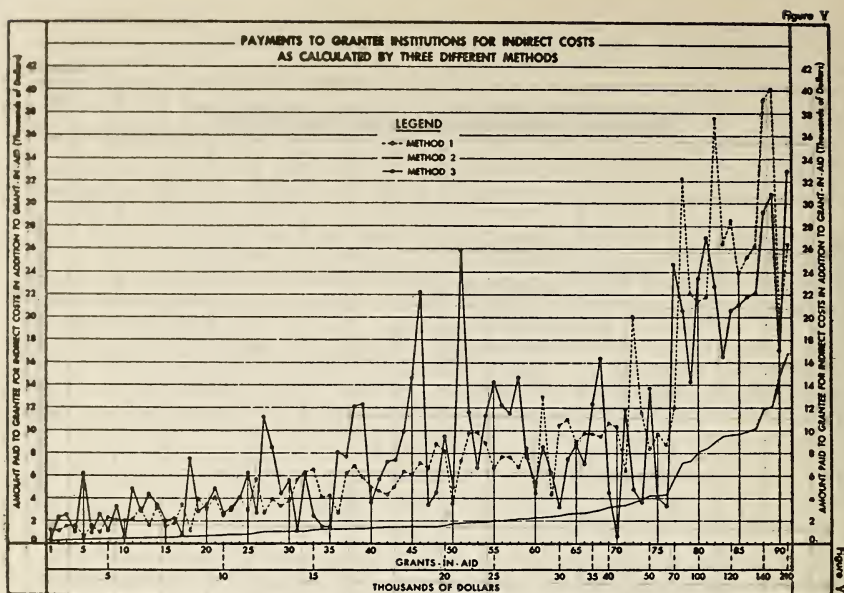


Figure IV





POLICY TO DEFRAY INDIRECT COSTS

It is difficult to determine realistically the extent of the relative responsibility of grantee and grantor with respect to the portion of the total cost of conducting a program of research which each should defray. In prior years the nature and amount of research conducted was dictated largely by the human energies and physical facilities found within institutions for higher learning which, for the most part, paid the total cost of the research. Within recent years there have been created many public and private foundations and several departments of government which provide funds to support research.

Originally, most of these organizations operated on the policy that if they were to provide funds for technical assistants and adequate stores of equipment, supplies and materials, the scholars (for whom the institutions already had provided salary) could complete more research in less time than they would otherwise be able to do. Whereas such a policy admittedly required the grantee institution to expend some of its own funds to achieve the original purpose of the grant, the financial burden was not unbearable since relatively small amounts of extra-institutional funds were available.

The amount of money contributed for support of research has increased greatly² as the value of its products has become more generally appreciated. Furthermore, the direction and intensity of research has changed as the result of vast sums of money being made available to support work on specific subjects. Numerous fund-granting agencies have been created to support research for the purpose of solving specific problems.

In most instances, the solving of these problems is dependent upon the catholicity of knowledge and the skills and abilities of scholars who are already employed in our institutions for higher learning. For this reason fund-granting agencies should be cautious of unduly bleeding or diverting the finances of grantee institutions since it is to these institutions that the agencies must look for the solution of their problems.

Research in the medical sciences, with its relatively small consumption of funds in the latter part of the 19th century, now has become a major consumer of large sums and provides full-time and part-time employment for many thousands of individuals. In fact, many schools of medicine today are more nearly institutions for the conduct of research than schools for training of physicians and teachers.

In certain schools of medicine, extra-institutional funds in support of research may equal or even surpass the total funds available for support of all the re-

maintaining activities of the school. Since acceptance of grants-in-aid in support of research requires grantee institutions to expend some of their own funds, it is not difficult to understand why (obviously there are other reasons as well) many of our institutions for higher learning and, in particular, schools of medicine are in such unfavorable financial condition that responsible officers are gravely concerned about the future.

In view of the above, it would seem reasonable to conclude that maximal effective research within our institutions for higher learning would be facilitated, if not actually assured, if all fund-granting agencies were to assume 90 percent of the cost of conducting programs of research for which grants-in-aid have been made. While admittedly arbitrary, this policy has been proposed for many reasons. These include:

1. Such a policy would permit the grantee institution complete freedom in determining the nature of the research it wishes to pursue without there being any financial advantage to conducting particular kinds of research.

2. Since this policy would require the grantee institution to employ some of its own funds, the fund-granting agency would have added assurance that the grantee institution would have a strong incentive to exact the maximum return for all moneys expended, thus necessitating the careful selection of sound proposals from well-qualified investigators.

3. Finally, such a policy would aid materially in alleviating the present unfavorable financial condition of our institutions for higher learning. (It is not inconceivable that the sum of \$33,000,870 granted for research in the medical and allied fields in 1950 might have required grantee institutions to expend as much as \$8 million of their own funds to achieve the original purpose of those grants.)

Universal adoption of this policy on the part of fund-granting agencies might very well result in fewer grants being made unless such agencies were successful in acquiring greater resources. Should the unfortunate result be an actual reduction in the number of grants made, the consequences actually might be beneficial in that applications for grants might reflect more careful planning and critical thought on the part of the applicants.

Should this policy receive widespread adoption by fund-granting agencies, the grantee institutions should not look on the plan as a mechanism to obtain funds for expansion of educational, research, and service programs for which future support is not assured. Rather, such funds should be used to maintain the physical facilities, intellectual environment, equitable remuneration for employees and those other prerequisites for good research that may properly be expected but are not always found in our institutions for higher learning.

The suggestion already has been made that an amount to be called indirect costs should be a certain percentage of the amount of the grant-in-aid. If there is widespread adoption of the suggestion that fund-granting agencies assume responsibility for defraying 90 percent of the total cost of conducting those programs of research for which grants-in-aid are made, it would seem reasonable to suggest that this be accomplished by adding to the grant some arbitrary percentage of the amount of the grant-in-aid.

TABLE II.—*Payments to grantee institutions to defray 90 percent of total cost of research*

Grants-in-aid amounting to—	Number of grants-in-aid	Total of direct costs	Total of indirect costs as determined by cost formula	Additional payments to grantee to defray 90 percent of total cost	
				Based on formula	Based on arbitrary percent of grant ¹
\$10,000 or less.....	22	\$137, 112	\$85, 419	\$63, 196	\$63, 072
\$10,001 to \$30,000.....	40	777, 990	453, 081	328, 976	327, 636
More than \$30,000.....	29	2, 472, 356	771, 856	447, 436	449, 941
In toto.....	91	3, 387, 458	1, 310, 356	839, 608	840, 649

¹ For grants of \$10,000 or less the percentage is 46 percent. For grants from \$10,001 to \$30,000 the percentage is 46 percent of the first \$10,000 plus 38 percent of the remainder. For grants of more than \$30,000 the percentage is 46 percent of the first \$10,000 plus 38 percent of the next \$20,000 plus 6 percent of the remainder.

Table II illustrates what would have been paid to guarantee institutions for defraying indirect costs if such costs had been determined by the complicated and time-consuming formula¹ on the one hand and, on the other, by multiplying the amount of the grant-in-aid by a percentage which represents the weighted mean percentage of indirect costs based on the sponsoring agency paying 90 percent of the total cost. Table III shows the method of calculating the percentage to be added to the amount of the grant-in-aid so that the sponsoring agency may defray 90 percent of the total cost.

It is unlikely that a sufficient number of grants has been analyzed in this study to provide a totally satisfactory basis for establishing an accurate sliding scale for determining the amount of the indirect costs for grants-in-aid of all sizes. Such a scale might require that as many as several hundred grants be analyzed in accordance with the procedure outlined in this communication.

It is conceivable that an organization such as the Association of American Medical Colleges might find this a worthwhile undertaking. In the meantime, it is suggested that fund-granting agencies might closely approximate paying 90 percent of the cost of conducting research if they would add to the amount of the grant-in-aid in this manner:

46.0 percent when the grant is \$10,000 or less;

46.0 percent of the first \$10,000 and 38.0 percent of all remaining when the grant is between \$10,001 and \$30,000;

46.0 percent of the first \$10,000, 38.0 percent of the next \$20,000, and 6.0 percent of all remaining when the grant is more than \$30,000.

TABLE III.—*Method of calculating the percentage to be added to amount of grant to defray 90 percent of the total cost of conducting the research*

Grants-in-aid amounting to—	Amount of direct costs	Amount of indirect costs as determined by formula	Amount of total costs	90 percent of total costs	Difference between 90 percent of total cost and total direct costs	That difference expressed as a percentage
\$10,000 or less.....	\$137, 112	\$85, 419	\$222, 531	\$200, 278	\$63, 166	46 percent.
\$10,001 to \$30,000.....	777, 990	453, 081	1, 231, 071	1, 107, 964	329, 974	46 percent of \$400,000 plus 38 percent of \$377,990.
More than \$30,000....	2, 472, 356	771, 856	3, 244, 212	2, 919, 791	447, 435	46 percent of \$290,000 plus 38 percent of \$580,000 plus 6 percent of \$1,602,356.

SUMMARY AND RECOMMENDATIONS

1. A study has been made of the direct and indirect costs of conducting programs of research which have been supported by the usual grants-in-aid. An analysis was made of 91 programs of research. The grants-in-aid (direct costs) amounted to \$3,387,458. It was found that the grantee institutions would have had to expend an additional \$1,310,356 of their own funds (indirect costs) to carry out these programs of research.

2. It has been here recommended that all agencies making grants in support of research assume responsibility for defraying 90 percent of the cost of conducting those studies for which grants-in-aid are made. It is tentatively suggested that the most efficient way to accomplish this objective within practical limits would be to add to the amount of the grant-in-aid as follows:

46.0 percent when the grant is \$10,000 or less;

46.0 percent of the first \$10,000 and 38.0 percent of all remaining when the grant is between \$10,000 and \$30,000;

46.0 percent of the first \$10,000, 38.0 percent of the next \$20,000, and 6.0 percent of all remaining when the grant is more than \$30,000.

3. It is suggested that an organization such as the Association of American Medical Colleges extend this study to several hundred grants for the purpose of developing a sliding scale for determining accurately the amount of the indirect costs for grants-in-aid of all sizes.

4. It is customary when referring to indirect costs, as the expression has been used in this paper, to employ the term "overhead." It is suggested that the use of this term be restricted to those instances where institutions make contracts:

to cover the cost of conducting research that has little, if any, relationship to education. In such instances it might not be unreasonable for the amount of the overhead to be such that the sponsoring agency defrays 100 or more percent of the total cost of conducting the research.

REFERENCES

1. Weaver, Harry M., A Formula To Determine the Cost of Research. *Journal, Association American Medical Colleges*, vol. 25: 248-254, July 1950.
2. Diegman, Stella Leche, and Miller, Ester. The Support of Research in Medical and Allied Fields for the Period 1946 Through 1951. *Science*, vol. 115, 1-23, 1952.

THE JOHNS HOPKINS UNIVERSITY,
MILTON S. EISENHOWER, PRESIDENT,
Baltimore 18, Md., May 3, 1957.

HON. J. GLENN BEALL,

*United States Senate,
Washington, D. C.*

DEAR SENATOR BEALL: My attention has been called to a provision which has been added to the appropriations bill for the Department of Health, Education, and Welfare (H. R. 6287), which stipulates that "None of the funds provided herein shall be used to pay any recipient of a grant for the conduct of a research project an amount for indirect expenses in connection with such program in excess of 15 per centum of the direct costs."

As a university president, I have been intimately concerned with the management of research done by institutions of higher education for the Government, and I am impelled to state my conviction that this provision in the bill would not be in the best interests of the Nation.

The adoption of this restrictive legislation would pose a direct threat to the entire program of Government-sponsored research in educational institutions. If, based on the precedent established by this provision, the restriction were to be applied, for example, to research projects of vital importance to the national defense, the universities of the country which have contributed so much to this type of research and technological development might be forced to diminish or withdraw their support of it. Certainly no institution expects to profit from making its contribution to the national welfare, but clearly these institutions—especially those which rely on private financing—cannot be expected to carry on research for the Government under conditions which would involve a steady drain on their resources.

I believe strongly that the governmental agencies dealing with research contracts and grants should be free to establish indirect costs on the basis of examination of the facts and at rates which are equitable both to the Government and to participating institutions. This end clearly cannot be attained if the agencies are bound by an arbitrary ceiling.

I sincerely hope that you will see fit to help bring about the removal of this provision from the bill.

With all good wishes.

Sincerely,

DR. MILTON S. EISENHOWER.

GENERAL STATEMENT

Senator HILL. Mr. Kelly, is there anything you would like to add?

Mr. KELLY. I would like to add that on behalf of the Secretary and all of the departmental witnesses who have been here before you, we certainly appreciate the time you have given us to present our case and it certainly is a pleasure to be associated with programs in which the leadership and support is so strong in the committees which we have the pleasure of appearing before. We express our appreciation for that and I would also like to say how pleased we are in our working relationships with your clerk, Mr. Downey, and the extent to which he has given us the opportunity to clarify those cases where he found we haven't made our case in the justifications.

Senator HILL. We appreciate all the fine help you have given us and the other members of the staff. We always like to have you here and we find you most cooperative and most helpful and we are very grateful to you. Thank you very much.

Mr. KELLY. Thank you.

AMENDMENTS REQUESTED BY DEPARTMENTS OF LABOR AND HEALTH,
EDUCATION, AND WELFARE

Senator HILL. I have received letters from the Department of Labor and from the Department of Health, Education, and Welfare, outlining in detail the amendments which their departments are requesting the Senate to consider in this bill. I shall place these letters in the hearings for the information of the committee and of the Senate.

(The letters referred to follow:)

DEPARTMENT OF LABOR,
OFFICE OF THE SECRETARY,
Washington, April 16, 1957.

HON. LISTER HILL,
United States Senate, Washington, D. C.

DEAR SENATOR HILL: The action of the House of Representatives on the Department of Labor's appropriation estimate for the fiscal year 1958, would seriously curtail the performance of the Department's functions below a level which I believe to be necessary in the public interest. The details of this curtailment have been brought out fully in the hearings before your subcommittee. If the workload experience in the unemployment compensation for veterans and unemployment compensation for Federal workers programs indicates any changes in these estimates prior to completion of the committee's consideration of the bill, I will so advise.

I request that the attached specific amendments be offered to House bill H. R. 6287.

Sincerely yours,

JAMES T. O'CONNELL,
Acting Secretary of Labor.

OFFICE OF THE SECRETARY

On page 2, line 11, strike out "\$1,480,000" and insert "\$1,785,340," and strike out the next phrase "of which not more than \$170,000 shall be for international labor affairs."

OFFICE OF THE SOLICITOR

On page 3, line 9, strike out "\$2,021,000" and insert "\$2,235,070."

BUREAU OF LABOR STANDARDS

On page 3, line 22, strike out "\$182,575" and insert "\$197,575."

On page 4, line 7, strike out "\$985,000" and insert "\$1,149,800."

BUREAU OF APPRENTICESHIP

On page 4, line 22, after the words "encouraging apprentice", insert the words "and other occupational", and after the word "training", insert the words "in industry and trade."

On page 4, line 24, strike out "\$3,600,000" and insert "\$3,893,300."

BUREAU OF EMPLOYMENT SECURITY

On page 5, line 8, strike out "\$5,558,000" and insert "\$6,345,500."

On page 6, line 5, strike out "\$249,814,000" and insert "\$270,000,000", and immediately thereafter insert the phrase "of which \$12,000,000 shall be available only to the extent necessary to meet increased costs of administration resulting from changes in a State law or increases in the numbers of claims filed and claims

paid or increased salary costs resulting from changes in State salary compensation plans embracing employees of the State generally over those upon which the State's basic grant (or the allocation for the District of Columbia) was based, which increased costs of administration cannot be provided for by normal budgetary adjustments:"

On page 8, line 2, strike out "\$36,800,000" and insert "\$42,000,000."

On page 8, line 14, strike out "\$25,000,000" and insert "\$32,000,000."

On page 9, line 4, strike out "\$2,236,200" and insert "\$2,677,000."

BUREAU OF LABOR STATISTICS

On page 10, line 19, strike out "\$7,124,000" and insert "\$7,750,700."

WAGE AND HOUR DIVISION

On page 11, lines 13 and 14, strike out "\$10,600,000" and insert "\$10,858,900."

GENERAL PROVISIONS

On page 11, line 21, strike out the period at the end of the section and insert "and, in connection with the transfer of certain activities of the Department and personnel therefor, from one location to another (not within the same commuting area) for payment of special allowances for transferred employees of \$12 per day for not to exceed fifteen days, and \$6 per day for dependents of such employees for not to exceed seven days upon arrival at their new official station."

THE SECRETARY OF HEALTH, EDUCATION, AND WELFARE,
Washington, April 17, 1957.

HON. LISTER HILL,

Chairman, Subcommittee on Departments of Labor, and Health, Education, and Welfare, and Related Agencies, Senate Committee on Appropriations, Washington, D. C.

DEAR MR. CHAIRMAN: The House in passing H. R. 6287 made reductions in 25 items amounting to \$98,578,000. I have carefully reviewed each of the programs affected by these reductions. I strongly recommend that the Senate restore funds in nine of these appropriations for a net increase of \$11,747,800 over the House allowance.

The attached list indicates by page and line the amendments which we deem necessary to H. R. 6287, as passed by the House of Representatives, which makes appropriations to this Department for fiscal year 1958.

In addition to the decrease in funds, there were certain other House actions which related to the appropriation language which was deleted by the House and certain limitations inserted by the House.

Each requested amendment will be explained and justified fully to your committee during the course of the hearings on the bill. If any further information is desired by you or the committee in connection with these amendments, we shall be glad to furnish it promptly.

Sincerely yours,

JOHN W. PERKINS,
Acting Secretary.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Amendments requested to H. R. 6287, 85th Congress, in the Senate of the United States

FOOD AND DRUG ADMINISTRATION

SALARIES AND EXPENSES

1. Page 12, line 14, after the semicolon, insert the following: "including purchase of not to exceed eighty-nine passenger motor vehicles of which fifty-one are for replacement only."

CERTIFICATION AND INSPECTION SERVICE

2. Page 13, line 9, after first semicolon insert: "purchase of not to exceed four passenger motor vehicles for replacement only;"

OFFICE OF EDUCATION

RURAL LIBRARY SERVICES

3. Page 16, line 24, strike "\$5,000,000" and insert in lieu thereof "\$3,000,000".

SALARIES AND EXPENSES

4. Page 18, line 13, strike the period and insert: "*Provided*, That all receipts from non-Federal agencies representing reimbursement for expenses of travel of employees of the Office of Education performing advisory functions to the said agencies shall be deposited in the Treasury of the United States to the credit of this appropriation."

PRESIDENT'S COMMITTEE ON EDUCATION BEYOND THE HIGH SCHOOL

5. Page 18, after line 13 insert: "Salaries and expenses: For salaries and expenses for the President's Committee on Education Beyond the High School, including services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a), and expenses of attendance at meetings, \$200,000."

PUBLIC HEALTH SERVICE

ASSISTANCE TO STATES, GENERAL

6. Page 21, line 4, strike "\$19,592,000" and insert "\$24,092,000, of which \$1,500,000 shall be available for special project grants to public or private non-profit agencies and institutions to assist in the development of improved methods, procedures, and techniques for chronic disease control and health services for older persons."

SANITARY ENGINEERING ACTIVITIES

7. Page 23, line 7, strike "\$12,640,000" and insert in lieu thereof "\$12,853,000".

GRANTS FOR HOSPITAL CONSTRUCTION

8. Page 23, line 14, strike "\$99,000,000" and insert in lieu thereof "\$90,000,000"; line 17, strike "\$21,000,000" and insert in lieu thereof "\$30,000,000"; line 18, strike "\$6,500,000" and insert in lieu thereof "\$10,000,000"; line 19, strike "\$6,500,000" and insert in lieu thereof "\$10,000,000"; line 20, strike "\$4,000,000" and insert in lieu thereof "\$5,000,000"; and line 21, strike "\$4,000,000" and insert in lieu thereof "\$5,000,000."

INDIAN HEALTH ACTIVITIES

9. Page 25, line 12, after the semicolon insert: "purchase of not to exceed seventy-five passenger motor vehicles, of which fifty shall be for replacement only;".

10. Page 25, line 17, strike "\$40,000,000" and insert in lieu thereof "\$43,990,000".

NATIONAL INSTITUTES OF HEALTH

11. Page 26, line 8, after the semicolon insert: "purchase of not to exceed eight passenger motor vehicles for replacement only;".

12. Page 26, line 12, strike the period and insert: ": *Provided*, That the Surgeon General is authorized to advance to this appropriation from other appropriations to the Public Health Service such amounts as are determined to be necessary for the foregoing purposes and for activities performed on a centralized basis: *Provided further*, That the Surgeon General is authorized to operate facilities at the National Institutes of Health for the sale of meals to employees and others at rates determined by him to be sufficient to recover the cost of such operation and the proceeds thereof shall be credited to this appropriation."

DENTAL HEALTH ACTIVITIES

13. Page 27, line 10, after the comma insert: "including purchase of one passenger motor vehicle for replacement only."

LABOR-HEALTH, EDUCATION, WELFARE APPROPRIATIONS 1699

RETIRED PAY OF COMMISSIONED OFFICERS

14. Page 28, after line 3, insert: "Retired pay of commissioned officers: For retired pay of commissioned officers, as authorized by law, and payments under the Uniformed Services Contingency Option Act of 1953, such amount as may be required during the current fiscal year."

SAINT ELIZABETHS HOSPITAL

Page 28, line 16, strike "\$3,000,000" and insert in lieu thereof "\$3,085,800".

SOCIAL SECURITY ADMINISTRATION

GRANTS TO STATES FOR PUBLIC ASSISTANCE

16. Page 30, line 4, strike colon and insert period. Strike line 5 through line 10.

GRANTS FOR TRAINING PUBLIC WELFARE WORKERS

17. Page 30, after line 10, insert: "Grants to States for training of public welfare personnel: For grants to States for increasing the number of adequately trained public welfare personnel available for work in the public assistance programs, as authorized by section 705 of the Social Security Act, as amended, \$2,500,000."

SALARIES AND EXPENSES, PUBLIC ASSISTANCE

18. Page 30, line 13, strike "\$1,900,000" and insert in lieu thereof "\$2,000,000".

COOPERATIVE RESEARCH AND DEMONSTRATION PROJECTS

19. Page 31, after line 22, insert: "Cooperative research or demonstration projects in social security: For making grants, contracts, and jointly financed cooperative arrangements for research or demonstration projects under section 1110 of the Social Security Act, as amended, including necessary expenses of administration, \$2,080,000."

OFFICE OF THE SECRETARY

OFFICE OF THE GENERAL COUNSEL

20. Page 33, line 8, strike "\$500,000" and insert in lieu thereof "\$555,000"; line 10, strike "\$425,000" and insert in lieu thereof "\$449,000".

GENERAL PROVISIONS

OVERHEAD ON NIH GRANTS

21. Page 35, strike out line 5 through line 9.

LEASE-PURCHASE CONSTRUCTION PROGRAM

22. Page 35, strike out line 14 through line 22.

WHAT ARE THE FACTS ABOUT DISEASES OF THE HEART AND CIRCULATION IN THE UNITED STATES TODAY?

These fact sheets have been compiled from the best available information by the National Health Education Committee, Inc., New York, N. Y.

I. How many people die of heart diseases (including cardiovascular-renal disease)¹ every year in the United States?

1. The No. 1 killer of our people is heart disease, principally coronary arteriosclerosis which caused 400,150 deaths in 1955 alone. (1)

2. More than 1 in every 2 deaths is due to cardiovascular-renal diseases. (2)

3. It is estimated that 829,890 Americans died of cardiovascular-renal diseases in 1955, out of a total of 1,527,000 deaths. (2)

Arteriosclerotic heart disease (including coronary disease).....	400,150
Vascular lesions affecting the central nervous system (primarily cerebral thrombosis, due to arteriosclerosis, cerebral hemorrhage, cerebral embolism).....	175,120
Hypertension with heart disease.....	72,630
Nonrheumatic chronic endocarditis and other myocardial degeneration.....	66,150
General arteriosclerosis.....	31,860
Chronic rheumatic heart disease.....	18,410
Hypertension (without mention of heart disease).....	11,260
Acute rheumatic fever.....	1,220
Other diseases of the heart.....	20,930
Other diseases of the circulatory system.....	12,470

Total diseases of cardiovascular system.....	810,200
Chronic and unspecified nephritis (kidney disease) and other renal (kidney) sclerosis.....	16,690

Total deaths from cardiovascular-renal diseases, 1955..... 826,890

4. Approximately 93 percent of the deaths from cardiovascular diseases are caused by arteriosclerosis and high blood pressure.

(a) Hypertension alone accounts for about 11 percent of these deaths.

II. How many Americans will die of cardiovascular-renal diseases?

1. Eighty-eight million Americans now alive will die of cardiovascular-renal diseases unless new treatments and cures are found. (3)

2. During World War II, 1,967,468 people died in the United States of diseases of the heart and circulation. (4) This is nearly eight times as many people as were killed in action in the Armed Forces. (5)

III. How many people are suffering from diseases of the heart and circulation in the United States?

1. It is estimated that between 9 and 10 million people are suffering from diseases of the heart and circulation. (10) (Counting varicose veins and other less serious ailments such as hemorrhoids, about 14 million are afflicted.) (11)

2. About 1,800,000 people are victims of cerebral vascular diseases due to cerebral thrombosis (result of arteriosclerosis), cerebral embolisms and cerebral hemorrhages. (13)

(a) Approximately 67,000 patients were in public mental hospitals in 1953 with cerebral arteriosclerosis, other circulatory disturbances and senile brain diseases. (14) (Latest year for which this information is available.)

(b) About 27 percent of all new admissions to public mental hospitals are patients with cerebral arteriosclerosis, other circulatory disturbances, and senile brain disease. (14)

(c) Patients with cerebral arteriosclerosis and other circulatory disturbances and senile brain disease, because of their high death rate, make up only about 13 percent of the population of our mental hospitals. (14)

3. Of a total 251,152 children who received services under the crippled children's program during 1953, 13,877, or about 6 percent, had some form of heart disease, rheumatic fever, or congenital malformations of the circulatory system. (28)

¹ Renal diseases are diseases of the kidneys, in this instance related to cardiovascular disorders.

IV. What is the civilian economic loss from heart disease and what does it mean to our national economy?

1. At least 653,000 man-years are lost each year in industry due to heart disease disabilities. (15)

2. This loss in man-years is equivalent to \$3,036,450,000 lost in 1955 alone in earnings by those suffering heart disease disabilities, and \$399,636,000 in Federal income tax revenue on these earnings in the same year. (15) (16)

V. What does cardiovascular disease cost the Veterans' Administration?

About \$320 million annually, as follows:

1. As of June 30, 1956, 358,750 veterans were receiving compensation and pension payments where the only major disability was classified as cardiovascular. The annual value of compensation and pension awards to these veterans was \$278,184,408. (17) The Veterans' Administration spent during fiscal 1956 an estimated \$5,400,000 for its total intramural medical research program; the amount specifically spent on heart diseases is not available. (22)

2. The estimated annual cost in 1955 to the Veterans' Administration for hospital care for veterans whose principal diagnosis is cardiovascular disease is about \$42 million. (34)

VI. What was the military manpower loss in World War II because of heart disease?

1. 317,500 men, or nearly 7 percent of 4,828,000 rejected before induction as of August 1, 1945, by the Army, were rejected because of heart disease. (6)

2. 80,000 men were given disability discharges from military service or died in military service from heart disease during the war years, 1942-45. (7)

3. This manpower loss from heart disease, a total of 397,500 men, would have been sufficient to man 27 Army infantry divisions (World War II division strength, 14,477). (8)

4. It is estimated that out of 556,238 registrants for military service examined between July 1950 and September 1953 who were rejected for medical reasons, 86,217, or 15.5 percent were rejected because of circulatory system diseases. (9)

5. Rheumatic fever alone immobilized more than 40,000 men in the Armed Forces during World War II. Each case cost the Government \$16,000 or a total cost of \$640 million. (35)

(a) 6.4 million man-days were lost in the Navy alone because of rheumatic fever and rheumatic heart disease. (35)

VII. How do deaths from cardiovascular-renal diseases compare with deaths from other diseases?

1. Fifty-four percent of all deaths are caused by cardiovascular-renal diseases. (3)

2. Cardiovascular-renal diseases kill:

(a) Over three times as many people as cancer. (18)

(b) Over 19 times as many people as pneumonia and 53 times as many people as tuberculosis. (18)

(c) Over 2,265 people every day. Over a period of 10 days, this means 22,650 people, or slightly less than the 23,345 Americans killed in action in the 3 years of war in Korea. (19)

(d) More than twice as many people died of cardiovascular-renal diseases in 1 day (2,265 deaths) than of polio for the whole year of 1955 (930 deaths). (2)

VIII. How many doctors specialize in diseases of the heart?

1. Only 563 physicians are certified by the American Board of Internal Medicine as specialists in the field of cardiovascular disease, as of October 15, 1956. (20)

(a) This means that there is only one certified physician who is a specialist in the field of cardiovascular diseases for every 1,469 people who died of cardiovascular-renal diseases in 1955.

(b) In addition, there are 10,711 qualified specialists in internal medicine many of whom give special attention to cardiovascular diseases. (20)

IX. What facilities are available for special care of people with diseases of the heart and circulation?

1. In 1954, 4,795 out of 6,500 hospitals reporting to the American Hospital Association said they handled patients with cardiac conditions routinely—more than any other type of patient condition. (36) However, there should be more institutions where intensive research could be done on heart conditions, especially arteriosclerosis (the main cause of heart deaths).

2. In 1952 (latest year for which information is available), there were 603 special rheumatic fever and cardiac centers for children and 472 cardiovascular clinical centers for adults. (28)

X. How much money is available for research in this field annually?

1. About \$31,620,647 divided as follows:

(a) Public funds:

(a) The National Heart Institute, United States Public Health Service, fiscal year 1957 (21):

Intramural research.....	\$5,470,000 ¹
Research projects grants.....	18,895,000
Research fellowships.....	1,335,000
Total.....	<u>25,700,000</u>

(b) Major private funds:

(a) Leading voluntary agencies interested in cardiovascular diseases awarded in 1955-56 approximately \$5,920,647, as follows:

American Heart Association and its affiliates (26) ..	¹ 4,752,922
Life-insurance medical research fund (25).....	960,340
Helen Hay Whitney Foundation, disbursements during 1955 (23).....	207,385
Total major private funds.....	<u>5,920,647</u>

¹ Not a final figure.

2. In other words, we are spending only about \$38.24 per death annually for research to find the causes and cures of the greatest killer of our people, and only about \$3 to find cures and better methods of treatment for each of the 9 to 10 million people presently suffering from heart diseases.

XI. How does this compare with what we spend on other research?

1. In contrast with the total of about \$31,620,647 being spent for research in diseases of the heart and circulation:

(a) It is estimated that a total of about \$121,000,000 will be sent by the Agricultural Research Service of the Department of Agriculture in fiscal 1957 for plant and animal diseases and related research. (27)

(b) About \$45,416,148 is being spent by the major agencies in the field of cancer research—the second cause of death in the United States. (29) This contrasts with only about \$31,620,647 for diseases of the heart and circulation, the first cause of death.

(c) The total amount available from all sources for research in diseases of the heart and circulation is only 28 percent of the \$111,090,000 which people of the United States spent on ballpoint pens alone in 1955. (30)

(d) According to a study published recently by the American Petroleum Institute, the oil industry spent more than \$160 million on research and development in 1955, an increase of \$23 million over expenditures in 1954 for these purposes. (12)

2. \$64,770,000 is spent annually for lipstick alone (30), in contrast with about \$31,620,647 spent for research in diseases of the heart and circulation.

XII. Are the cardiovascular-renal diseases primarily diseases of old age?

1. No. Of the 826,890 people who died from these diseases in 1955, 239,880 or 29 percent were under 65 years of age. (31).

(a) Among children under 15, more than 4 times as many died of cardiovascular-renal diseases in 1955 than died of polio. (31)

XIII. Do people of the United States think more research in this field is necessary?

1. Seventy-nine percent of the people questioned in a 1954 Gallup poll were in favor of the Government's spending \$100 million for research to find the causes and cure of diseases of the heart; and 56 percent were willing to pay more taxes to provide the money. (32)

XIV. What are the needs in the fight against heart disease?

1. More funds for research, construction of research facilities, training and education in heart disease for the National Heart Institute of the Public Health Service are needed.

(a) The National Heart Institute has requests on hand for \$36,612,471 from 89 institutions to increase their laboratory facilities for research in cardiovascular diseases. (33)

(b) During the 1956 session of Congress, legislation was passed to provide \$30 million a year for 3 years in grants on a matching basis for the construction of research laboratory facilities for all types of diseases to institutions throughout the country. How much will be spent during the coming year toward meeting these urgent requests on hand at the National Heart Institute is not as yet determined.

2. More funds for research, training and education in heart disease for the voluntary agency, the American Heart Association and its local affiliates, are needed.

3. New treatments and cures must be found to aid the estimated 9 to 10 million people afflicted with heart and circulatory disorders.

4. Better drugs, treatments, and cures for high blood pressure, plus simpler diagnostic techniques and new methods of treatment and cures for arteriosclerosis must be found.

(a) The new drugs for hypertension (*Rauwolfia serpentina* and its derivatives and others, either used alone or in combination) introduced in 1953-54, are beginning to show a dramatic effect on the death rate from high blood pressure.

(a) Between 1952 and 1955, the national death rate from hypertension with heart disease has declined 18 percent; the death rate from hypertension without mention of heart disease has declined 14 percent. (4)

(b) Recent statistics published by the Metropolitan Life Insurance Co., based on their industrial policyholders, indicate that the death rate among these policyholders from hypertension with heart disease has declined 20 percent between the first 8 months of 1952 and the first 8 months of 1956. (24)

REFERENCE LIST

(1) National Office of Vital Statistics. (1 out of 1.93 deaths in 1949; 1 out of 1.89 deaths in 1950, 1951, and 1952; 1 out of 1.86 deaths in 1953; 1 out of 1.87 deaths in 1954; 1 out of 1.85 deaths in 1955.)

(2) National Office of Vital Statistics: Total deaths 1955, 1,527,000; deaths from cardiovascular-renal diseases, 826,890. These are provisional figures; the final 1955 mortality data not yet available.

(3) Fifty-four percent of the total deaths in 1955 were caused by cardiovascular-renal diseases; 54 percent of 164 million (estimated 1955 population residing in United States) is 88,560,000.

(4) National Office of Vital Statistics.

(5) Killed in action in World War II: Army, 176,432; Navy (died overseas) 72,269; total, 249,701 (World Almanac, 1948, p. 551).

(6) Selective Service System, national headquarters, chart, Estimated Principal Causes for Rejection of Registrants 18-37 Years of Age in Class IV-F and Classes With F Designation, August 1, 1945.

(7) United States Navy: Report of the Surgeon General, 1946. Medical Statistics and Unpublished Data of the Medical Statistics Division, Surgeon General, Department of the Army.

(8) Army Statistical Review, World War II, Army Services, War Department.

(9) Department of the Army, Office of the Surgeon General, Medical Statistics Division, March 16, 1953.

(10) Dr. Rolla E. Dyer, former Director, National Institutes of Health; estimate based on analysis of the health of the Nation, 1940 (memorandum dated May 28, 1947).

(11) Estimate for July 1, 1949, Collins, S. D.: Statistical Studies of Heart Diseases—V, Public Health Reports, November 18, 1949. Also, figures from National Health Survey, Bulletin No. 6, United States Public Health Service 1938, adjusted to 1950 population.

(12) New York World-Telegram and Sun, November 23, 1956: Oil Industry Spending Millions on New Ideas.

(13) Statement Neurological and Sensory Disorders, prepared for hearings of Committee on Interstate and Foreign Commerce, United States House of Representatives, October 7, 1953, Washington, D. C., by the National Committee for Research into Neurological Disorders.

(14) National Institute of Mental Health, Bethesda, Md., in letter dated November 2, 1956, from Harold P. Halpert, Chief, Publications and Reports, Office of the Director.

(15) *America's Health: A Report to the Nation*, by the National Health Assembly, page 185. Published by Harper & Brothers, New York, 1949.

(16) According the 1956 Survey of Consumer Finances—the Financial Position and Commitments of Consumers reprinted from the Federal Reserve Bulletin for June 1956, the 1955 average money income before taxes was \$4,650. Income-tax loss estimate based on assumption that each earner would claim, on the average, 2 dependents, thus paying on a \$4,650 income approximately \$612 in Federal income taxes.

(17) Letter dated December 7, 1956 from A. H. Monk, Controller, Department of Veterans' Benefits, Veterans' Administration, Washington, D. C.

(18) National Office of Vital Statistics. 1955 deaths (provisional figures): cancer (malignant neoplasms), 242,430; tuberculosis, 15,580; diphtheria, 140; pneumonia, 42,340.

(19) New York Times, July 23, 1954, quoting Defense Department report covering battle casualties of Korean war.

(20) American Board of Internal Medicine—letter dated October 15, 1956.

(21) National Heart Institute, 1957 current budget:

Intramural research-----	\$5, 470, 000
Research project (grants-in-aid)-----	18, 895, 000
Research fellowships-----	1, 335, 000
Grants-in-aid to States-----	2, 125, 000
Training-----	4, 400, 000
Other-----	1, 171, 000
Total-----	33, 396, 000

(22) Budget of the United States for the fiscal year ending June 30, 1957.

(23) Helen Hay Whitney Foundation—Disbursements During 1955.

(24) Statistical Bulletin, September 1954, September 1956, Metropolitan Life Insurance Co., New York, N. Y.

(25) Letter dated October 15, 1956, from Beatrice S. Leonard, administrative assistant, Life Insurance Medical Research Fund.

(26) American Heart Association, New York, N. Y., per Mr. Ira Sherman, November 29, 1956, information director.

(27) United States Budget, Fiscal Year Ending June 30, 1957.

(28) Cardiovascular Disease data on Mortality, Prevalence and Control Activities, Public Health Service Publication No. 429, 1956.

(29) Government funds for fiscal year beginning July 1, 1956, \$35,072,000; voluntary agencies: approximately \$10,344,148; total, \$45,416,148.

(30) Survey compiled and published annually by Drug Topics, Topics Publishing Co., New York, N. Y., August 1956.

(31) National Office of Vital Statistics: Total deaths 1955, 1,527,000; deaths from cardiovascular-renal diseases, 826,890; deaths of children under 15 from cardiovascular-renal diseases, 1,970; from infantile paralysis, 410; total deaths from infantile paralysis, 930.

(32) Poll conducted by American Institute of Public Opinion, Princeton, N. J., July 3, 1954.

(33) Summary of Construction Grant Requests, National Institutes of Health, United States Public Health Service, Washington, D. C., September 24, 1953.

(34) 1955 Veterans' Administration Annual Report, pages 25, 179.

(35) Health Inquiry—The Toll of our Major Diseases, Their Causes, Prevention and Control, preliminary report of the Committee on Interstate and Foreign Commerce, United States House of Representatives, Washington, D. C., 1954.

(36) Hospitals, administrators guide issue, part II, August 1955. The Journal of the American Hospital Association, Chicago, Ill.

WHAT ARE THE FACTS ABOUT ARTERIOSCLEROSIS, OUR NO. 1 KILLER?—MAIN CAUSE OF DAMAGE TO HEART AND BRAIN

I. What is Arteriosclerosis?

1. Arteriosclerosis is "hardening of the arteries." This is a condition which impairs the functional elasticity of the blood vessel walls and also reduces the volume of blood that may pass through the afflicted arteries. There are several types of arteriosclerosis. (1)

2. In one of the commonest forms (atherosclerosis), fatty substances, largely cholesterol, accumulate beneath the inner surfaces of arteries and tend to push the inner surfaces together. The caliber of the vessel is thereby reduced, a process that is further accentuated by subsequent thickening and hardening of the artery wall, with consequent loss of elasticity. (1)

3. Arteriosclerosis most commonly involves the blood vessels of the heart, brain, kidneys, and the aorta. (1)

4. Uncomplicated arteriosclerosis produces a gradual reduction in effective blood flow which, in the arteries supplying the heart, may manifest itself as angina pectoris. This condition is characterized by pain in the chest which is often brought on by exertion. (1)

5. If the restriction in blood flow by arteriosclerosis is rapid or drastic enough, extensive damage of heart muscle may occur (myocardial infarction). This more dramatic event is usually caused by complications of the disease process: i. e., hemorrhage arising within the artery wall, or the formation of a blood clot (coronary thrombosis) upon the lining surface. Either complication may further restrict the caliber of the vessel or completely block it. (1)

6. Impairment of blood supply to the brain may similarly cause gradual or sudden and dramatic damage, in the latter instance the familiar "stroke." (1)

Blood vessels are damaged or blocked in these ways: (1) by an embolus, (2) by thrombosis, (3) by hemorrhage.

7. Arteriosclerosis by affecting the kidneys may cause one type of hypertension. Hypertension in turn may accelerate the development of all types of arteriosclerosis located in any part of the body. (1)

8. Although hypertension and arteriosclerosis frequently occur together, they are separate entities, but either usually intensifies the other. (1)

9. Since arteriosclerosis is seen more frequently in patients with a disordered metabolism of sugar (diabetes) and in disorders of fat metabolism, it is generally considered to be a metabolic disease, although actual injury to the blood vessel wall and other considerations probably also play a role in its causation. (1)

10. In view of the numerous factors implicated in arteriosclerosis, research in this prevalent cardiovascular disease must proceed along many fronts—biophysical, biochemical, pathologic, medical, surgical, nutritional, endocrinologic—and in both experimental animals and in man. (1)

II. How many people die from arteriosclerosis?

1. Of the 810,200 deaths from cardiovascular diseases in 1955 (as a group the No. 1 cause of death in the Nation today), 93 percent or 757,170 deaths, were caused by arteriosclerosis and hypertension, as follows: (2)

(a) Arteriosclerosis alone:

Arteriosclerotic heart disease (including coronary disease)-----	400,150
General arteriosclerosis-----	31,860

(b) Cardiovascular diseases involving arteriosclerosis and hypertension:

Vascular lesions affecting the central nervous system (primarily cerebral (brain) thrombosis due to arteriosclerosis, cerebral embolism, and cerebral hemorrhage)-----	175,120
Nonrheumatic chronic endocarditis and other myocardial degeneration-----	66,150

(c) Hypertension:

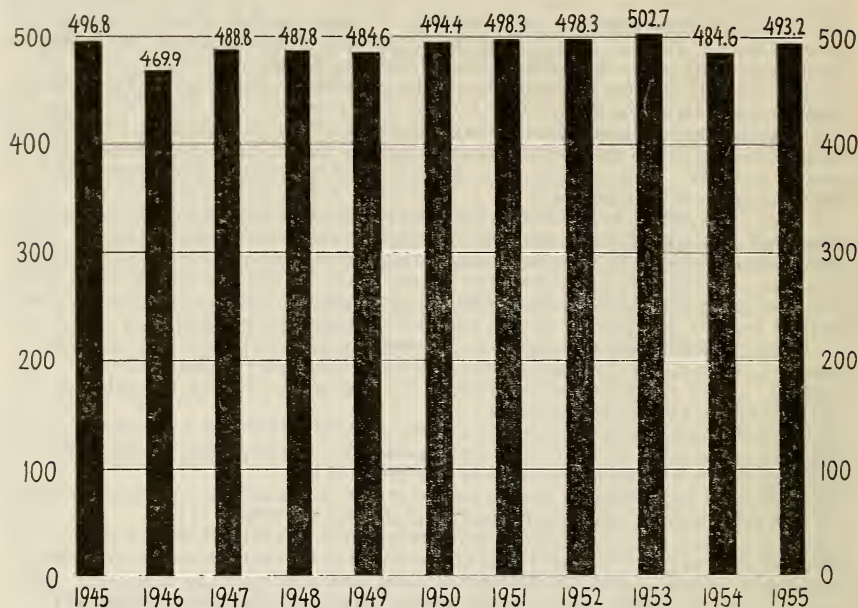
Hypertension with heart disease (arteriosclerosis)-----	72,630
Hypertension without mention of heart-----	11,260

Total deaths involving arteriosclerosis and hypertension-----	757,170
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2. Forty-nine and one-half percent of all deaths in 1955 were caused by arteriosclerosis and hypertension. (2)

3. Of these 757,170 deaths in 1955 caused by arteriosclerosis and hypertension, 83,980 or 11 percent were caused by hypertension alone. (2)

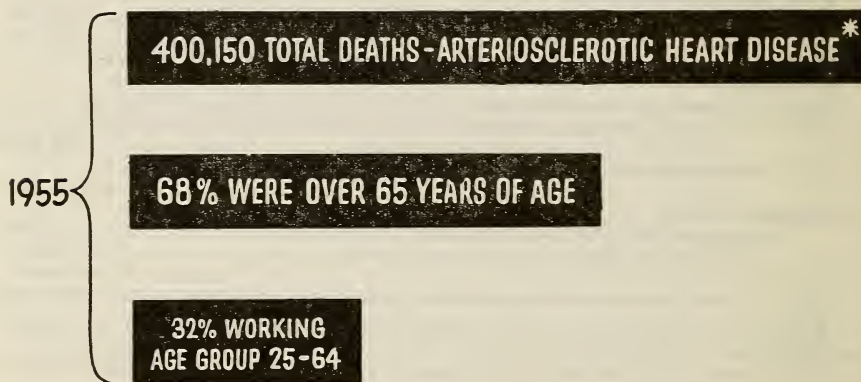
4. The following chart illustrates the steady, nondiminishing toll taken by diseases of the heart and circulation, of which arteriosclerosis is the main cause, during the past 10 years: (2)

Death rates from diseases of the heart and circulation, 1945-55*III. In what age groups does arteriosclerosis take its greatest toll?*

The following answers pertain to arteriosclerotic heart disease alone and exclude consideration of those other cardiovascular diseases which involve arteriosclerosis and hypertension but are not categorized as such.

1. Over 68 percent of the 400,150 deaths in 1955 from arteriosclerotic heart disease and general arteriosclerosis were over 65 years of age. (2)

2. Over 31 percent of these deaths (127,440) were in the working age groups from 25 to 64 years of age. (2)

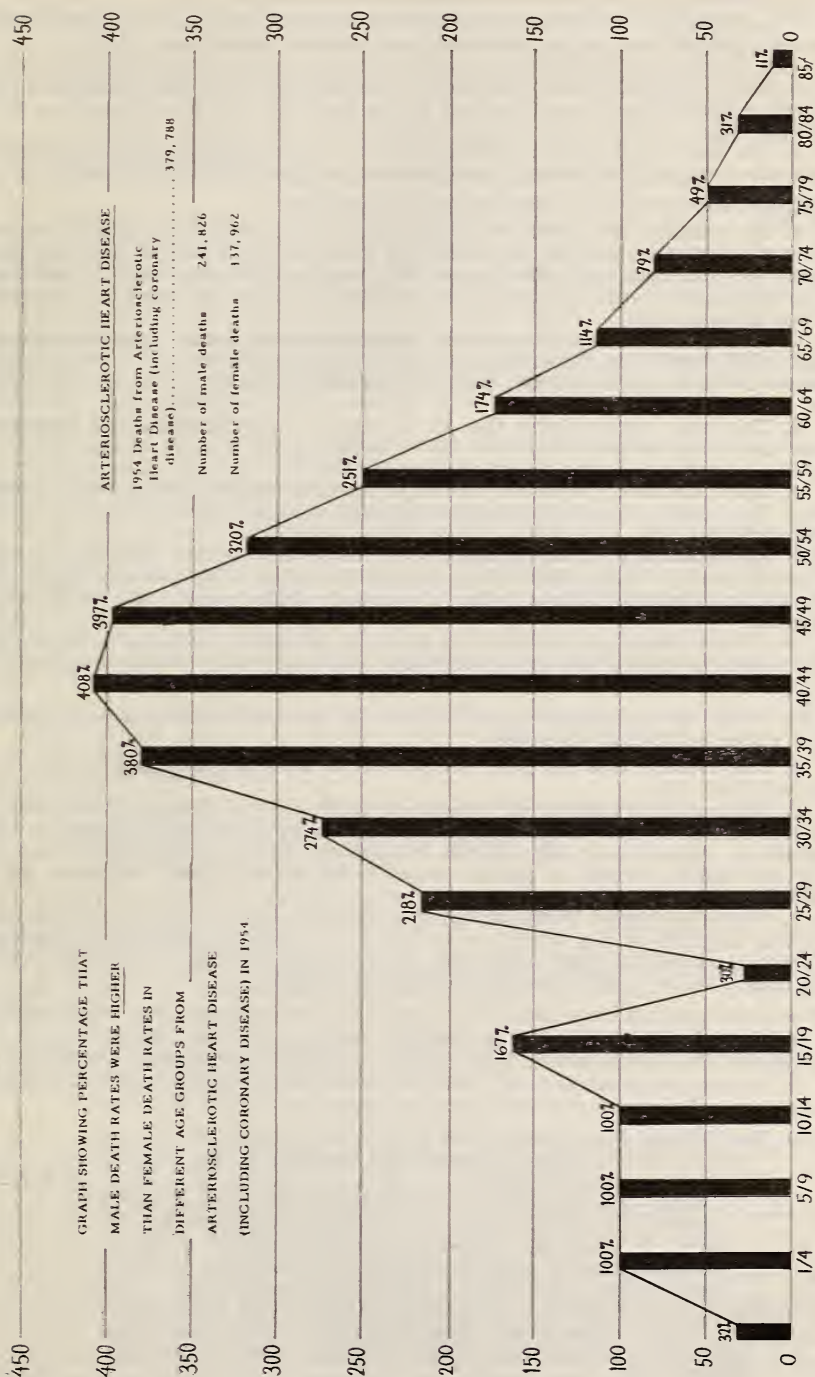


***AND GENERAL ARTERIOSCLEROSIS**

IV. What does this loss in the working age group mean to our national economy?

1. If these 127,440 people had been able to live an extra, healthy year, they could have earned about \$592 million in 1955 alone. (3)

2. The Federal Government could have gained in 1 year approximately \$77,993,280 in income-tax revenue on these earnings. (3)



V. Do more men die from arteriosclerosis than women?

1. In 1955, the male death rate from arteriosclerotic heart disease was 75 percent higher than the female death rate from the same cause. (2)

(a) The female death rate from vascular lesions of the central nervous system (primarily cerebral thrombosis due to arteriosclerosis, cerebral embolism, and cerebral hemorrhage) was 5 percent higher than the male death rate from this cause. (2)

2. The male death rate from arteriosclerotic heart disease shows its greatest increase over the female death rate between the ages of 30 and 60 years. (2)

VI. How many people are disabled by arteriosclerosis?

1. No estimates are available at this time on the number of people disabled by arteriosclerosis though it is estimated that between 9 and 10 million Americans are suffering from diseases of the heart and circulation (4), and that arteriosclerotic heart disease is responsible for 25 to 40 percent of chronic heart disease. (16)

2. In a recent survey, it is shown that in terms of annual days of disability per 1,000 population, hypertension and arteriosclerosis are the fourth leading cause in the age group 65 and over, and seventh in the age group 45 to 64 years of age. (5)

3. This same survey shows that in the ages 45 to 64 years of age, hypertension and arteriosclerosis are the third leading cause of days of hospital care. (5)

4. About 1,800,000 people are victims of cerebral vascular diseases due to cerebral thrombosis, result of arteriosclerosis), cerebral embolism and cerebral hemorrhage. (6)

5. Approximately 67,625 patients were in public mental hospitals in 1953 (latest year for which such information is available) with mental diseases due to cerebral arteriosclerosis, other circulatory disturbances, and senile brain disease. (7)

(a) While these patients make up about 27 percent of first admissions to public mental hospitals, because of their high death rate, they constitute only about 13 percent of the resident population. (7)

VII. What is the estimated cost of care for cerebral (brain) arteriosclerosis patients in mental hospitals?

1. The average cost per year per patient in 1955 in public mental hospitals was \$1,119. (8)

2. Assuming the number of patients in public mental hospitals with cerebral arteriosclerosis, other circulatory disturbances and senile brain disease in 1955 would be substantially the same as in 1953, the cost of care in 1955 alone for all the 67,625 patients in public mental hospitals with these diagnoses totals \$75,672,375.

3. Since the average length of stay in a State mental hospital for patients with mental diseases of the senium is 4.1 years (9), these 67,625 resident patients in public mental hospitals with these disorders will cost over the average length of their stay in a mental hospital about \$310 million.

VIII. How much is being spent for research in arteriosclerosis and hypertension?

1. An estimated \$2,351,248 is currently being spent from major sources for research in arteriosclerosis, hypertension, and cerebral vascular accidents.

2. Government funds in fiscal 1956 for research in arteriosclerosis, hypertension and cerebral vascular accidents total an estimated \$1,787,970. (10)

(a) The National Heart Institute of the United States Public Health Service during fiscal 1956 supported research in this area totaling an estimated (11)----- \$1,417,178

NOTE.—Since projects are classified on the basis of major interest, this would not be an all-inclusive figure for research in the field. Additional projects bearing on arteriosclerosis may be classified under such categories as coronary heart disease, metabolism, physiology, and others. (11)

(b) The National Institute of Neurological Diseases and Blindness of the United States Public Health Service in fiscal 1956 allocated for research in cerebral vascular disorders approximately (12)----- 262,305

(c) Other agencies of the Federal Government spent during fiscal 1956 for research in these related areas an estimated----- 54,487

Total, estimated Government funds----- 1,787,970

3. Non-Government funds for fiscal 1956 for research in arteriosclerosis, hypertension, and cerebral vascular accidents total an estimated \$563,278. (10)

(a) For projects which could be described as belonging more or less in the area of arteriosclerosis, hypertension, and other fields related to cerebrovascular disease, the national office of the American Heart Association allocated (13)----- \$503,157

The amount allocated by affiliated heart associations for this purpose is not available.

(b) Other non-Government sources spent in fiscal 1956 about (10)----- 60,121

Total estimated non-Government funds----- 563,278

4. In contrast to the total of about \$2,351,248 currently being spent from major sources for research in the major causes of death and disability, arteriosclerosis, hypertension, and cerebral vascular diseases:

(a) An estimated \$121 million will be spent by the Agricultural Research Service of the United States Department of Agriculture in fiscal 1957. (14)

5. While it is costing over \$75 million per year to care for the 67,625 patients in public mental hospitals alone with mental diseases of the senium, we are spending only \$2,351,248 for research in arteriosclerosis, hypertension, and cerebral vascular diseases.

The problem of cerebral vascular disease is closely related to the problems of high blood pressure (hypertension), of hardening of the arteries (arteriosclerosis), and of coronary artery disease. Any advance toward solving one of these problems is an advance toward solving the others.

6. Though the new drugs for hypertension (*Rauwolfia serpentina* and its derivatives and others) have contributed to the declines in the death rates from hypertension with and without mention of heart disease, a basic solution to the problem of arteriosclerosis must be found, as well as even better drugs for hypertension, and many leads are at hand.

(a) Between 1952 and 1955, the death rate for hypertension with heart disease has declined 18 percent; the death rate from hypertension without mention of heart disease has declined 14 percent. (2)

IX. How much do the people of the United States spend on commercial products for self-improvement in contrast with the \$2,351,248 currently being spent for research in arteriosclerosis and hypertension in order to prevent disability and stay alive?

1. The people of the United States spent in 1955 approximately: (15)

(a) \$99,840,000 for face creams;

(b) \$27,120,000 for men's packaged toiletry sets;

(c) \$24,860,000 for face powder.

X. What are the needs in the fight against arteriosclerosis?

1. More funds for research, training, and education in the field of arteriosclerosis are urgently needed.

2. A simple method for the early detection and diagnosis of arteriosclerosis must be found, as well as better methods of treatment, cures, and methods of prevention.

3. It is essential that the technical language presently in use in the field of arteriosclerosis and heart disease be simplified and the terminology made uniform and understandable to the lay public.

REFERENCE LIST

(1) Personal communication from Paul D. White, M. D., Howard B. Sprague, M. D., and Frederick J. Stare, M. D., Boston, Mass., 1956.

(2) National Office of Vital Statistics, Washington, D. C.

(3) If the 127,440 people in the working age groups 25-64 years of age had been able to work and earn the 1955 average money income before taxes of \$4,650 (1956 Survey of Consumer Finances, The Financial Position of Consumers, reprinted from the Federal Reserve Bulletin, June 1956) for just 1 year, their total earnings in that 1 year would have amounted to approximately \$592 million. If each claimed on the average 2 dependents, they would each pay \$612 in Federal income taxes on this average income of \$4,650, totaling in all about \$77,993,280.

(4) Dr. Rolla E. Dyer, former Director, National Institutes of Health; estimate based on analysis of the health of the Nation, 1950. (Memorandum dated May 28, 1947.)

(5) Major Causes of Illness and of Death in Six Age Periods, Public Health Monograph No. 30, United States Public Health Service, Washington, D. C.

(6) Statement, Neurological and Sensory Disorders, prepared for the hearings of the House Committee on Interstate and Foreign Commerce, October 7, 1953, Washington, D. C., by the National Committee for Research into Neurological Disorders. Statement begins on page 974, part 4 of the hearings.

(7) National Institute of Mental Health, Bethesda, Md., in letter dated November 2, 1956, from Harold P. Halpert, Chief, Publications and Reports, Office of the Director.

(8) Patients in Mental Institutions, 1955, prepared by the Biometrics Branch, National Institute of Mental Health, United States Public Health Service, Washington, D. C.

(9) Statement, Mental Illness, prepared for the Committee on Interstate and Foreign Commerce of the United States House of Representatives, October 8, 1953, by the National Institute of Mental Health, United States Public Health Service, Washington, D. C.

(10) Letter dated November 2, 1956, from Dr. Stella Leche Deignan, director, Bio-Sciences Information Exchange, Washington, D. C.

(11) C. R. Strom, Chief, Heart Information Center, National Heart Institute, Bethesda, Md., October 29, 1956.

(12) Data supplied November 1, 1956, by Office of the Assistant to the Director, National Institute of Neurological Diseases and Blindness, Bethesda, Md.

(13) American Heart Association, Inc., New York, Ira Sherman, information director, in letter dated January 10, 1957. "The national office of the American Heart Association allocated \$1,851,416.61 for research in 1955-56, of which \$503,157.09 could be described as belonging more or less in the area of arteriosclerosis, hypertension, and other fields related to cerebrovascular disease. Of this \$503,157, \$174,500 was for fellowships and \$328,657 for grants-in-aid. A great deal of the research supported by the American Heart Association was of a basic nature not clearly identifiable as belonging in the cerebral vascular field, but some of which might provide long-range benefits in that area. In addition to the awards of the national office, affiliated heart associations allocated approximately \$2,901,505.44 for cardiovascular research in 1955-56, but information was not available concerning which of these fell into the cerebrovascular or related classifications."

(14) Budget of the United States for fiscal year ending June 30, 1957.

(15) From a survey compiled and published annually by Drug Topics, Topics Publishing Co., New York, N. Y., 1956.

(16) Text Book of Medicine. Eighth edition, edited by Russell L. Cecil, M. D., and Robert F. Loeb, M. D.; W. B. Saunders Co.

WHAT ARE THE FACTS ABOUT CEREBRAL VASCULAR DISEASES (MAINLY ARTERIOSCLEROSIS OF THE BRAIN)?

I. How many people die from cerebral vascular diseases each year?

1. In 1955, 175,120 people died of vascular lesions (popularly called strokes) affecting the central nervous system (primarily cerebral thrombosis due to arteriosclerosis (thickening and hardening of the arteries), cerebral hemorrhage, cerebral embolism). (1)

(a) This is over four times the number of people who died from diabetes and tuberculosis combined in the same year. (1)

(b) Very frequently a person suffering any type of cerebral vascular accident, whether a cerebral thrombosis, cerebral hemorrhage or cerebral embolism, is said to have had a "stroke." This is a catchall term used by many people, including doctors, to describe any of the cerebral vascular accidents, and it is hoped that better understanding of these disorders will lead to correct and exact diagnoses rather than the use of a too general, and therefore ambiguous, term as "stroke."

2. There has been neither a decline nor an appreciable upward trend in these death rates over the years 1940-55. (1) (2)

(a) The 1955 death rate represents about 3½-percent increase over the adjusted death rate for 1940. (1955 death rate, 106.6; 1940 death rate, 102.9)

(1) (2) However, the 1955 death rate represents a 3 $\frac{1}{2}$ -percent decrease over the 1945 death rate. (1)

3. Cerebral vascular disease, which is usually caused by arteriosclerosis, is listed as the second leading cause of death among the cardiovascular-renal diseases. (1)

(a) Arteriosclerosis is the leading cause of death among the cardiovascular-renal (kidney) diseases, which group as a whole is the No. 1 cause of death in the United States today. (1)

II. *How many people are affected by the cerebral vascular diseases?*

1. It is estimated there are 1,800,000 victims of cerebral vascular disease in the United States today. (3)

(a) Recent spot checks on the results of dynamic rehabilitation programs have shown that 90 percent of all hemiplegics (victims of paralysis of one side of the body, mostly due to cerebral vascular accidents) can be taught to walk and over half can be taught to do some gainful work. (4)

(b) However, only a fraction of cerebral vascular disease victims receive the rehabilitation services which could train them to some degree of independence, self-care or employment. (3)

2. Cerebral arteriosclerosis is the second leading cause of first admissions to the public mental hospitals. (7) (Schizophrenia is the leading cause, accounting for about 24 percent of first admissions.)

(a) Approximately 1 out of every 7 first admissions to public mental hospitals in 1953 (14.4 percent) was caused by cerebral arteriosclerosis. (7) (First admissions to public mental hospitals from all causes in 1953 totaled 113,546; cerebral arteriosclerosis first admissions were 16,363.) (7)

3. This does not give the total picture, however, because many of the senile and other patients have cerebral vascular diseases, but they are not categorized as such.

(a) If first admissions due to senility and other circulatory disturbances are also included with cerebral arteriosclerosis first admissions, these causes account for approximately 27 percent of all first admissions to public mental hospitals. (7)

4. First admissions to mental hospitals from these causes have been increasing continuously over the years to their present prominence. (6)

5. Every person who lives long enough is an almost certain candidate for cerebral vascular disease in his later years. (16)

III. *How many patients are in public mental hospitals with mental diseases due to cerebral arteriosclerosis and senility?*

1. It is estimated that in 1953 (latest year for which information is available), 67,625 patients were in public mental hospitals with cerebral arteriosclerosis, other circulatory disturbances and senile brain disease. (7)

(a) 36,164 were diagnosed as having cerebral arteriosclerosis; 1,512 with other circulatory disturbances.

(b) 29,949 were diagnosed as suffering from senile brain disease. This does not include patients in private, Veterans' Administration, or city mental hospitals or at home.

2. These 67,625 patients represent about 13 percent of the total resident population in our State mental hospitals. (7)

(a) While patients with cerebral arteriosclerosis, other circulatory disturbances and senile brain disease make up about 27 percent of first admissions to mental hospitals, because of their high death rate, they constitute only about 13 percent of the resident population.

(b) A large number of these patients after hospitalization improve to the extent that they could be discharged from the mental hospital and be cared for at home or at nursing homes. However, the scarcity of such facilities makes it impossible for many of these patients to ever leave the mental hospitals. (16)

IV. *What are the chances of recovery for patients in mental hospitals with cerebral arteriosclerosis?*

1. Only about 40 percent of all types of mental patients admitted to State hospitals are discharged within a 5-year period. (13)

2. However, a 5-year study of patients in New York State mental hospitals showed that in the case of cerebral arteriosclerosis, only 18 percent of the patients with this disorder were discharged within the 5-year period. About 70 percent of the group died. (13)

V. *At what age do the cerebral vascular diseases cause the greatest toll?*

1. The greatest number of cerebral vascular disease deaths occur in the later years.

(a) 134,570, or 77 percent, of all deaths caused by the cerebral vascular diseases in 1955 occurred in people 65 years of age and older. (1)

2. 95 percent of all first admissions to State mental hospitals because of cerebral arteriosclerosis in 1952 were people in the age group 55 and over. (5)

3. 39,600 of the cerebral vascular disease deaths which occurred in 1955 were in the "working age" group 25 to 64 years of age. (1)

VI. *What does this loss in the working-age group mean to our national economy?*

1. If these 39,600 people had been able to live an extra healthy year, they could have earned about \$184 million. (12)

2. The Federal Government could have gained in 1 year approximately \$24,235,200 in income-tax revenue. (12)

VII. *What is the estimated cost of care for cerebral arteriosclerosis patients in mental hospitals?*

1. The per capita maintenance expenditure in 1955 in public mental hospitals was \$1,119, or about \$3 per day. (18)

2. Assuming the number of patients in public mental hospitals with cerebral arteriosclerosis, other circulatory disturbances, and senile brain disease in 1955 would be substantially the same as in 1953, the cost of care in 1955 alone for all the 67,625 patients in public mental hospitals with these diagnoses totals \$75,672,375.

3. Since the average length of stay in a State mental hospital for patients with mental diseases of the senium is 4.1 years (6), the 67,625 resident patients in public mental hospitals with these disorders will cost over the average length of their stay in a mental hospital about \$310 million.

VIII. *How much is being spent for research in the field of cerebral vascular diseases?*

1. No information is available at present as to the exact amount of funds being spent specifically for research in the cerebral vascular diseases, but an estimated \$2,351,248 is currently being spent from major sources for research in arteriosclerosis, hypertension, and cerebral vascular accidents. (8)

2. Government funds (mostly U. S. Public Health Service) in fiscal 1956 for research in arteriosclerosis, hypertension, and cerebral vascular accidents total an estimated \$1,787,970. Of this amount, only approximately \$95,637 was specifically for research in cerebral vascular accidents. (8)

(a) The National Heart Institute of the U. S. Public Health Service during fiscal 1956 supported research in this area totaling an estimated (14)----- \$1, 471, 178

(b) The National Institute of Neurological Diseases and Blindness of the U. S. Public Health Service in fiscal 1956 allocated for research in cerebral vascular disorders approximately (15) ----- 262, 305

(c) Other agencies of the Federal Government spent during fiscal 1956 for research in these related areas an estimated (8) -- 54, 487
Total estimated Government funds----- 1, 787, 970

3. Non-Government funds for fiscal 1956 for research in arteriosclerosis, hypertension, and cerebral vascular accidents total an estimated \$563,278. Of this amount only about \$15,150 is estimated to have been spent specifically for research in cerebral vascular accidents. (8)

(a) For projects which could be described as belonging more or less in the area of arteriosclerosis, hypertension, and other fields related to cerebro-vascular disease, the National Office of the American Heart Association allocated (9)----- \$503, 157
(a) the amount allocated by affiliated heart associations for this purpose is not available.

(b) Other non-Government sources spent in fiscal 1956 about (8) ---- 60, 121

Total, estimated non-Government funds----- 563, 278

IX. How does this compare with what Americans are spending in other ways?

1. In contrast to the total of only about \$2,351,248 currently being spent from major sources for research in the major causes of death and disability, arteriosclerosis and hypertension:

(a) It is estimated that a total of about \$121 million will be spent by the Agricultural Research Service of the Department of Agriculture in fiscal 1957 for plant and animal disease and related research. (10)

(b) In fiscal 1957 an estimated \$21,200,000 will be spent by the Agricultural Research Service of the Department of Agriculture for plant and animal disease and pest control (for control and eradication of tuberculosis, brucellosis, scabies, and cattle ticks; hog cholera control and related diseases of swine, sheep, cattle, and horses). (10)

2. While it is costing over \$75 million per year to care for the 67,625 patients who were in public mental hospitals alone in 1955 with mental diseases of the senium, we are spending only about \$2,351,248 for research in arteriosclerosis, hypertension, and cerebral vascular accidents. The problem of cerebral vascular disease is closely related to the problems of high blood pressure (hypertension), of hardening of the arteries (arteriosclerosis) and of coronary artery disease. Any advance toward solving one of these problems is an advance toward solving the others.

(a) It is hoped that the new drugs against high blood pressure (among them the Rauwolfia derivatives) will make a contribution toward reducing the number of cerebral vascular accidents, but a basic solution to the problem of arteriosclerosis must be found as well as even better drugs for high blood pressure and many leads are at hand.

(a) Recent statistics published by the Metropolitan Life Insurance Co., based on their industrial policyholders, indicate impressive declines. The death rate among these policyholders from hypertension with heart disease has declined 20 percent between the first 8 months of 1952 and the first 8 months of 1956. (17)

(b) Between 1952 and 1955, the national death rate from hypertension with heart disease has declined 18 percent; the death rate from hypertension without mention of heart disease has declined 14 percent. (1)

X. How much do the people of the United States spend on commercial products for self-improvement in contrast with the \$2,351,248 currently being spent for research in arteriosclerosis and hypertension in order to prevent disability and stay alive?

1. The people of the United States spent in 1955 approximately: (11)

(a) \$99,840,000 for face creams;

(b) \$27,120,000 for men's packaged toiletry sets; and

(c) \$24,860,000 for face powder.

REFERENCE LIST

(1) National Office of Vital Statistics, Washington, D. C. Tuberculosis deaths (1955), 15,580; diabetes deaths (1955), 25,000; totaling 40,580; 1955 death totals are provisional.

(2) Adapted by the Office of Biometrics Research, National Heart Institute, from the annual vital statistics reports of the Public Health Service, National Office of Vital Statistics, and their predecessor, the annual vital statistics of the Census Bureau, Washington, D. C.

(3) Statement, Neurological and Sensory Disorders, prepared for the hearings of the House Committee on Interstate and Foreign Commerce, October 7, 1953, Washington, D. C., by the National Committee for Research Into Neurological Disorders. Statement begins on page 974, part 4 of the hearings.

(4) Dr. Howard Rusk, director, New York University-Bellevue Medical Center Institute of Physical Medicine and Rehabilitation, New York City, November 3, 1953, and September 2, 1955.

(5) Patients in Mental Institutions, 1952, prepared by Biometrics Branch, National Institute of Mental Health, United States Public Health Service, Washington, D. C.

(6) Statement, Mental Illness, prepared for the Committee on Interstate and Foreign Commerce of the United States House of Representatives, October 8, 1953, by the National Institute of Mental Health, United States Public Health Service, Washington, D. C.

(7) Unpublished data from schedules submitted for the census of mental patients. Data are provisional and may be subject to change. Prepared by Hospital Reports and Records Unit, Current Reports Section, Biometrics Branch, National Institute of Mental Health, November 1956.

(8) Letter dated November 2, 1956, from Dr. Stella Leche Deignan, director, Bio-Sciences Information Exchange, Washington, D. C. Supporting agencies contributing information to the exchange include the Atomic Energy Commission, the Departments of the Air Force, Army, and Navy, the Public Health Service, the Veterans' Administration, and the National Science Foundation.

(9) American Heart Association, Inc., New York, Ira Sherman, information director, in letter dated January 10, 1957: "The national office of the American Heart Association allocated \$1,851,416.61 for research in 1955-56, of which \$503,157.09 could be described as belonging more or less in the area of arteriosclerosis, hypertension, and other fields related to cerebrovascular disease. Of this \$503,157, \$174,500 was for fellowships and \$328,657 for grants-in-aid. A great deal of the research supported by the American Heart Association was of a basic nature not clearly identifiable as belonging in the cerebral vascular field, but some of which might provide long-range benefits in that area. In addition to the awards of the national office, affiliated heart associations allocated approximately \$2,901,505.44 for cardiovascular research in 1955-56, but information was not available concerning which of these fell into the cerebrovascular or related classifications."

(10) Budget of the United States, Department of Agriculture, fiscal year ending June 30, 1957.

(11) From a survey compiled and published annually by Drug Topics, Topics Publishing Co., New York, N. Y., August 1956.

(12) If these 39,600 people in the working age group 25-64 years of age had been able to work and earn the average money income before taxes of \$4,650 (1956 Survey of Consumer Finances, the Financial Position and Commitments of Consumers, reprinted from Federal Reserve Bulletin for June 1956) for just 1 year, their total earnings in that 1 year would have amounted to approximately \$184 million. If each claimed on the average 2 dependents, they would each pay \$612 in Federal income taxes on this average income of \$4,650, totaling in all about \$24,235,200.

(13) Data from the National Association for Mental Health: Facts and figures About Mental Illness and Other Personality Disturbances, April 1952.

(14) C. R. Strom, Chief, Heart Information Center, National Heart Institute, Washington, D. C., in letter dated October 29, 1956. The National Heart Institute during fiscal 1956 supported research in this area totaling an estimated \$1,471,178. However, since projects are classified on the basis of major interest, this would not be an all-inclusive figure for research in the field. Additional projects bearing on arteriosclerosis may be classified under such categories as coronary heart disease, metabolism, physiology, and others.

(15) Data supplied by Office of the Assistant to the Director, National Institute of Neurological Diseases and Blindness, National Institutes of Health, Bethesda, Md., November 1, 1956.

(16) Lealon E. Martin, Assistant Chief, Office of Medical Research Information, National Institutes of Health, Bethesda, Md., in letter dated August 20, 1954.

(17) Statistical Bulletins, September 1954, September 1956, Metropolitan Life Insurance Co., New York.

(18) Public Health Reports, volume 71, No. 3, March 1956. Mental Patient Data for Fiscal Year 1955.

WHAT ARE THE FACTS ABOUT CANCER? WHAT ARE WE DOING ABOUT CANCER?

I. How many people die of cancer in the United States?

1. The No. 2 killer of our people is cancer. (1)

2. Two hundred forty-two thousand four hundred thirty Americans died of cancer in 1955 (1), or about 1 out of every 6 deaths.

(a) This means that cancer killed 16 percent of the 1,527,000 who died in 1955. (1)

(b) Cancer killed over 15 times as many people in the United States in 1955 as did tuberculosis (1)

3. It is estimated that 26 million people now alive in this country will die of cancer unless new treatments, cures, or preventive measures are found. (2)
4. Almost $2\frac{1}{2}$ times as many people died of cancer during World War II as were killed in action in the Armed Forces. (4)
5. Cancer killed in 1955 alone over 10 times the number of Americans killed in action during 3 years of war in Korea. (5)
6. Cancer kills 1 man, woman, or child every 2 minutes in the United States. (32)

II. What was the military manpower loss during World War II from cancer?

1. Of approximately 5 million men between the ages 18 to 37 rejected for medical reasons during the last war, 32,200 were rejected for cancer and other neoplasms. (6)
- (a) This would have been sufficient to man at least two Army Infantry divisions of World War II strength (14,477 men to each division). (7)
2. It is estimated that, out of 556,238 registrants for military service examined between July 1950 and September 1953 who were rejected for medical reasons, 13,906, or 2.5 percent, were rejected because of cancer and other neoplasms. (8)

III. What is the civilian economic loss from cancer, and what does it mean to our national economy?

1. About 113,000 man-years are lost each year in industry due to cancer disabilities. (10)
2. This loss in man-years is equivalent to \$525,450,000 lost in 1955 alone in earnings by those disabled by cancer, and about \$69,156,000 lost in Federal income tax revenue on these earnings in the same year. (10) (11)

IV. How many people are suffering from cancer in the United States?

1. More than 700,000 people are estimated presently under treatment for cancer. (2) (20)
- (a) There will be about 450,000 new cancer cases (diagnosed for the first time) in 1957. (20)
2. About 1 out of every 4 people now alive in the United States will have cancer at some time in his life unless new preventive measures are found. (2)
- This means that if cancer illness rates are not cut:
- (a) Approximately 40 million people now alive in the United States will have some form of cancer during their lifetime. (2)
- (b) An estimated 26 million Americans now alive will die from cancer. (2)
3. On the average, cancer strikes about 2 out of every 3 American families. (16)
4. According to a recently completed survey, in the middle-age group, 45 to 64 years, cancer was the third leading cause of annual hospital admissions and sixth in importance as a cause of annual days in the hospital. In the over-65 age group, cancer was the second leading cause of annual hospital admissions and third in importance as a cause of annual days in a hospital. (32)

V. How many veterans will be victims of cancer?

1. On the basis that 1 out of 4 Americans now living will have cancer unless new preventive measures are found (2), and that there are a total of 22,460,000 living veterans of all wars in the United States, 5,600,000 veterans will at some time be hospitalized or will be entitled to hospitalization for cancer. (14)
2. If 80 percent of the veterans developing cancer receive full hospitalization for cancer from the Veterans' Administration, they will cost the taxpayers about \$5 $\frac{1}{2}$ billion. If only 50 percent receive full hospitalization, they will cost the taxpayers about \$3 $\frac{1}{2}$ billion. (14)

VI. How much does cancer cost the Veterans' Administration?

1. It is estimated that the total cost of cancer to the Veterans' Administration in the fiscal year 1956 was \$42,287,232. (9) (13)
- (a) Hospital treatment accounts for about \$30 million of this total. (9)
- (b) As of September 30, 1956, 12,855 veterans were receiving compensation or pension payments where the only or major disability was diagnosed as a malignancy. The annual value of these awards was \$12,287,232. (13)

VII. What are today's chances of recovery from cancer?

1. Based on statistics presented to the Third National Cancer Conference, following is a tabulation showing the percentages of cancer patients now being saved contrasted with the percentages that could be saved if diagnosed early and properly treated, according to the site of the cancer: (20)

Cancer site	Percent now being saved	Percent saved when diagnosed early and properly treated
Uterine.....	55	70
Breast.....	46	81
Rectal.....	25	77
Mouth.....	36	65
Skin.....	90	95
Lung.....	4	34

2. Following the development of the use of estrogen in the treatment of patients with cancer of the prostate, there has been noted a 20-percent 5-year survival rate with no evidences of the disease, where before there were practically no 5-year survivals.

VIII. What is being done to help cancer sufferers in the United States?

1. As of 1954, there were 16 cancer hospitals located within the United States (excluding 1 in Puerto Rico), 9 of which are tax supported. (15)

(a) Six of these cancer hospitals are in New York State; 3, in Pennsylvania; 2, in Missouri; 1 each in Colorado, Illinois, Massachusetts, Michigan, Texas.

2. In addition, there are 3 hospitals having special units of varying sizes for cancer patients (2 in Massachusetts, 1 in California). (15)

3. There are also six related institutions which although designated as homes rather than hospitals serve the same purpose for the class of patients they admit (advanced cancer patients who are unable to pay for their own care). (15)

(a) These institutions range in size from 60 to over 100 beds and are operated by an order of Catholic nuns. They are located in Atlanta, Ga., Fall River, Mass., St. Paul, Minn., New York City, Hawthorne, N. Y., Philadelphia, Pa. (See list in reference 15.)

4. We have only 920 cancer clinics in the United States, of which nearly 260 are cancer diagnostic (only) clinics. (15)

(a) There is need of 1 cancer diagnostic and treatment clinic for every 100,000 population, 1 within a radius of 30 to 50 miles from each patient. (17)

(b) On this basis, there is need of 1,640 cancer diagnostic and treatment clinics in the United States; or a deficiency of 720 such clinics. (3)

5. We have many surgeons and radiologists distributed throughout the country interested in and qualified to provide cancer treatments.

IX. How much money is available for research to find new treatments and cures for cancer from the Federal Government and leading voluntary agencies?

1. From the major sources about \$45,416,148, divided as follows (appendix 1) :

(a) Government funds total about \$35,072,000 :

(a) The National Cancer Institute, USPHS, for fiscal year beginning July 1, 1956 (18) :

Intramural research.....	\$7, 963, 000
Research projects.....	22, 847, 000
Research fellowships.....	1, 000, 000

31, 810, 000

(b) The Atomic Energy Commission's estimate for fiscal year 1957, of which \$160,000 is for its off-site research program in cancer.....

3, 012, 000

In addition, the Commission expects to provide radioactive isotopes to private cancer research workers to the same extent as last year, they paying 20 percent of the cost while the Commission absorbs 80 percent, which will represent a value of \$250,000 (19).....

250, 000

(c) For fiscal 1957, the Veterans' Administration has received appropriations of \$10 million for an expanded medical research program, though how much of this total will be allocated for cancer research is not known. (31)

Total..... 35, 072, 000

(b) Non-Government funds listed total an estimated \$10,344,148:

(a) The American Cancer Society allocated in 1956 for cancer research about (20)-----	\$8, 000, 000
(b) The Damon Runyon Memorial Fund, for the period July 1955 through July 1956 allocated, including \$32,-900 in foreign grants (21)-----	1, 152, 815
(c) Contributions by various private foundations in 1955 to the Sloan-Kettering Institute at the Memorial Center for Cancer and Allied Diseases for cancer research (22)-----	1, 191, 333
(d) Numerous other private foundations and funds throughout the United States also support research in cancer, though the exact total is not known.	

Total-----	10, 344, 148
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2. This means that we are spending about \$187 per cancer death annually, or \$65 per known case; but only \$1.75 per American now alive who will die from cancer unless new treatments, cures, or preventive measures are found.

(a) In contrast, the National Foundation for Infantile Paralysis allocated \$2,701,781 for research in 1955 (23), or about \$2,905 per polio death.

3. In contrast to the \$45,416,148 available from the major public and private sources for cancer research:

(a) It is estimated that the Department of Agriculture in fiscal 1957 will spend about \$121 million through its Agricultural Research Service. (24)

(b) The people of the United States spent in 1955 approximately: (25) \$111,-090,000 for ballpoint pens; \$64,770,000 for lipsticks; \$24,660,000 for nail polish and enamel.

X. Do the people of the United States want more done about cancer research?

1. Yes. In a nationwide poll, taken in April 1954, 79 percent of the people questioned said they believed that \$100 million should be spent by the Government for cancer research. (26)

XI. How much money has the American Cancer Society raised for lay and professional education as well as service to cancer patients, excluding research?

1. Out of the total \$24,427,102 raised in its 1955 campaign, the American Cancer Society and all its State and local divisions allocated \$13,586,579 for this purpose in 1955, over and above the amount raised for research. (16) This does not include fund-raising or administration costs.

(a) This is in contrast to \$832,862 total raised nationally by the society in 1944, and \$372,057.17 in 1943 when the society allocated no funds for research whatever. (27)

XII. How much is the Government spending for establishment of cancer clinics and services?

1. The National Cancer Institute, United States Public Health Service, has about \$2,250,000 for the year ending June 30, 1957, for grants-in-aid to States for establishment of clinics and services to cancer patients, and \$4,675,000 for training grants to medical schools. (18)

2. In contrast to the \$2,250,000 for the establishment of clinics and services by the National Cancer Institute, Congress in fiscal 1957 made available to the United States Public Health Service alone for grants-in-aid to States to establish clinics and services: \$1,700,000 for control of venereal diseases, and \$4,500,000 for tuberculosis control. (28)

(a) Only 3,750 deaths were attributed to the major venereal disease (syphilis) in 1955, and 15,580 deaths to tuberculosis; but cancer killed 242,430 people in the same year. (1)

XIII. How do deaths from cancer compare with deaths from other diseases?

1. The No. 2 killer of the United States is cancer. Only cardiovascular-renal diseases cause more deaths. (29)

(a) Over 15 times as many people died of cancer as of tuberculosis in 1955. (29)

(b) Over 260 times as many people died of cancer in 1955 as died of polio in the same year. (29)

(c) In 1954 66 percent more people died from lung cancer alone than from all forms of tuberculosis. In 1954 cancer of the lung killed approximately 24,000 Americans; tuberculosis killed approximately 16,000. (29)

(d) Lung cancer, the chief cause of cancer death in men, killed approximately 24,500 men and 4,500 women in 1956, a total of 29,000. (20)

XIV. Is cancer primarily a disease of old age?

1. No. Of 242,430 deaths in 1955 from cancer and other malignant tumors: (1) (a) 115,720 or 48 percent, were under 65 years old. (b) 25,360 or about 10 percent were under 45 years old. (c) 6,630 or about 2.7 percent were under 25 years old.

2. In the United States, cancer today kills more children from 1 to 15 years of age than any other disease. (1)

(a) In 1955, 4,660 children under 15 years of age died from cancer; about half died from leukemia. (1)

XV. What are the leads in the field of cancer research? (12)

1. Today cancer is being attacked by research from within nearly every branch of science. The cancer studies are diverse; many are complex, even abstruse. But the following highlights will indicate their scope, and some of the practical achievements: (12) (20)

(a) Basic research is seeking to understand the functions of the living cell. Current fundamental studies in the biology and chemistry of growth **promise** to have far-reaching practical value.

(b) Regulation of hormone balance in the human body by surgical intervention and/or supplementary addition of hormones have had a profound effect in retarding several types of malignant growth. (12) (20)

(c) Drugs such as nitrogen mustard, the effects of which are similar to those of radiation, are being extended in usefulness. (12)

(d) Antimetabolites (chemical impersonators that block growth of cells) are of temporary value in leukemia and other types of cancer. (12) (20)

(e) Improvements in surgical procedures, better understanding of the chemical balance of the body, new techniques of replacing lost blood and for overcoming shock, and new drugs for controlling and preventing infection, have made possible more extensive and more effective cancer operations. (12) (20)

(f) Radiation treatment of cancer is being improved through engineering development of more powerful radiation sources, better methods of application, and medical reduction of side effects. Supervoltage X-rays in ranges up to 24 million volts are being evaluated in treatment. The betatron, linear accelerator, cyclotron, and synchrotron are some of the new high energy machines with which scientists are experimenting. (12) (20)

(g) Radioactive isotopes, postwar offspring of the atomic furnaces, aid in the treatment of certain cancers, in locating others for treatment, and as tracers of physiological activity in research. Among the more valuable are cobalt 60, gold 198, carbon 14, phosphorus 32, and iodine 131. (12) (20)

(h) Intensive screening programs are being conducted to find drugs that may be effective against cancer. Many thousands of chemicals have been tested. Many have shown promise and have been studied exhaustively. Certain chemicals have been found that, without seriously injuring normal tissues, will destroy cancer entirely in experimental animals. (12) (20)

(i) Cytology, using the Papanicolaou smear technique, is being extended to other body sites, in addition to the cervix and lungs, as an aid to earlier diagnosis. An electronic scanner, designed to screen smears at much greater speed than is now possible, is being developed for use in mass screening programs. (12) (20)

(j) Viruses—submicroscopic particles—are being studied as possible causes and as possible aids in treating cancer. (12) (20)

(k) Normal cells and cancer cells in the human body may have subtly varied likings for what to them is food. The cancer cells may thrive on some substances that are spurned by normal cells, and vice versa. This fundamental fact is a basis for hope in the fight to control and eventually conquer cancer. Medical research, aware of the kinds of "food" to which cancer cells are partial, substitutes similar substances which lack nutritional content. Without such essential nutrition, some cancer cells wither and fade out of the picture. Cancer cells also are destroyed by lethal doses of radioactive compounds, some of which selectively collect in those cells, staying out of normal cells. (12) (20)

(1) Epidemiological studies of large number of people are now being pressed into the search for environmental influences which may be responsible for cancer. Differences may lie in habits related to diet, sex, religion, hygiene, smoking, or even may be due to climate, geographical location, or racial inheritance.

(12) (20)

XVI. What new methods of detection are being tried?

1. Notable among mass cancer detection projects is one in Memphis, Tenn., conducted under the auspices of the National Cancer Institute of the United States Public Health Service. (20)

2. Uterine cancer cell examination was applied for the first time to more than 100,000 Memphis women, of whom 800 were found to have cancer. Half of these cancers were in an extremely early stage, with nearly all of them completely unsuspected. (20)

3. Another important pilot project to ascertain the best techniques of mass screening for uterine cancer and to make such programs self-supporting by the community has been launched in Charlotte, N. C., supported by the National Cancer Institute and the American Cancer Society. At least 50,000 Charlotte women will be given uterine cancer cell examinations annually for 4 or more years. (20)

XVII. What are the needs in the fight against cancer?

1. More funds for research, research fellowships, and clinical fellowships, as well as training and education in cancer are needed for the American Cancer Society and other leading voluntary agencies interested in this disease, and for the National Cancer Institute of the United States Public Health Service.

2. More funds for the construction of cancer research facilities are needed.
(a) The National Cancer Institute of the United States Public Health Service has requests on hand for \$26,315,675 from 77 institutions throughout the country to increase their laboratory facilities for research in cancer. (30)

(b) During the 1956 session of Congress, legislation was passed to provide \$30 million a year for 3 years in grants on a matching basis for the construction of research laboratory facilities to institutions throughout the country. How much will be spent during the coming year toward meeting these urgent requests on hand at the National Cancer Institute is not as yet determined.

3. New treatments and cures must be found to aid the more than 700,000 people presently under treatment for cancer and the estimated 26 million people now alive who will die of cancer unless these new treatments, cures, or preventive measures are found.

REFERENCE LIST

(1) Figures for 1955 from National Office of Vital Statistics: 1955 total deaths, 1,527,000; deaths from cancer (malignant neoplasms), 242,430; these are provisional figures—final 1955 mortality data not yet available. (1 out of 7.17 in 1949; 1 out of 6.9 in 1950; 1 out of 6.8 in 1951; 1 out of 6.7 in 1952; 1 out of 6.6 in 1953; 1 out of 6.3 in 1954 and 1955.)

(2) Estimates by Herbert Seidman, biostatistician, statistical research section, American Cancer Society, New York, January 10, 1956. The estimate of 26 million people now alive in this country who will die from cancer is derived by use of the following two assumptions:

(a) The present mortality rates for all causes will continue, until new treatments or cures are found.

(b) The current age specific cancer mortality rates will continue for the total United States population.

(3) Calculation based on 164 million estimated 1955 population residing in the United States.

(4) Killed in action in World War II, 282,025 (World Almanac 1949, p. 326; World Almanac 1946, p. 44). Cancer deaths for same period, 684,085 (National Office of Vital Statistics).

(5) New York Times, July 23, 1954, quoting Defense Department report covering battle casualties during Korean conflict. Americans killed in action in Korea, 23,345.

(6) Selective Service System, National Headquarters, chart "Estimated Principal Causes for Rejection of Registrants 18-37 Years of Age in Class IV-F and Classes with F Designation, August 1, 1945."

(7) Army Statistical Review, World War II: Army Services, War Department.

(8) Department of the Army, Office of the Surgeon General, Medical Statistics Division, March 16, 1953.

(9) Revised figures on cost of hospital treatment for veterans given in a letter from J. Norman Lodge, Director of Information Service, Veterans' Administration, Washington, D. C., to American Cancer Society, December 4, 1956.

(10) America's Health—A Report to the Nation, by the National Health Assembly, page 185. Published by Harper & Bros., 1949.

(11) 1956 Survey of Consumer Finances, the Financial Position and Commitments of Consumers, reprinted from Federal Reserve Bulletin for June 1956. Average money income before taxes, 1955, \$4,650. Income tax loss estimate based on assumption that each earner would claim, on the average, two dependents, thus paying on a \$4,650 annual income approximately \$612 in Federal income taxes.

(12) 1956 Facts and Figures, published by American Cancer Society, New York.

(13) Office of Chief Benefits Director, Department of Veterans Benefits, Veterans' Administration, Washington 25, D. C., per letter dated December 7, 1956, from A. H. Monk, controller.

(14) Statistical research section, American Cancer Society, memorandum dated December 7, 1956. It is estimated that, if present rates continue, 5,600,000 of the 22,460,000 veterans of all wars living in this country will eventually develop cancer. The average stay in Veterans' Administration hospitals per admission for cancer is about 40 days. Assuming an average of $1\frac{1}{2}$ admissions for cancer to a hospital in the lifetime of a cancer patient, a veteran receiving all hospital care from the VA, would stay a total of 60 days in VA hospitals. The average cost per patient-day in general medical and surgical hospitals in the Veterans' Administration system is about \$20. Assuming no drastic changes in the cost, each cancer patient receiving all his hospital care from the VA would cost the taxpayers roughly \$1,200. If 80 percent of the veterans developing cancer receive full hospitalization from the VA, they will cost the taxpayers \$5 $\frac{1}{3}$ billion. If only 50 percent receive full hospitalization, they will cost the taxpayers \$3 $\frac{1}{3}$ billion.

(15) Cancer Services and Facilities in the United States, 1954, National Cancer Institute, Bethesda, Md. The 16 cancer hospitals are as follows:

Colorado: Penrose Cancer Hospital, Colorado Springs.

Illinois: Nathan Goldblatt Memorial Hospital for Cancer Research, Chicago.

Massachusetts: Pondville Hospital, Walpole.

Michigan: Mercy Hospital, Detroit.

Missouri: Ellis Fischel State Cancer Hospital, Columbia; Bernard Free Skin and Cancer Hospital, St. Louis.

New York: Roswell Park Memorial Institute, Buffalo; John E. Jennings Hospital, Brooklyn; Memorial Hospital and James Ewing Hospital, New York; Francis Delafield Hospital, New York; New York City Cancer Institute Hospital; House of Calvary, New York.

Pennsylvania: American Oncologic Hospital, Philadelphia; Jeanes Hospital, Philadelphia; Skin and Cancer Hospital, Philadelphia.

Texas: M. D. Anderson Hospital for Cancer Research, Houston.

The hospitals with special cancer units are:

Massachusetts: Lemuel Shattuck Hospital, Boston; Westfield State Sanitarium, Westfield.

California: City of Hope Hospital, Duarte.

The related institutions are:

Georgia: Our Lady of Perpetual Help Free Cancer Home, Atlanta.

Massachusetts: Rose Hawthorne Free Cancer Home, Fall River.

Minnesota: Our Lady of Good Counsel Nursing Home, St. Paul.

Pennsylvania: Sacred Heart Free Home, Philadelphia.

New York: Rosary Hill Home, Hawthorne; St. Rose's Free Home for Incurable Cancer, New York.

(16) Annual Report, American Cancer Society, 1955.

(17) Cancer control letter, Federal Security Agency, National Cancer Institute, No. 16, dated March 28, 1949.

(18) United States Public Health Service, National Cancer Institute 1957 current budget:

Intramural research.....	\$7,963,000
Research projects (grants-in-aid).....	22,847,000
Research fellowships.....	1,000,000
Training grants.....	4,675,000
Grants-in-aid to States.....	2,250,000
Other	9,697,000
Total cash.....	48,432,000

(19) Information from Atomic Energy Commission, New York City, to American Cancer Society, contained in letter dated December 3, 1956, from Clifton R. Read, director of public relations.

(20) 1957 Cancer Facts and Figures, American Cancer Society.

(21) Damon Runyon Memorial Fund, New York City, research department, October 11, 1956.

(22) Information obtained from Mr. F. C. LeRocker, director, support activities, Memorial Center for Cancer and Allied Diseases, New York City, October 12, 1956.

(23) National Foundation for Infantile Paralysis, 1955 figure.

(24) Budget of the United States Government for fiscal year ending June 30, 1957.

(25) From a survey compiled and published annually by Drug Topics, Topics Publishing Co., New York, N. Y., August 1956.

(26) Poll conducted by American Institute of Public Opinion, Princeton, N. J., April 30, 1954.

(27) American Cancer Society, Frank Kramer, September 24, 1952.

(28) Bureau of State Services, United States Public Health Service, Washington, D. C. Figures for fiscal year beginning July 1, 1956.

(29) National Office of Vital Statistics, 1955 deaths: tuberculosis 15,580; cardiovascular-renal diseases 826,890; infantile paralysis (polio) 930; cancer 242,430. These are provisional figures; final mortality data not yet available for 1955.

(30) Summary of Construction Grant Requests, National Institutes of Health, United States Public Health Service, September 24, 1953.

(31) Congressional Record, June 6, 1956.

(32) Major Causes of Illness and of Death in Six Age Periods. Public Health Monograph No. 30, United States Public Health Service.

APPENDIX I

Funds available for cancer research

GOVERNMENT FUNDS

1. National Cancer Institute, U. S. Public Health Service for fiscal year 1956-57 (18) :	
(a) Intramural research.....	\$7,963,000
(b) Research projects (grants-in-aid).....	22,847,000
(c) Research fellowships.....	1,000,000
Total.....	31,810,000
2. Atomic Energy Commission, Division of Biology and Medicine, fiscal year 1957 (19).....	3,262,000
Total Government funds.....	35,072,000

MAJOR NATIONAL NON-GOVERNMENT FUNDS FOR CANCER RESEARCH

1. American Cancer Society, 1956 estimated (20).....	8,000,000
2. Damon Runyon Memorial Fund, 12 months, July 1955-July 1956, including \$32,900 in foreign grants (21).....	1,152,815
3. 1955 private foundation contributions to cancer research at the Sloan-Kettering Institute, Memorial Center for Cancer and Allied Diseases (22).....	1,191,333
Total, non-Government funds.....	10,344,148
Total, all funds (approximate).....	45,416,148

*Compounds of temporary value presently used in the treatment of different types of human cancer*¹

Compounds	Type of cancer
Adrenal steroids and ACTH.....	Acute leukemia.
ACTH.....	Acute leukemia, chronic lymphatic leukemia, lymphosarcoma, breast cancer.
Cortisone.....	
Hydrocortisone.....	
Prednisone (meticcorten).....	
Antimetabolites:	
6-Mercaptopurine (purinethol).....	Acute leukemia, chronic myelogenous leukemia.
6-Thioguanine.....	
6-Chloropurine.....	
Amethopterin.....	Acute leukemia, chorioepitheliomas in women.
Aminopterin.....	
Azaserine.....	Acute leukemia, in combination with 6-mercaptopurine. Possibly in lung and breast cancer; hypercalcemia due to cancer.
DON.....	
Alkylating agents:	
HN-2 (nitrogen mustard).....	Lung cancer, Hodgkin's disease, ovarian cancer, miscellaneous tumors, lymphosarcoma.
TEM.....	
THIO-TEPA.....	Lung cancer, Hodgkin's disease, chronic myelogenous leukemia, ovarian cancer, chronic lymphatic leukemia, miscellaneous tumors, polycythemia vera.
CB 1348.....	Hodgkin's disease, chronic myelogenous leukemia, ovarian cancer, polycythemia vera, chronic lymphatic leukemia, miscellaneous tumors, lymphosarcoma.
Myleran.....	
Radioactive isotopes:	
p32.....	Hodgkin's disease, chronic lymphatic leukemia.
I-131.....	Chronic myelogenous leukemia, multiple myeloma, chronic lymphatic leukemia, polycythemia vera.
Sex hormones:	
Estrogens.....	Multiple myeloma, thyroid cancer.
Androgens.....	Prostate cancer, breast cancer.
Miscellaneous drugs:	
Urethane.....	Breast cancer.
Demecolcin.....	Chronic myelogenous leukemia, multiple myeloma.
Thiouracil.....	Chronic myelogenous leukemia.
Actinomycins C and D.....	Thyroid cancer.
	Wilm's tumor (kidney).

¹ 25 compounds, 15 types of cancer.

WHAT ARE THE FACTS ABOUT MENTAL ILLNESS IN THE UNITED STATES

I. How many people in the United States are suffering from some form of mental illness?

1. An estimated 16 million people in the United States are suffering from some form of mental illness. (1)

(a) This means that 1 in every 10 persons is now suffering from some form of mental illness.

2. Mental illness or other personality disturbances are usually significant factors in criminal behavior, delinquency, suicide, alcoholism, narcotics addiction, and very often in cases of divorce. (11)

(a) About 1,750,000 serious crimes are committed a year. (11)

(b) About 50,000 people are addicted to narcotics. (11)

(c) There are estimated to be 3,800,000 problem drinkers in the United States, 950,000 of whom are people with severe chronic alcoholism. (11)

(d) 16,200 people committed suicide in 1955. (9)

(a) In a study of student deaths at Yale University from 1920 through 1955, suicide was the second leading cause of death (accidents were the first cause of death). (13)

(e) For every 4 marriages a year, there is 1 divorce. (11)

(f) About 265,000 children between the ages of 7 and 17 are brought to juvenile courts each year—1.2 percent of approximately 22 million children in that age group. (11)

II. How many children are receiving treatment for mental disorders?

1. Mental illness takes a large toll amongst children and teen-agers. (3)

2. An estimated 10 percent of public school children in the United States are emotionally disturbed and need mental guidance, according to a recently completed study of the Columbia University Department of Psychiatry. However,

the report states that the majority of schools lack the trained personnel or facilities to aid these disturbed children. (4)

3. At least 200,000 children with less serious disorders receive treatment each year at mental health clinics throughout the country. (3)

III. How many adults and children are mentally retarded?

1. Approximately 4,800,000 children and adults are mentally retarded—about 3 percent of our entire population. (7)

2. Three children out of every 100 born are destined to be mentally retarded. (7)

IV. How many people need hospitalization for mental illness?

1. Slightly more than 1 out of every 2 hospital beds in the United States is occupied by a mental patient. (10)

2. 740,295 or 54 percent of the 1,363,024 patients comprising the average daily hospital census in 1955 were patients in psychiatric hospitals. (10)

3. 74 percent of all State mental hospitals are overcrowded. (12)

4. 443,339 new and returned patients were admitted to mental hospitals and psychiatric units of general hospitals in 1954. (53)

5. Each year about 290,000 new patients are admitted to mental hospitals and psychiatric units of general hospitals. (53)

6. There are more people in hospitals for mental illness than for polio, cancer, heart disease, tuberculosis, and all other diseases combined. (3)

7. During the past year, some 2½ million men, women, and children were treated for some form of mental disorder in mental hospitals, psychiatric clinics, or by private psychiatrists but facilities and trained personnel are inadequate to meet demands. (3)

V. How many people are in all types of public mental hospitals?

1. 97.8 percent of all mental patients are in public hospitals (State, county, city, Veterans' Administration hospitals). (10) Only about 2.2 percent of mental patients are cared for in private hospitals. (10)

VI. What is the extent of minor mental illness?

1. About 50 percent of general practitioners' patients suffer from some form of mental illness. (12)

2. About 30 percent of hospitalized general medical and surgical cases are more or less neurotic. (14)

3. Of all the patients who go to general hospitals for treatment for physical ailments annually, it is estimated that 6 million are suffering from serious mental and emotional illnesses which are partly responsible for their physical complaints. (3)

VII. What does American industry lose because of mental illness?

1. According to a survey completed in 1954 by the Menninger Foundation, emotional ills in industry cost this Nation billions of dollars in productivity each year. (4)

(a) Absenteeism costs more than \$9 billion a year. (4)

(b) Accidents, 80 to 90 percent due to psychological causes, cost an untold sum. (4)

(c) Alcoholism represents a loss to industry in excess of a billion dollars. (4)

One out of every 50 workers is a problem drinker and 89 percent of these are in the 35 to 55 year range. (4)

VIII. Which mental illnesses affect the greatest number of people?

1. About 24 percent of first admissions to public mental hospitals in 1953 were patients with schizophrenia. (44)

(a) Because of the relative youth of schizophrenic patients on admission to hospitals and their relatively low death rate, those schizophrenic patients who are not discharged tend to accumulate from year to year and to make up a great part of mental hospital populations.

In New York State mental hospitals, they make up about 57 percent of the patient population. (27)

2. About 27 percent of all new admissions to public mental hospitals are patients with cerebral arteriosclerosis, other circulatory disturbances, and senile brain disease. (44)

(a) Patients with cerebral arteriosclerosis and senile psychosis, because of their high death rate, make up about 13 percent of the resident population of these mental hospitals. (44)

3. Other causes of first admissions to State mental hospitals include: (44)

Personality disorders, about 11.6 percent of all new admissions.

Psychoneurotic reactions, about 4.7 percent of all new admissions.

Involuntal psychotic reactions, about 4.4 percent of all new admissions.

Manic depressive reactions, about 3.4 percent of all new admissions.

Acute brain syndromes, about 3.4 percent of all new admissions.

Alcoholic intoxication, about 3.3 percent of all new admissions.

Mental deficiency, about 2.8 percent of all new admissions.

4. The remaining 15.4 percent include a variety of other disorders no one of which alone has a very high incidence. (44)

Percentage of 1st admissions to public mental hospitals by cause, 1953

	<i>Percent</i>
Schizophrenia-----	24
Cerebral arteriosclerosis, other circulatory disturbances, and senile brain disease-----	27
Personality disorders-----	11.6
Psychoneurotic reactions-----	4.7
Involuntal psychotic reactions-----	4.4
Manic depressive reactions-----	3.4
Acute brain syndromes-----	3.4
Alcoholic intoxication-----	3.3
Mental deficiency-----	2.8
Miscellaneous-----	15.4

IX. In what age groups do various types of mental disorders take their greatest toll?

1. Very few cases of psychosis occur before the age of 15. (11)

a. Of all new admissions a year to State mental hospitals: (11)

(a) Less than 1 percent are under 15 years of age.

(b) About 16 percent are between 15 and 29.

(c) About 45 percent are between 30 and 59.

(d) About 38 percent are 60 and older.

2. In the age range 15 to 44 years, schizophrenia and manic-depressive psychoses predominate. (2)

3. During the next decade of life (40 to 50), the involuntal psychoses and alcoholic psychoses attain considerable importance. (2)

4. In the sixties, psychoses with cerebral arteriosclerosis and senile psychoses assume prominence, and these mental diseases of the senium continue to rise until the end of the life span. (2)

X. What is the need for psychiatric care in the United States?

1. One out of every ten persons will spend some part of his life in a mental hospital. (52)

(a) This means that about 16 million people now living in the United States will be hospitalized for mental illness at one time or another, unless new treatments and cure are found.

XI. What is the cost of care and maintenance of the mentally ill in public mental hospitals?

1. Total maintenance expenditures of public mental hospitals in fiscal 1956 were \$662,146,372. (42)

XII. What is the cost of mental illness to the Veterans' Administration?

Mental illness is presently costing the Veterans' Administration about \$522 million annually:

1. The cost of care and maintenance of 60,293 neuropsychiatric patients in Veterans' Administration hospitals in 1956 was \$238 million. (25)

(a) Of these 60,293 neuropsychiatric patients, which represent the 1956 average daily neuropsychiatric patient load: 52,172 were classified as psychotic; 3,992 were patients with other psychiatric conditions; 4,129 were neurological patients. (25)

2. As of June 30, 1956, 379,465 veterans were receiving compensation or pension payments where the only or major disability was classified as mental illness or psychoneurotic disorder. The annual value of these awards was \$284,240,844. (46)

3. The estimated cost of construction of new Veterans' Administration hospitals for psychiatric and neurologic patients between 1947 and 1955 was \$121,184,229. (16)

XIII. What is the cost of new construction and remodeling of State mental hospitals?

1. Total amounts appropriated for new construction, additions and renovations to mental hospital facilities as reported by State authorities, as of November 1955 totaled \$750,000,000. (15)

XIV. How much is being spent by public institutions for care of mental defectives and epileptics?

1. During 1953, expenditures of public institutions caring for mental defectives and epileptics totaled \$157,908,029. (36)

(a) There were 121,855 mental defectives and epileptics in the average daily resident-patient population in these public institutions, in 1953. Of this total, 106,783, or 87 percent were mental defectives and 15,072 were epileptics. (36)

XV. What is the estimated cost of public assistance to mentally ill and defective persons?

1. According to the Bureau of Public Assistance of the Social Security Administration, a 1951 study of aid to the permanent and totally disabled disclosed that 11 percent of the cases were mentally ill and defective persons. (2) Assuming the estimated 1956 caseload of 248,000 is similar in composition, 27,280 persons with mental illness or defect receive public assistance from the Federal Government amounting to \$18,303,360 per year. (47)

XVI. What is the loss of earnings of those people admitted to mental hospitals?

1. If the 443,339 people who were admitted to mental hospitals in 1954 alone earned the 1955 average money income of approximately \$4,650 (8), their total earned income in 1 year alone would have amounted to a little more than \$2 billion. (\$2,061,526,350)

XVII. What was the loss in additional income-tax revenue to the Federal Government due to mental illness?

1. If these 443,339 people had been employed, the Government would have gained over \$271 million in additional Federal income taxes in 1 year alone. (8)

XVIII. In summary, what is the overall direct cost of mental illness in the United States today?

1. It is estimated that mental illness costs annually approximately \$4,172,124,955. This includes:

(a) Total maintenance expenditures of public mental hospitals for fiscal 1956 (42)-----	\$662, 146, 372
(b) Estimated cost of care and maintenance of 60,293 neuro-psychiatric patients in Veterans' Administration hospitals (1956) (25)-----	238, 000, 000
(c) Veterans' Administration compensation and pension payments to veterans whose only or major disability was classified as a mental illness or psychoneurotic disorder in 1956 totaled (46)-----	284, 240, 844
Estimated cost of construction of new Veterans' Administration hospitals for psychiatric and neurologic patients 1947-55 totals \$121,184,229 (16).	
(d) Total amounts appropriated for new construction, additions and renovations to mental hospital facilities, as reported by State authorities, as of November 1955 (15)-----	750, 000, 000
(e) Expenditures of public institutions for mental defectives and epileptics (1953 latest year for which information is available) (36)-----	157, 908, 029
(f) Cost of public assistance to mentally ill and defective persons (47)-----	18, 303, 360
(g) 1955 loss in earnings of patients admitted to mental hospitals in 1954 (8)-----	2, 061, 526, 350
The loss to the Federal Government in Federal income-tax revenue on these lost earnings totaled \$271 million in 1955 (8).	

Total----- 4, 172, 124, 955

XIX. What is the total cost of mental illness per patient in the United States?

1. The average length of stay of a mental patient in a State mental hospital is 8 years. (18)

The per capita cost in 1956 per resident patient in a public mental hospital was about \$1,190 or an average of about \$3.26 per day. (42)

(a) Thus, the 740,295 patients comprising the average daily mental hospital census in 1955 will cost over the average length of their stay in a mental hospital (8 years) about \$7,047 million, instead of being able to earn during the 8 years over \$27 billion in wages and paying over \$453 million per year or a total of over \$3.6 billion in Federal income taxes on these earnings if their illness could have been prevented or cured before the need for hospitalization (computation based on figures given in reference (8)).

XX. How many hospitals for mental disease are there in the United States?

1. About 586 hospitals. The average daily hospital census of mental patients in 1955 was 740,295. (10)

2. Mental hospitals have only about 56 percent of the number of beds needed to give patients good care. (3)

3. Ninety-four percent of our mental hospitals do not merit the unconditional approval of the American Psychiatric Association. (17)

(a) Of 124 hospitals inspected by a committee of the American Psychiatric Association, which provides States with an inspection service upon request:

Only 8 merited approval, 31 merited conditional approval, and 85 did not reach even the minimum standards of safety and quality. (3)

4. New space is needed for some 352,000 beds to relieve the overcrowding and to replace unacceptable accommodations. (3)

5. As of June 30, 1956, 96 mental hospitals have been erected with Hill-Burton Act funds, at a total construction cost of \$886,310,458. (45)

(a) These 96 hospitals represent 3.1 percent of the total of all hospitals erected in this period with Hill-Burton Act funds. (45)

6. As a group, the mental hospitals had 48 percent of the bed capacity, but only 1.7 percent of total hospital admissions for all types of illness in 1955 in all registered hospitals. (10)

7. Mental hospitals had 54 percent of the total average daily census in 1955 reported in all registered hospitals. (10)

8. The Veterans' Administration reported in 1955 that 16,000 former servicemen are awaiting admission to VA hospitals for treatment of mental disorders because of a shortage of facilities and specialists to treat such patients. (32)

XXI. How many clinics for mental disease are there in the United States?

1. There are only about 1,200 clinics in the United States. (3)

(a) About half of these give only part-time service. (3)

2. More than half the clinics are located in the northeastern portion of the country which contains only one-fourth of the population. (3)

3. There should be at least 1 clinic for every 50,000 in the population, or about 3,800 full-time clinics. (3)

(a) It is estimated we are lacking 81 percent of the full-time clinics that we need. (17)

4. Almost all mental health clinics have waiting lists of from 3 months to a year. (52)

XXII. How much is the United States Public Health Service spending for establishment of mental health clinics and services through the National Mental Health Institute?

1. \$4 million has been allotted for grants-in-aid to States for the fiscal year 1957, beginning July 1, 1956. (20)

(a) These funds are to be matched by State funds at the rate of 50 cents for each Federal dollar. (21)

XXIII. How much is being spent for research on mental health by the States and by the major Federal and national voluntary agencies interested in mental health?

1. Approximately \$27,265,577 is spent, divided approximately as follows:

(a) Federal funds, \$15,353,000:

(a) National Institute of Mental Health, U. S.

Health Service, fiscal year 1957:

Intramural research----- \$4, 896, 000

Research projects (grants-in-aid)--- 8, 572, 000

Research fellowships----- 647, 000

\$14, 115, 000 (20)

(b) The Veterans' Administration does not support research outside of its own hospitals except to a very limited extent. However, mental health research within the Veterans' Administration hospital system has increased significantly in the past 2 years. Noteworthy among the VA's newer efforts are studies on the tranquilizing drugs which are being carried on in 30 hospitals, and a psychiatric therapy testing program geared to evaluating all therapies for the treatment of mental illness. (5)

For fiscal year 1957, the Veterans' Administration received increased appropriations to expand its medical research program, totaling \$10 million.

(19) For neuropsychiatric research during fiscal 1957, the Veterans' Administration spent-----

1, 238, 000 (54)

Total Federal funds----- 15, 353, 000

(b) Non-Federal funds, \$11,912,577:

(a) National Association for Mental Health, 1955-----

\$126, 074 (22)

(b) The Foundations' Fund for Research in Psychiatry (New Haven, Conn.) during year July 1, 1955, to June 30, 1956-----

421, 133 (49)

(c) From the \$15 million Ford Foundation allocation approved in March 1955 for developing a program of mental health research and training, grants totaling \$6,326,550 have been allocated as of June 1956 for research over the next 5 years (50). On a per annum average, this would mean the expenditure during the year of--

1, 365, 370 (50)

(d) Funds of 48 States, 1956 estimate-----

10, 000, 000 (48)

Total non-Federal funds----- 11, 912, 577

2. On the basis of 740,295 (10) patients in psychiatric hospitals in 1955, this would indicate that the amount spent for research per individual hospital case, employing Federal, State, National, voluntary health agency, and other private funds, is only approximately \$37.00.

3. In contrast to the approximate total of \$27,265,577 currently being spent for research against mental illness:

(a) The Nation spent \$10,129 million—over 400 times as much—for alcoholic beverages alone in 1955 (24), an average of \$61.76 annually for each man, woman, and child. We are spending about 16 cents annually per each man, woman, and child in the United State for research against mental illness.

(b) Mental illness is costing the Nation over \$4 billion annually. Yet our annual research investment to combat this toll is less than 1 percent of this cost.

(c) The Standard Oil Co. (New Jersey), through its affiliates (chiefly the Esso Research & Engineering Co.) spent \$35,300,000 for expanded research in 1955 (43)

XXIV. *Has medical research paid off for any mental illness?*

Yes.

1. The tranquilizing drugs (reserpine, chlorpromazine, meprobamate, etc.) are triggering "a profound revolution in State mental hospitals all over the Nation." (Minneapolis Tribune, July 15, 1956) The Minneapolis Tribune sent questionnaires to mental health officials in 48 States, seeking their evaluation of the therapeutic impact of the new drugs. Here are some of the highlights from 41 States which replied (6):

New York State.—Between April 1955 and April 1956, there was a 23 percent increase in discharges from mental hospitals.

"For the past 10 years, our hospitals have been growing by about 2,000 patients each year," wrote Dr. Paul Hoch, mental health commissioner. "On March 31, 1956, however, there were 500 fewer patients in State hospitals than on March 31, 1955."

Dr. Hoch also believes the drugs have cut the relapse rate, the number of patients who must return to the hospital. "With use of the drugs, it's our impression that we have cut the relapse rate, but it will be a while before we know exactly how much."

Maryland.—Dr. Clifton T. Perkins, mental hygiene commissioner: The tranquilizing drugs have "opened a new and encouraging era in the treatment of the mentally ill." In 1 hospital, almost 10 percent of chronic patients can go back to the community as soon as proper social service and rehabilitation outlets can be arranged. And in another Maryland hospital, the foster care placement of patients increased 43 percent over last year.

Dr. Perkins also stressed the fact that State mental hospitals were benefiting from the widespread use of the drugs by family physicians and specialists in private practice. "Undoubtedly, the widespread use by community physicians played an important part in the trend which substantially reduced the current hospital population far below our best estimates of a year and a half ago," he wrote.

Minnesota.—Dr. Dale Cameron, medical director, State welfare department:

More patients are going home from Minnesota's eight State mental hospitals than at any time in recent years. And for the first time, the back wards for disturbed patients are not crowded. The bed shortage is now on the "open wards," designed for patients participating in work, treatment and other hospital activities.

Even though the drugs have only been used for about 2 years in the Minnesota hospitals, discharge rates have risen dramatically. During the second 6 months of 1955, when drug usage was stepped up, almost 3 times as many patients went home primarily because of the drugs than had been discharged in the previous 6 months.

Ohio.—Dr. John D. Porterfield, former director, department of mental hygiene and corrections: "Our discharge rate has increased in the last year to the point where, for the first time in our history, in spite of increasing admission rates, our population levels show a very slight decrease instead of an increase."

Tennessee.—Dr. C. J. Ruilmann, mental health commissioner: "It is very clear that since the drugs came into use, discharge rates have climbed steadily."

South Dakota.—Dr. Cecil G. Baker, superintendent, Yankton State Hospital: Discharge rates increased and a considerable number of patients have gone home who had been hospitalized for prolonged periods, some as long as 10 to 20 years.

Kentucky.—Dr. Frank Gaines, former mental health commissioner: "There has been a decrease in resident population of all hospitals in the past year in spite of the increasing admissions. We are hesitant to ascribe this completely to the tranquilizing drugs, since during this time there was also an increase in staff."

Montana.—Dr. Robert J. Spratt, superintendent, Montana State Hospital: For the first time in the history of the hospital, there has been a definite decrease in the number of hospitalized personnel. Hospital stays are shorter, he reported, and patients suffering from chronic conditions are more satisfied and contented with hospitalization.

Colorado.—Dr. F. H. Zimmerman, superintendent, Colorado State Hospital: "For the first time in the history of the hospital, the census has declined in spite of a slowly increasing rate of admissions."

Vermont.—Dr. R. A. Chittick, superintendent, Vermont State Hospital: "The tranquilizing drugs are certainly not the complete answer but, in my opinion, they stand out as one of the greatest advances so far in the treatment of mental illness. The most tangible results of these drugs has been the marked improvement of the environment within the hospital. Physical restraint and seclusion have been practically eliminated and there is a marked increase in the number of patients who can be gainfully occupied and given increasing freedom about the hospital grounds or have visits at home."

Illinois.—Dr. Otto Bettag, director, public welfare department: The discharge rate from Illinois mental hospitals is now at the highest peak since World War II. Illinois was one of the first States to use the drugs, starting its program in November 1953. An evaluation study is currently underway.

Delaware.—Dr. M. A. Tarumianz, superintendent, Delaware State Hospital: "In our experience, a large percentage of all types of mental illness and emotional disturbance respond to these tranquilizing drugs to the extent that they can receive continuous psychotherapy and followup at home. With the use of these drugs, and with followup psychotherapy in the hospital and in the outpatient clinic as well as at home, the period of hospital residence has been shortened tenfold."

Oklahoma.—Dr. Hayden H. Donahue, mental health director: "It is my personal opinion that these drugs hold the same position in psychiatry as the sulfa drugs held in medicine and surgery in the 1930's. I think we will see an increased number of these drugs produced and, as they become more numerous in type, they will become more specific for various mental conditions. As treatment time becomes shorter, and as mental illness becomes more acceptable as a disease process, we will see more and more patients treated in community clinics, general hospitals and in the offices of practicing physicians and psychiatrists."

Connecticut.—Dr. John J. Blasko, mental health commissioner: "We do not feel that the drugs have appreciably increased our discharge rates although, for the first time in the history of the State, we have been able to reverse the usual trend of the accumulation of 148 patients each year."

Texas.—Dr. Rawley E. Chambers, director of psychiatry, board for Texas State hospitals and special schools: While exact figures are not available, the discharge rate has increased, with particular emphasis on patients who have been hospitalized for 5 years and more.

"These drugs have practically revolutionized the hospital treatment of the mentally ill," Dr. Chambers wrote. "The entire atmosphere of the hospitals has changed. There are fewer injuries; there is less use of the various shock therapies, such as electroshock and insulin coma."

New Mexico.—Dr. C. G. Stillinger, superintendent, New Mexico State Hospital: Calling results with the drugs "rather dramatic," Dr. Stillinger cited 1 research experiment with the drugs in which 90 patients who had been hospitalized anywhere from 1 to 27 years, and who had not benefited from any other treatment, were placed on chlorpromazine. At the end of 6 months, about 50 percent had shown "significant improvement" and 33 percent were able to leave the hospital.

Indiana.—Dr. Margaret E. Morgan, former mental health commissioner: "We have encountered a remarkable increase in discharges, convalescent leaves (over 30 days) and leaves of absence (30 days or under). Undoubtedly, the drugs have played some part. How much is difficult, if not impossible, to tell."

Utah.—Dr. Owen P. Heninger, superintendent, Utah State Hospital: "We have found these drugs to be very helpful. Through their use, many chronic patients have been released and others have been made much more easily manageable and content."

2. The need for the hospitalization of patients in mental hospitals in the South with pellagra is practically eliminated as a result of the discovery that niacin cures pellagra. (34)

3. The number of patients with paresis due to syphilis has been sharply cut due to the medical research discovery of penicillin as treatment and cure for syphilis. (34) Between 1946 and 1954, first admissions to New York civil State hospitals because of general paresis alone declined approximately 75 percent. (27)

4. Electric shock therapy has helped many people suffering from certain types of schizophrenia and involuntary melancholia.

5. Cretinism, which is a type of dwarfism and imbecility developing during fetal life or early infancy as a result of lack of thyroid, can now be successfully treated with thyroid if recognized early enough. (37)

6. Neurological research has produced the electroencephalograph and demonstrated the essential nature of epilepsy as a disorder of the energy and economy of brain cells, which is controllable by chemical means, such as the drugs tridione and dilantin. The result is that 80 percent of all epileptics can now lead normal lives. (38)

XXV. What percentage of the States' mental health budgets is being devoted to research in this area?

1. While the States were spending in 1956 over \$662 million in total maintenance expenditures for patients in public mental hospitals (42), they are spending only 1.5 percent of this amount for research in mental illness.

XXVI. How much does the Council of State Governments recommend the States should spend for research and training?

1. It was the general consensus of the National Governors' Conference on Mental Health held in Detroit, Mich., in February 1954, that 10 percent of each State's mental health budget should be allocated for research and training.

2. The average percentage of the States' total mental health budget which the State mental health officials feel should be devoted to research is 4 percent—some even suggest 7 percent. (23)

XXVII. Do the 740,295 patients in mental hospitals receive adequate care?

1. No. In 1956, the per capita maintenance expenditure in public mental hospitals in the United States was only \$1,190.32 per year (42), or about \$3.26 per day. In the same year, the District of Columbia was high with \$2,012.23; Tennessee was low with \$670.74 or only about \$1.84 per day. (42)

(a) These figures compare with the 1944 standards (latest available) of the American Psychiatric Association of \$1,825 per patient per year, or \$5 per day; and \$912.50 per year, or \$2.50 per day, per patient for chronic cases. (26)

(b) In contrast, the daily per capita expenditure for maintenance of patients was \$10.08 in veterans' psychiatric hospitals in 1956 (25) and the total expenses per patient-day in proprietary mental hospitals was \$13.90 in 1955. (10)

(c) In 1955, the average expenses per patient-day in general and special short-term, nonprofit hospitals in the United States, where research and surgery have brought new treatments and cures for patients, were \$24.15. (10) This contrasts with \$3.26 per day per capita maintenance expenditure in public mental hospitals in 1956. (42)

(a) The overall average length of stay of a patient in short-term general and special hospitals is approximately 7.8 days (10), compared with the average length of stay of a patient in a mental institution of 8 years.

(d) In one State, where expenditures rose dramatically from under \$1 to almost \$4 (per patient per day) in a 7-year period, there was a correspondingly dramatic result: the number of patients discharged within 6 months after admission rose about 700 percent. (3)

XXVIII. What are the standards for care of mental patients?

1. The latest approved American Psychiatric Association standards (1951) for care are (28):

(a) For clinical psychologists: admission and intensive treatment service, 1 clinical psychologist to each 100 patients; continued treatment service, 1 to 500 patients.

(b) For physicians: admission and intensive treatment service, 1 physician to each 30 patients; continued treatment service, 1 to 150 patients; geriatric service, 1 to 150 patients.

(c) For registered nurses: admission and intensive treatment service, 1 registered nurse to each 5 patients; continued treatment service, 1 to 40 patients; geriatric service, 1 to 20 patients.

(d) For registered occupational therapists: admission and intensive treatment service, 1 registered occupational therapist to each 100 patients; continued treatment service, 1 to 500 patients; geriatric service, 1 to 250 patients.

(e) For attendants: admission and intensive treatment service, 1 attendant to each 4 patients; continued treatment service, 1 to 6 patients; geriatric service, 1 to 4 patients. (Attendants means practical nurses, barbers, beauticians, domestics, orderlies, janitors, and mess attendants.)

XXIX. What are the actual conditions of care in mental hospitals compared with approved standards?

1. The actual average ratio in State mental hospitals in 1955 was 1 physician to each 201 patients and 1 graduate nurse to each 82 patients. (51)

XXX. What are the chances of recovery for people who become mentally ill?

Prior to the more extensive use of the new tranquilizing drugs, the chances of recovery were as follows: Statistics on discharges and rates of improvement as a result of treatment with the new drugs cannot be accurately estimated at the present time.

1. Only about 40 percent of the patients admitted to State mental hospitals are discharged within a 5-year period. (11)

(a) Of the patients who are discharged, about 90 percent are regarded as improved or recovered. (11)

2. The most probable duration of hospitalization for those who are eventually discharged as improved or recovered is 6 months or less. The likelihood of discharge with favorable outcome decreases sharply after 2 years, and reaches a very low point by the end of 5 years. (11)

3. The 40 percent discharge rate does not apply equally to all mental illnesses. (11)

(a) In the case of cerebral arteriosclerosis, only 18 percent of the patients with this disorder were discharged within the 5-year period. About 70 percent of the group died. (11)

4. In the average State mental hospital, about 15 percent of the patients have been there less than a year; about 25 percent have been there between 1 and 5 years; about 60 percent have been there from 5 to 45 years or longer. (11)

5. There are many patients remaining in mental hospitals today even though they are recovered or improved sufficiently to leave. One reason is that there is not enough hospital staff to examine them and process them for discharge. Another reason is that families and communities will not accept these patients when they are discharged, and there are no boarding homes or other facilities in the community to help them through the rehabilitation period. It is estimated that there are at least 60,000 such patients now in mental hospitals. (3)

XXXI. Can maximum treatment of the right kind produce better results for a majority of patients?

1. Yes.

(a) The Boston Psychopathic Hospital in Boston, Mass., and the Topeka State Hospital in Topeka, Kans., have been able to discharge 80 percent of their patients as improved or recovered within the first year. (40)

XXXII. How many doctors and other medical personnel specialize in the care of mental patients?

1. In 1956 there were 9,295 psychiatrists in the United States who were members of the American Psychiatric Association. Of these, about 2,700 are administrators, superintendents, and commissioners (some of these undoubtedly practice part time). (29)

(a) It is estimated that not much more than 1 to 2 percent—85 to 170—of these devote themselves to child psychiatry. In other words, there are about 50 times as many psychiatrists for the adults as there are for children. (40)

2. Only 5,235 psychiatrists hold diplomas from the American Board of Psychiatry and Neurology, though some of these are not members of the American Psychiatric Association. (30)

3. There are approximately 13,652 graduate nurses employed in psychiatric hospitals in the United States (10); 3,581 practical nurses, 9,667 nurses' aids, and 92,286 attendants (10); and 2,671 registered psychiatric social workers. (31)

(a) There are about 1,470 full-time and 115 part-time medical social workers employed in psychiatric hospitals in the United States. (10)

4. There are 1,247 members of the American Psychological Association who are diplomates of the American Board of Examiners in Professional Psychology. This is the highest rating obtainable in psychology, and the number includes persons who have specialized in clinical, counseling, or industrial psychology. Of these 1,247 diplomates 844 are in clinical psychology. (41)

XXXIII. What are the shortages in psychiatric personnel?

1. The current need for psychiatrists is estimated between 10,000 and 20,000 more psychiatrists. (23)

(a) In order to meet the minimum standards for care of the American Psychiatric Association, an estimated 3,740 more psychiatrists were needed in 1955 in our State-supported mental hospitals alone. (28) (51)

2. The current need for clinical psychologists is estimated at at least 10,000 more. (33)

(a) Based on the minimum standards for care of the American Psychiatric Association, the shortage of psychologists in 1953 in State-supported mental hospitals alone was estimated at 1,361. (28) (51)

3. Other psychiatric personnel shortages in State-supported hospitals for the mentally ill are as follows: (28) (51)

(a) Graduate nurses, 25,466; (b) attendants and other nurses, 20,523; (c) psychiatric social workers, 2,294.

4. Thus, our State mental hospitals today have only (51); 41.6 percent of the physicians they need; 25.5 percent of the psychologists needed; 20.4 percent of the graduate nurses needed; 79.8 percent of the attendants and other nurses needed; 32.7 percent of the psychiatric social workers needed.

XXXIV. *What progress can be reported in State mental health programs?*

1. In 1956, for the first time in history, there was a reduction under that of the previous year in the number of resident patients in State mental hospitals. (42)

(a) At the end of 1956, there were 552,186 patients in the State hospitals, a reduction of approximately 7,000 under the figure at the close of 1955. (42)

2. Since 1945, when figures on mental hospital population were first collected on a national scale, there has been an average increase of 10,000 patients each year in the total mental hospital load. Thus, in the short period of a decade, State legislatures have been faced with the backbreaking task of financing the construction and maintenance of 100,000 new beds. (42)

3. This dramatic reduction in hospitalized mental patients was achieved in spite of the fact that 1956 was a record year for admissions to mental hospitals—186,031 mental patients were admitted in 1956, as against 177,998 in 1955 and only 115,387 in 1945. (42)

4. That the 1956 reduction was no statistical fluke is obvious when it is noted that 34 States and the District of Columbia reported mental hospital populations reduced under those of 1955. (42)

XXXV. *What has caused this reduction in the number of resident patients in our State mental hospitals?*

While it is difficult to give an exact statistical weight to the many factors responsible for this remarkable reduction, there is extensive statistical documentation for the conclusion that increased State legislative appropriations to provide intensive treatment with new tranquilizing drugs, and more medical personnel to provide treatment, have now begun to pay off in dramatic fashion, and have finally achieved the cumulative force needed to reverse the seemingly inevitable annual rise in mental hospital populations. (42)

(a) In 1945, the average daily expenditure on each mental patient was \$1.06. In 1956, this had risen to \$3.26, more than triple the 1945 figure and a considerable increase even when the rising cost of living is taken into account.

(b) In 1945, there was 1 full-time employee for every 6.8 patients; in 1956, there was 1 full-time employee for every 3.6 patients. This doubling of the ratio of employees to patients was achieved in spite of a staggering increase in the total number of patients hospitalized.

(c) In spite of the tremendous shortages which still exist, there have been the following increases in psychiatric personnel during the past decade, largely the result of increased salaries and a great expansion of budgeted positions: they are probably the most significant evidence of the manner in which State legislatures gave the mental hospitals the increased treatment potential needed to step up discharge rates:

Superintendents and physicians (including psychiatrists, residents, and interns):	
1945-----	1,458
1955-----	2,659
Psychologists and psychometrists:	
1945-----	69
1955-----	465
Social workers and fieldworkers:	
1945-----	410
1955-----	1,280
Graduate nurses:	
1945-----	2,583
1955-----	6,256
Other nurses and attendants:	
1945-----	33,147
1955-----	77,232

2. All of the foregoing factors lead to a decade-long rise in the discharge rate—a rise so gradual that it was frequently obscured by the rising flood of admissions. In 1945, the mental hospitals discharged 123 patients for every 1,000 on the hospital books; by 1954, they were discharging 175 patients for every 1,000 on the hospital books. And in 1956, a number of the top State mental hospitals in the country were discharging from 65 to 80 percent of their first admissions. (42)

XXXVI. *What are some of the urgent needs in the mental health field?*

1. More funds for research from Federal and State governments and voluntary agencies to discover cures and better methods of care and treatment.

Additional expenditures in this field will produce the means for reducing the number of people developing serious mental disorders causing prolonged hospitalization and costly treatment.

2. Training of additional psychiatrists, psychiatric social workers, nurses, to take more efficient care of the increasing numbers of mentally ill.

3. Construction of additional facilities to relieve overcrowding conditions.

4. More funds are needed for the construction of research facilities.

(a) The National Institute of Mental Health of the United States Public Health Service has requests on hand totaling \$22,253,128 from 49 institutions throughout the country to increase their laboratory facilities for research in mental illness. (39).

(b) In 1956, Congress passed legislation providing \$30 million a year for each of 3 years on a matching basis to research institutions all over the country to help meet this backlog of urgently needed research laboratory facilities. However, how much of these funds will be spent in the area of mental illness research is not known at this time.

5. Development of outpatient services is a striking advance and greatly to be encouraged. The techniques of treating patients in outpatient clinics have so advanced that it is probably safe to say that as many as one-third of the patients who are now treated successfully in the clinics would several years ago have been regarded as suitable only for hospital treatment. Treatment in an outpatient clinic is obviously less costly than hospitalization and provides the great therapeutic advantage of allowing the healing process to take place in the same environment in which the illness originated, avoiding the violent transition from community to hospital to community again. (35)

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(15) Building Study Reveals Significant Trends, from Mental Hospitals, September 1956.

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(17) 1955 Annual Report, National Association for Mental Health.

(18) Dr. Robert Felix, Director, National Institute of Mental Health, National Institutes of Health, United States Public Health Service, Washington, D. C., in testifying before the House Subcommittee on Appropriations for Department of Health, Education, and Welfare, January 31, 1952.

(19) Congressional Record, June 6, 1956.

(20) Budget of the United States Government, 1958, page 665, National Institute of Mental Health, United States Public Health Service, Program and Financing, fiscal 1957 estimate:

Program by activities:

1. Grants:

(a) Grants for research projects-----	\$8, 572, 000
(b) Research fellowships-----	647, 000
(c) Training grants-----	12, 000, 000
(d) Grants-in-aid to States-----	4, 000, 000

2. Direct operations:

(a) Research-----	4, 896, 000
(b) Review and approval of grants-----	516, 000
(c) Training activities-----	76, 000
(d) Professional and technical assistance-----	1, 227, 000
(e) Administration-----	398, 000

Total obligations----- 32, 332, 000

Financing:

Comparative transfers from (—) other accounts-----	—54, 000
Unobligated balance no longer available-----	2, 919, 000

Appropriation, fiscal 1957----- 35, 197, 000

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(27) New York State Department of Mental Hygiene, Albany, N. Y.

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(29) American Psychiatric Association membership as of October 1956, per Austin Davies, executive assistant.

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(36) Patients in Mental Institutions, 1953, Part I: Public Institutions for Mental Defectives and Epileptics. Prepared by Biometrics Branch, National Institute of Mental Health, Washington, D. C.

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(38) Statement made by Dr. Pearce Bailey, Director, National Institute of Neurological Diseases and Blindness, National Institutes of Health, United States Public Health Service, Washington, D. C., 1952.

(39) Summary of Construction Grant Requests, National Institutes of Health, United States Public Health Service, September 24, 1953.

(40) Personal communication from Dr. Karl Menninger, the Menninger Foundation, Topeka, Kans., dated April 15, 1954.

(41) Bruce V. Moore, executive officer, Education and Training Board, American Psychological Association, 1333 16th Street NW., Washington 6, D. C., in letter dated December 26, 1956.

(42) Interstate Clearing House on Mental Health, Council of State Governments, Chicago, Ill. Selected Tables on Resident Population, Finances, and Personnel in State Mental Health Programs. December 1956.

(43) Annual Report, 1955, Standard Oil Co. (New Jersey).

(44) Unpublished data from schedules submitted for the census of mental patients. Data are provisional and may be subject to change. Prepared by Hospital Reports and Records Unit, Current Reports Section, Biometrics Branch, National Institute of Mental Health, November 1956.

(45) Public Health Service Division of Hospital and Medical Facilities. Information obtained by Harold P. Halpert, Chief, Publications and Reports, Office of the Director, National Institute of Mental Health, Bethesda, Md., December 7, 1956.

(46) Department of Veterans Benefits, Veterans' Administration, Washington, D. C., per letter dated December 7, 1956, from A. H. Monk, Controller.

(47) Budget of the United States Government for fiscal year 1957, page 702. 1956 estimated average number of recipients per month of aid to the permanently and totally disabled: 248,000; the estimated average monthly payment in 1956 was \$55.91.

(48) Sidney Spector, director, Interstate Clearing House on Mental Health, Council of State Governments, Chicago, Ill., in letter dated February 16, 1956.

(49) Foundations' Fund for Research in Psychiatry (251 Edwards Street, New Haven 11, Conn.), Max M. Levin, Ph. D., executive officer, in letter dated October 12, 1956.

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Grateful acknowledgment is made to the Biometrics Branch of the National Institute of Mental Health, United States Public Health Service, for their help and cooperation in the preparation of this fact sheet.

WHAT IS THE PREVALENCE AND COST OF ARTHRITIS AND RHEUMATISM AND WHAT IS BEING DONE FOR PEOPLE WITH THESE DISEASES?

I. How many people in the United States have arthritis and rheumatism?

1. Approximately 11 million men and women over the age of 14 are suffering with arthritis and rheumatic diseases. (1) Of these:

(a) 218,000 are completely disabled. (1)

(b) At least 1,500,000 are disabled part of the time. (1)

(c) The remainder are subject to chronic or recurrent pain but lose little or no time from work or other duties.

2. Of the approximately 11 million sufferers from rheumatic disease, about 5 million actually have arthritis. (1)

3. Arthritis and the rheumatic diseases are one of the most common causes of chronic illness in the United States today.

(a) One out of every 16 persons in the country is afflicted. (1)

(b) One out of every 10 persons over the age of 14 is afflicted. (1)

(c) Each year 320,000 persons in this country are rendered totally unemployable by rheumatic disease. (4)

4. Rheumatic disease is the Nation's No. 1 crippler. (1)

(a) More than 50 percent of the incidence of crippling involves persons under 45 years of age. (5)

(b) Arthritis and chronic rheumatism confine 868,000 persons to bed each year. (1)

II. Do children also suffer with arthritis?

Yes.

1. There are about 200,000 children in the Nation suffering from rheumatic disease, about 5 percent of all persons with the disease. (1).

2. One out of every 100 children of school age has some form of rheumatic disease. (1)

3. Of the indigent children receiving treatment under the Federal Government's crippled children's program, 4.8 percent are crippled with arthritis or a rheumatic disease. (1)

4. According to a survey of children with severe rheumatoid arthritis, only 5 percent can return to full normal daily activity; 20 percent of the children stricken with rheumatoid arthritis die prematurely; 40 percent of the children with rheumatoid arthritis are left severely crippled and must spend their time either in bed or in a wheelchair; 35 percent of the children stricken with rheumatoid arthritis are able to continue a fairly effective and reasonably active existence. (1)

III. What are the major forms of rheumatic disease?

The major forms of rheumatic disease are: (1) rheumatoid arthritis; (2) osteoarthritis (degenerative joint disease); (3) rheumatic fever and rheumatic heart disease; (4) gout.

1. Of the rheumatic patients who visit doctors and clinics, 30 to 40 percent suffer with rheumatoid arthritis. (2) (4) (6)

(a) Rheumatoid arthritis is a systemic progressive disease that is the worst of the rheumatic cripples.

(b) Its cause is unknown and the onset is insidious. There is no specific cure, though it is often possible to control the disease or ameliorate its manifestations.

(c) It strikes young and old alike but usually starts between the ages of 20 and 50. Most of the cases occur between the ages of 35 and 40. About 50 percent of those who are disabled are under 45 years of age.

(d) Recognized precipitating causes are emotional and physical stress and strain, fatigue, injury, shock, exposure to dampness and cold and chronic infections.

(e) In spite of the vast amount of crippling and deformity to which rheumatoid arthritis leads, the prognosis is by no means as unfavorable as is generally supposed, and with early and proper treatment crippling can be prevented in 70 percent of the cases.

2. Of the rheumatic patients who visit doctors and clinics, 25 to 30 percent suffer with osteoarthritis in some degree, known also as degenerative joint disease. (2) (4) (6)

(a) This is a painful, occasionally disabling, form of arthritis, whose cause is also unknown, seen more often in persons who are past middle age.

(b) More than 80 percent of the persons in this Nation who are past the age of 50, and 90 percent of those past 60, have osteoarthritis in some degree.

(a) Among the older age group, it is far commoner than rheumatoid arthritis, but as a rule less damaging.

(c) No specific treatment is known for osteoarthritis and this form of the disease must be managed by the control of symptoms and the relief of strains on the affected joints.

3. Very much a definite part of the general classification of arthritis and rheumatism are rheumatic fever and rheumatic heart disease. (2) (4) (6)

(a) Nearly all cases of rheumatic fever follow streptococcal infections. More than 50 percent of the cases follow tonsillitis and pharyngitis.

(b) Rheumatic fever is the commonest cause of organic heart disease under the age of 40. (1)

(c) About one-third of the patients with rheumatic fever develop rheumatic heart disease. (1) Rheumatic fever can be prevented by the prophylactic use of penicillin.

4. Another group of patients included in the general classification of arthritis and rheumatism are those suffering with gout. (2) (4) (6)

(a) Gout or gouty arthritis is considered to be an inherited metabolic disorder.

5. There are at least 30 other forms of arthritis and rheumatism, most of them being systemic diseases that involve the joints and at times one or more organic structures within the body. (7) Among them are bursitis, fibrositis, myositis, neuritis, and neuralgia; and such collagen disorders as scleroderma, polyarteritis nodosa, and lupus erythematosus disseminatus.

IV. What methods of treatment are presently in use for arthritis and the rheumatic diseases?

1. Rheumatoid arthritis. (4)

(a) Lacking a specific cure for rheumatoid arthritis and since it is a systemic disease, measures of proved value, for the most part, are directed toward the improving of the patient's general health—these include rest, nutrition, drugs for relief of pain and for rest and sleep, physical therapy, psychotherapy, and rehabilitation.

(b) Measures for the treatment of rheumatoid arthritis on which there is fairly uniform agreement but no complete unanimity include:

(a) Salicylates: The salicylates, of which aspirin is the most common, are perhaps the only drugs that over the years have been widely used in the treatment of rheumatoid arthritis. Aspirin in particular, has proved to be the most effective and the least dangerous of any drug in relieving the symptoms of the disease. Aspirin not only eases aches and pains in joint stiffness, but research indicates that in the early stages of rheumatoid arthritis, the drug also lessens the inflammatory process that is the basis of the disease.

A new specially coated aspirin is now available that permits the use of the drug in persons who previously were unable to tolerate it because of gastrointestinal distress. (9)

(b) Gold salts: Injections of gold have been effectively used in the treatment of rheumatoid arthritis for at least a quarter of a century. Exactly what gold does once it gets within the body other than to lodge in the tissues, is not exactly known. However, experience has shown that about 2 out of every 3 persons given gold undergo a beneficial response.

Not only does gold restrict the disease activity, but it also suppresses many of the inflammatory changes caused by the rheumatoid process. As with cortisone and its derivatives and as with phenylbutazone, not all arthritics will benefit from the use of gold and a good many of them will suffer toxic and undesirable side reactions from it. (9)

(c) Use of steroids: These drugs are cortisone and hydrocortisone, and their synthetic analogues, prednisone and prednisolone. Several additional variations of cortisone and hydrocortisone are now under investigation in the hope of finding a steroid far more potent and far less toxic than the original drugs. The steroids can be quite effective in suppressing the painful and inflammatory symptoms of rheumatoid arthritis. Carefully selected arthritics respond quite well to these highly potent drugs and with the dosage under careful control by the physician, experience few serious side reactions.

The drugs are usually most effective during the early severe stages of the disease and in arthritics who require but a moderate dosage to obtain a beneficial effect. Persons who have had rheumatoid arthritis for 1 year or less undergo the most striking and beneficial results. Those who have had the disease 10 years or more experience the least favorable responses. As with gold and phenylbutazone, the steroids do not benefit everyone and a good number of arthritics will experience toxic and undesirable side reactions with their use. (9)

Corticotropin (ACTH) though a hormone like the steroids is in itself not a steroid. ACTH, however, stimulates the production of steroids by the body. Its use has diminished greatly primarily because it can be given only by injection and only about 3 percent of the rheumatoid arthritics under medical care by arthritis specialists are given this drug.

(d) Phenylbutazone: This drug is a synthetic chemical compound and not a steroid or a hormone. It has two marked properties. First, it is an analgesic and as such a highly effective pain killer. In the early and acute stages of rheumatoid arthritis, the drug brings about a marked decrease in joint swelling and muscle stiffness. Second, it is antipyretic and as such has the ability to reduce fever. The action of phenylbutazone, the little that is known of it, is not hormonal in any way and has nothing to do with the adrenal or the pituitary glands where cortisone and ACTH are made by the body. As with gold and the steroids, phenylbutazone cannot be taken by all arthritics; not all will benefit from it and a good many will experience undesirable side reactions. (9)

2. Osteoarthritis (4):

(a) No specific therapy is known for the treatment of degenerative joint disease. Treatment is symptomatic and includes rest, for the involved joints, physical therapy, diet, drugs and, in some cases, surgery to correct badly deformed joints or other mechanical disturbances.

3. Rheumatic heart disease:

(a) Treatment is directed chiefly to the prevention and the suppression of inflammation of the heart. With adequate treatment or prevention using antimicrobial agents such as penicillin the incidence of rheumatic fever following hemolytic streptococcal infection can be reduced from 3 percent to two-tenths of 1 percent. Recurrences of rheumatic fever among known rheumatic subjects, who are unusually susceptible, can be reduced to 2 percent. Without these agents, the recurrence rate among rheumatic fever subjects following a hemolytic streptococcal infection has been as high as 50 percent. (10)

4. Gout:

(a) For more than 400 years, colchicine was the only drug known to be of value in the treatment of gout. In the past 5 years, 3 important compounds have been accepted as very useful therapeutic agents: corticotropin (ACTH), phenylbutazone, and probenecid (Benemid). It has been found that colchicine, corticotropin (ACTH), and phenylbutazone can terminate an acute attack of gouty arthritis within 24 to 48 hours. For prolonged treatment during the quiescent intervals between attacks, probenecid, or benemid, has been found to be of definite value in gouty patients who have deposits or uric acid tophi in their tissues. (10)

V. Are some people affected more by arthritis and rheumatism than others?

1. Persons who work outdoors and who work with their hands appear to suffer more from the rheumatic diseases than those in sedentary occupations. (1)

(a) More farmers are stricken with arthritis and rheumatism than individuals in any other field or occupation. (1)

(b) Factory workers make up the second largest group in this country affected by arthritis and rheumatism. (1)

(c) The percentages of various other occupational groups afflicted with arthritis and rheumatism are (1): 13 percent of all craftsmen and foremen in this country; 10 percent of all managers, store owners and company officials; 8 percent of all service workers; 7.5 percent of all clerical workers; 5.5 percent of all laborers other than farm laborers; 5 percent of all professional and technical workers; 5 percent of all sales workers; 4 percent of private household workers (housewives not included).

2. Persons in the lower income groups appear to be more affected by the rheumatic diseases than those in higher income brackets.

(a) Rheumatic diseases are twice as common among those with a family income less than \$1,000 a year than among those with a family income of \$3,000 or more a year. (2)

(b) Rheumatic diseases are $3\frac{1}{2}$ times as common among individuals on home relief or the welfare rolls than among those in the higher income groups. (2)

VI. What do arthritis and rheumatism mean in terms of lost manpower?

1. The loss of approximately 80 million workdays each year in the United States is attributed to disability from arthritis and rheumatism. (1)

(a) This is the same as if 320,000 persons were each year removed from the work rolls of the Nation. (1)

(b) Arthritis and rheumatism lead all other diseases and disorders as the greatest causes of days lost because of disability. (1)

(c) People with rheumatic disease lose an average of 15 days each year from their jobs because of their ailment. (1)

(d) More workdays are lost in this country each year as a result of arthritis than as a result of injuries suffered in accidents. (1)

2. The rheumatic diseases often limit the amount of work a person is able to do, causing many sufferers to change their occupations to less active and less productive ones. Thus, the rheumatic diseases are an important factor in the Nation's labor turnover. (2)

(a) Of the 11 million persons with arthritis and rheumatism, at least 2,800,000 or 26 percent were forced to change their occupations or lessen their output. (1)

VII. What has been the manpower loss to our Armed Forces because of arthritis and rheumatism?

1. Post-Korea induction statistics from Selective Service indicate that 6 percent of all rejections (30,000 out of 505,000) were due to rheumatic disease. (7)

(a) This number would have been sufficient to man at least two full divisions during World War II.

VIII. What is the economic loss to the country from arthritis and rheumatism?

1. Rheumatic disease is conservatively estimated to cost the Nation more than \$1,500,000,000 a year. Of this amount:

(a) More than \$1,200 million is lost in wages and salaries by persons unable to work because of their ailment. (1)

(b) More than \$125 million is spent by taxpayers for subsistence allowances for arthritics unable to support themselves. (1)

IX. How much does the Federal Government lose in income taxes?

1. The Federal Government loses in 1 year in income taxes alone \$195 million because of the 320,000 wage earners constantly out of work due to arthritis and rheumatism. (19)

X. How many sufferers from arthritis and rheumatic disease are receiving public assistance?

Twelve percent of all the permanently and totally disabled persons in the United States receiving public assistance from the Federal Government suffer with arthritis and rheumatism. (11)

(a) Ten percent of all Federal public assistance recipients are totally and permanently disabled with arthritis.

2. A similar 12 percent of all disabled persons receiving State financial aid suffer from arthritis and rheumatism. (1)

3. Eleven percent of all persons receiving Federal assistance for permanent or total disability had to give up gainful employment due to arthritis. (1)

XI. What facilities are available for the treatment of arthritis and rheumatism?

1. In the entire United States, there are only 276 arthritis clinics for indigent patients. (1)

(a) Most of these clinics are located in the larger cities.

2. Only about 700 hospital beds in the country are available for the study of rheumatic diseases. (7)

(a) Of these only about 100 are free beds specifically endowed for the use of the thousands upon thousands of indigent arthritics.

(b) Another 25 free beds are for the study of selected arthritis patients are available at the National Institutes of Health, United States Public Health Service, Bethesda, Md.

3. Of the 1 percent of rheumatic patients who do get hospital care whether in free beds or otherwise, very few are able to remain long enough to receive much benefit from their hospitalization. (7)

XII. Are these facilities adequate?

1. No. The need for additional clinics, hospital beds, and rehabilitation facilities and trained personnel to treat arthritis is urgent. (7)

(a) The facilities that do exist are completely inadequate.

2. In view of the increasing knowledge about arthritis in children and of the increase in the aging population, this need may be expected to grow progressively in the years ahead. (7)

3. There is also a great need for facilities to aid in research on the rehabilitation and restoration of bedridden arthritics to active life. (7)

XIII. How many physicians specialize in the rheumatic diseases?

1. There are about 1,000 members of the American Rheumatism Association,

a professional society of physicians trained in the diagnosis and treatment of arthritis and the rheumatic diseases. (1)

2. Of 52 accredited medical schools surveyed by the Arthritis and Rheumatism Foundation, 46 were found to require the study of arthritis and the rheumatic diseases. (1)

XIV. What are we spending for research on arthritis?

1. The most recent estimated annual allocations for arthritis research and closely related basic studies total \$3,076,951, distributed as follows:

(a) National Institute of Arthritis and Metabolic Diseases, United States Public Health Service, fiscal 1957 (out of a total appropriation of \$15,885,000) (12):

(a) Grants to non-Federal research institutions for arthritis research (estimated)-----	\$1,600,000
(b) Fellowships to research scientists (estimated)-----	60,000
(c) Basic and clinical studies at the Institute (estimated)----	1,009,000

Total-----	2,669,000
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(b) Arthritis and Rheumatism Foundation (for research in universities, hospitals and other institutions) in 1955-56 (3)-----	407,951
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Total-----	3,076,951
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XV. How does this compare with other national expenditures?

1. In contrast with the \$3,076,951 currently being spent for arthritis research:

(a) The Agricultural Research Service of the Department of Agriculture is planning to spend an estimated \$121,000,000 during fiscal 1957. (13)

(b) The people of the United States in 1955 spent approximately:

- (a) \$10,129,000,000 for alcoholic beverages. (14)
- (b) \$5,373,000,000 for tobacco products and smokers' accessories. (8)
- (c) \$53,960,000 for toilet water and cologne. (14)
- (d) \$17,390,000 for powder puffs. (14)

2. The current Federal allocation for research on rheumatic disease, No. 1 Crippler, is only about one-eighth of the \$24,000,000 voted by Congress for the development of forest roads and trails. (13)

3. A little over \$45,000,000 is being spent annually in the field of cancer research, including expenditures by the Federal Government and by the major voluntary health agencies. (15)

4. In contrast with the \$2,220,017 raised during 1955-56 by the Arthritis and Rheumatism Foundation, of which \$407,951 was allocated for research (3), voluntary agencies fighting other diseases collected the following sums:

	Total funds	Research funds only
National Foundation for Infarile Paralysis (16) 1955-----	\$52,475,000	\$2,711,751
American Cancer Society (17) 1955-----	24,427,102	6,907,653

5. The Arthritis and Rheumatism Foundation was founded in 1948 and as a voluntary group has made a fine start. It seeks help and larger funds from the public.

XVI. What can be done about the problem of arthritis and rheumatism?

1. Congress must continue to provide funds for research so that a vigorous and direct attack upon the rheumatic diseases can go on without interruption.

(a) Research supported by the Arthritis and Rheumatism Foundation and by the National Institute of Arthritis and Metabolic Diseases of the United States Public Health Service is progressing profitably but slowly. (7)

2. The problem is centered mainly in the medical schools on the Nation where there are inadequacies of personnel, funds, and facilities to meet the needs of continued clinical and basic research in the rheumatic diseases. (7)

(a) Federal funds must be provided for the construction of laboratories and other research facilities needed to make possible the greater study of these diseases.

(a) The National Institute of Arthritis and Metabolic Diseases has requests on hand totaling \$23,469,454 from 62 institutions throughout the country for construction of laboratory facilities for research in arthritis and metabolic diseases. (18)

(b) During the past session of Congress, legislation was passed to provide \$30 million for each of 3 years in grants on a matching basis to institutions throughout the country for the construction of urgently needed research facilities, though how much will be spent for this purpose in the field of arthritis and the rheumatic diseases is not known.

(b) Federal funds must be increased to make possible more grants-in-aid to non-Federal institutions, to provide for the purchase of equipment and the payment of stipends to investigators and their staffs, and to finance the laboratories of the National Institute of Arthritis and Metabolic Diseases.

3. A major problem is the need for the training of more physicians in the diagnosis and treatment of arthritis and rheumatism. (7)

(a) Congress must make available to the National Institute of Arthritis and Metabolic Diseases additional funds for training grants so that young physicians can be trained to diagnose and treat the rheumatic diseases.

(a) For fiscal 1957, the National Institute of Arthritis and Metabolic Diseases had available \$550,000 in training grants for arthritis and the rheumatic diseases. (12)

4. The public and all agencies in this field should support and cooperate with the Arthritis and Rheumatism Foundation, the national voluntary agency that is working toward these same ends. (7)

REFERENCE LIST

(1) 1956 Fact Sheet, Background Information on Arthritis and Rheumatism, prepared by the Arthritis and Rheumatism Foundation, New York, N. Y. Based on information contained in:

(a) United States Public Health Service, Prevalence of Arthritis and Rheumatism in the United States, Public Health Reports, volume 67, No. 6, 1952.

(b) The National Health Survey: Some General Findings as to Disease, Accidents and Impairments in Urban Areas, Public Health Reports, 55: 444-470, 1940.

(c) Specific Causes of Illness Found in Monthly Canvasses of Families, Public Health Reports, 65: 1235-1264, 1950.

(2) Comroe's Arthritis, edited by J. L. Hollander, fifth edition, 1953, Lea & Febiger, publishers.

(3) Letter dated October 19, 1956, from Paula Fradkin, Arthritis and Rheumatism Foundation, New York, N. Y.

(4) Primer on the Rheumatic Diseases, American Rheumatism Association, 1953.

(5) Pemberton, R., and Scull, C. W., Medical Clinics of North America, 24: 1591, 1940.

(6) Hans Waine, medical director, New England chapter, the Arthritis and Rheumatism Foundation, Advances in the Control of Rheumatic Diseases, Health News, New York State Department of Health, volume 30, No. 8.

(7) Arthritis and Rheumatism Foundation, 23 West 45th Street, New York, N. Y., 1953, 1954, 1955.

(8) National Income Number, Survey of Current Business, July 1956, published by the United States Department of Commerce.

(9) Information on current therapies for rheumatoid arthritis obtained from the Medical Department of the Arthritis and Rheumatism Foundation, December, 1956.

(10) Research Activities in Rheumatic Diseases, Joseph J. Bunim, M. D., Public Health Reports, volume 69, No. 5, May 1954.

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(12) Letter dated December 14, 1956, from Hugh Jackson, information officer, National Institute of Arthritis and Metabolic Diseases, Bethesda, Md.

(13) Budget of the United States Government for Fiscal Year 1957, pages 352 and 353.

(14) From a survey compiled and published annually by Drug Topics, Topics Publishing Co., New York, N. Y., August 1956.

(15) A total of \$45,416,148 is currently being spent in the field of cancer research, as follows: Government funds (1956-57), \$35,072,000; nongovernment funds, including American Cancer Society, Damon Runyon Memorial Fund, and other voluntary health agencies (1956), \$10,344,148.

(16) National Foundation for Infantile Paralysis. Of the total funds raised, \$27,624,000 was spent during 1955 for patient care.

(17) American Cancer Society, New York, N. Y.

(18) Summary of Construction Grant Requests, National Institute of Health, United States Public Health Service, September 24, 1953.

(19) If the 320,000 wage earners constantly out of work because of arthritis and rheumatism (reference (1) above) had, on the average, 2 dependents and earned the 1955 average money income before taxes of \$4,650 (1956 Survey of Consumer Finances, Federal Reserve Bulletin, June 1956), they would each pay about \$612 in Federal income taxes, totaling in all about \$195 million.

WHAT ARE WE DOING ABOUT POTENTIALLY BLINDING EYE DISEASES?

I. How many people have, or have had to some extent, potentially blinding eye diseases in the United States?

No reliable figures on the total incidence of potentially blinding eye diseases have ever been available. However, an estimated 70 million people have eye defects and need glasses in the United States today, according to the American Optometric Association. (22) Three hundred and thirty four thousand Americans are legally blind, and 1,300,000 are blind in 1 eye. (2) It is well known that the greatest incidence of blindness is now found in such diseases as cataract and glaucoma.

1. Glaucoma:

(a) An estimated 1 million persons have glaucoma without knowing it and may lose their sight if untreated. (1)

(b) Of the known blind, 13 percent have glaucoma. (2)

2. Cataract:

(a) The most frequent eye operation in most hospitals is for cataracts. For most cataract patients, at least a year of presurgical disability usually exists, and it is frequent that while visual acuity exceeding that of legal blindness is restored after surgery, patients are often incapacitated from performing their customary activities. (8)

(b) Of the known blind, 23 percent were caused by cataracts. (2)

(a) Seventeen percent of these are blind from senile cataracts, the underlying cause of which is unknown to science. In the remaining 6 percent, the cause is known, being due to injury, general diseases, such as diabetes or vascular conditions, etc. (2)

3. Strabismus (crossed eye):

(a) An estimated 2,500,000 Americans have or have had to some degree a crossed eye (strabismus). (4)

(b) There are in this country 1 million people with reduced vision in 1 eye because of this condition. (5)

4. Diabetic retinopathy:

(a) Diabetic retinopathy has become the scourge of those whom insulin has saved from death only to permit them to live long enough to become blind.

(a) It is estimated that there are 2 million diabetics in this country. (7)

(b) Eighty-three percent of all patients who had diabetes for over 20 years showed diabetic retinopathy and the incidence was as high in the cases of controlled diabetes as in the cases of uncontrolled diabetes. (3)

(c) The development of diabetic retinopathy is apparently unrelated to the severity of the diabetes. (6)

(d) The most important cause of permanent loss of vision in the diabetic is retinopathy and its complications, vitreous hemorrhage, and associated retinitis proliferans. (12)

5. Hypertension:

(a) Hypertension in our older population has made a more serious eye problem yearly. Occluded central retinal vessels are frequent among our older population. (8)

6. Detached retina:

(a) Detached retina (separation of the inner layers of the retina from the pigment layer) is a serious hazard to our older population. (8)

7. Ocular injuries:

(a) Approximately 300,000 ocular injuries occur in industry alone each year. No estimates are available of the number of injuries occurring outside organized industry (home, farm, school, military service). (2)

(b) Vast research is needed to prevent disability from these injuries, as well as in the prevention of the injury itself.

8. Uveitis:

(a) Any form of uveitis (inflammation of uvea) is a potentially blinding eye disease. There is no estimate of the number of persons who have or who have had some form of uveitis.

(b) Notwithstanding the very great benefit from cortisone and ACTH, 4 percent of all blindness is still due to the diseases of the uvea. (2)

II. *How many people are visually handicapped and wear glasses?*

1. An estimated 70 million people have eye defects and need glasses. (22)
This is 43 percent of our entire population.

2. An estimated 9 million children in America require eye care, and a large number of these children should be wearing glasses. (2)

3. It is estimated there are 1,700,000 people who are visually handicapped. (15)

334,000 are legally blind. (2)

1,300,000 are blind in 1 eye. (2)

III. *Is age a factor in the incidence of blinding eye diseases and blindness?*

1. Of the total estimated number of 334,000 (legally) blind persons in the United States, an estimated 78.6 percent are over 40 years of age. (9)

2. Increase in longevity is the key factor in the continuing increase of blindness. An estimated 52.4 percent of the blind population of the Nation as a whole are 65 years of age and over. In New York State, 47 percent of the blind residents fall into the age group of 65 and over. (9)

3. Glaucoma is present in 2 out of every 100 persons past the age of 40 and may not be detected until severe damage has been caused.

4. The incidence of cataract to some extent for people age 60 is nearly 60 percent, and for persons age 80 approaches 100 percent. (10)

IV. *What are the main eye diseases that have caused our present blindness?*

1. 61 percent of blindness is due to diseases in which the causes are unknown to science, including: (2)

	Percent
Cataracts (senile)	17
Glaucoma	13
Other	7
Prenatal origin, cause unknown	10
Cause undetermined or not specified	14
Total	61

2. 39 percent of blindness is due to known causes such as: (2)

	Percent
Infectious diseases	11
Injuries	5
Neoplasms	1
General diseases:	
Diabetes	7
Vascular	5
Other	2
Heredity	5
Poisoning	3
Total	39

V. What is done to detect potentially blinding eye diseases in the United States?

1. According to the American Medical Association, there are only 128 non-Governmental hospitals and 37 Government hospitals (Army, Navy, Marine, and Veterans' Administration) with approved eye clinics for residency training in ophthalmology. (11)

(a) This is in contrast with the fact that there are 3,068 counties in the United States, and a large majority of counties should have some type of eye clinics.

VI. How many doctors specialize in eye diseases?

1. According to the 1956 American Medical Directory, there are 3,885 ophthalmologists in the United States, of whom 2,748 are certificated by the American Board of Ophthalmology. In addition, there are 3,829, eye, ear, nose, and throat specialists, of whom 1,721 are certificated by the American Board of Ophthalmology.

VII. How much is being spent by the Government for training grants and Ophthalmic traineeship grants?

1. The National Institute of Neurological Diseases and Blindness of the United States Public Health Service as of December 3, 1956, was spending \$436,537 for 22 training grants in the field of ophthalmology and is also supporting 21 traineeship grants in the amount of \$89,723. (13)

2. For fiscal 1957 the National Institute of Neurological Diseases and Blindness has in its budget \$4,150,000 for training grants, though how much of this will be spent in the field of ophthalmology is not as yet determined.

3. No estimates are available at this time of the amount being spent by other institutions in this area.

VIII. How much money is available for research to prevent potentially blinding eye diseases in the United States?

1. Approximately \$2,731,335 is being spent for medical research devoted to determining the causes, treatment, and prevention of the blinding eye disorders, as follows:

(a) *Government funds, \$1,531,335:*

(a) About \$1,531,335 was spent during fiscal 1956 by the National Institute of Neurological Diseases and Blindness (U. S. Public Health Service) on ophthalmic research. (13)

(1) Of this total, \$575,400 was spent by the Institute in its intramural research program against eye diseases, and \$955,935 was spent for extramural research grants at various institutions throughout the country.

(2) In its fiscal 1957 budget, the National Institute of Neurological Diseases and Blindness anticipates funds of \$1,300,000 for extramural research in ophthalmology. (13)

(b) *Non-Government funds, \$1,200,000:*

(a) It is estimated by Dr. Franklin M. Foote, executive director of the National Society for the Prevention of Blindness, that about \$1,200,000 is being spent annually for medical research into disorders of the eye by voluntary agencies, medical schools and eye institutes. (2)

2. In contrast, an estimated \$150 million is spent annually in tax and private funds for the inadequate care and services we try to provide for people already blind. (15)

IX. How does this compare with what we spend on other things?

1. In contrast with the estimated total of approximately \$2,731,335 which is available from public and private sources for research in blindness and eye diseases (2) (13), the American people spent in 1955 approximately: (16)

(a) \$35,480,000 for sunglasses and goggles.

(b) \$23,970,000 for playing cards.

(c) \$8,960,000 for dog and pet medicaments.

(d) \$5,070,000 for eye lotions and washes.

X. How much is spent from public funds alone to support people who are already blind?

1. For the fiscal year 1956, the total amount of public funds only (Federal, State, and local expenditures for aid to the blind is estimated at \$73,000,000.

(17) The average number of recipients per month was 105,000, the average monthly payment, \$58.08. (17)

2. This is in contrast with an estimated total of \$2,731,335 which is available from public and private sources for research in the blinding eye diseases. (2) (13)

XI. What was the military manpower loss in World War II from blindness and eye diseases?

1. Of the 4,828,000 men rejected before induction as of August 1, 1945, by the Army, 234,300, or nearly 5 percent, were rejected because of visual handicaps. (18)

(a) This manpower loss would be sufficient to man 16 Army infantry divisions. (World War II division strength 14,477.)

2. It is estimated that out of 556,238 registrants for military service examined between July 1950 and September 1953 who were rejected for medical reasons, 42,275, or 7.6 percent, were rejected for eye defects. (19)

XII. Has medical research in eye diseases paid off?

Yes!

1. Following the initial discovery of the usefulness of cortisone and ACTH (corticotropin) in the treatment of various eye diseases, additional research has demonstrated more impressive results with newer steroids, prednisone and prednisolone.

(a) According to a recently published study, these newer steroids reveal a rapid, potent activity which appeared superior to cortisone, and because of the lack of serious systemic side effects, these new cortico-steroids may well supersede previously known steroids in ocular therapies. (20)

(b) Beneficial and promising results have been obtained in such eye conditions as diffuse uveitis, iridocyclitis, iritis, postoperative inflammations, marginal corneal ulcers, allergic conjunctivitis. (23)

2. Certain antibiotics, especially penicillin and other chemotherapy have proven curative for eye infections. It is now possible to select agents which are highly effective in the treatment of a specific type of infection. Because of these developments, certain diseases have virtually disappeared in the United States, as for example, trachoma, gonorrheal ophthalmia and syphilitic interstitial keratitis, and optic neuritis. (14)

3. Retrolental fibroplasia has been, during the past 10 years, the prime cause of blindness among infants. (8) A study, supported by the National Institute of Neurological Diseases and Blindness, the National Foundation for Eye Research, and the National Society for the Prevention of Blindness, reported that the cause of retrolental fibroplasia has been established as the use of oxygen (the use of too much oxygen or some defect in regulation of oxygen administered to premature infants). (2)

The savings realized through this medical research discovery are immeasurable not only in terms of dollars saved in costs of caring for these infants who were formerly blinded by this disease throughout their lifetime, but also in terms of the happiness and well-being of these children and their families.

4. Pronounced strides have been made in surgical procedures for different types of glaucoma and cataract, as well as retinal detachment. Corneal transplant has become a relatively common procedure because of improved techniques. (14)

5. Great advances have been made in the development of optical devices for patients with low levels of visual acuity. These include contact lenses, telescopic spectacles, and a host of visual aids for the magnification of visual material both for direct observation and by projection. Visual education is thus made possible for people with as low as 2/200 visual acuity. (14)

6. Evidence is accumulating from research in the basic sciences and in some related clinical fields that some of the enzymes are of great potential value: the effects of these substances in the metabolism of the various tissues of the eye need much more investigation. (2)

7. Twenty years ago the major causes of blindness among infants and children were ophthalmia neonatorum interstitial keratitis, phlyctenular keratitis (inflammation of the cornea characterized by the formation of pustules or popules on the cornea), and other infectious diseases of the cornea. Basic research leading to the discovery of antibiotics and steroid therapy and clinical research in its use have resulted in the virtual elimination of these conditions. (8)

8. However, a great amount of research and larger sums of money are needed for both laboratory and clinical research on the remaining blinding eye diseases.

XIII. What approaches are currently available in medical research which might be expected to reduce the number of persons who may become blind?

1. Fundamental research:

(a) These include application of recent advances made in biochemistry, physiology, nutrition, and infections including immunology and epidemiology, to determine the mechanism of the underlying disorder which is associated with diseases of the eye leading to blindness.

2. Clinical research:

(a) Direct study of the patient to determine the underlying causes of blinding diseases, the most common of which are cataract, glaucoma, uveitis, retinitis pigmentosa.

(b) Also, hypertension and arteriosclerosis in our older population have made a more serious eye problem yearly. Hypertension and arteriosclerosis are leading causes of various diseases of the retina, leading to blindness, such as obstruction of the central retinal artery, retinal hemorrhage, retinal venous thrombosis, embolism of the retinal artery, arteriosclerotic retinitis.

Research is urgently needed in hypertension and arteriosclerosis to prevent blindness caused by these cardiovascular diseases.

XIV. What is needed in the fight against blindness and the eye diseases?

1. More medical research funds are needed by the National Institute of Neurological Diseases and Blindness of the United States Public Health Service earmarked for blinding eye diseases including funds for the construction of research facilities.

(a) The National Institute of Neurological Diseases and Blindness has requests on hand totaling \$30,980,794 from 54 institutions throughout the country to increase their laboratory facilities for research in the neurological diseases and blindness. (21)

(b) In 1956, Congress passed legislation to provide \$30 million a year for 3 years on a matching basis to institutions throughout the country to help to meet the urgent need for funds for the construction of research laboratories and facilities. However, how much of these funds will be spent toward meeting the requests on hand at the National Institute of Neurological Diseases and Blindness is not as yet determined.

2. Increased support of medical research and training is needed by the major voluntary agencies concerned with blindness and eye diseases.

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WHAT IS CEREBRAL PALSY AND WHAT IS BEING DONE ABOUT IT?

I. What is cerebral palsy?

1. Cerebral palsy is the general term applied to a group of disabilities resulting from damage to the developing brain which may occur before, during, or after birth. It is characterized by loss or impairment of control over voluntary muscles. (2)

The condition may be severe or very mild; many muscles may be affected, or only a few. The lack of control may be in the arms, legs, tongue, speech mechanism, eyes, or movements. The extent of the disability varies widely and may affect the entire range of muscular activity. In addition to disturbance of motion, there is often interference with vision, hearing, sensory perception, and intellectual capacity. (2)

2. Cerebral palsy occurs most frequently as a result of conditions in the prenatal stage of development or in the birth process. It may occur in childhood or adult life as the result of accident, illness, or infection. Anyone may be affected by the condition, regardless of race, economic standing, or environment, since anything which can kill or damage brain tissue can cause cerebral palsy. (2)

II. What are the symptoms of cerebral palsy?

1. Symptoms: The disorder may be recognized by awkward or involuntary movements, lack of balance, irregular gait, guttural speech, grimacing, drooling, which are caused by loss of muscle control. (2)

2. Spasticity (muscular spasms) is the most frequently occurring motor symptom of cerebral palsy, but there are also four other main types: athetosis (a derangement marked by a constant recurring series of slow vermicular movements of the hands and feet); ataxia (failure of muscular coordination or irregularity of muscular action); tremor and rigidity. (2)

3. Contrary to optimistic statements published several years ago, research studies made in the United States and Great Britain now show that a large proportion of cerebral palsied persons have some measurable degree of mental incapacity. (1)

III. What are the main causes of cerebral palsy?

1. Injury to the motor centers of the brain before, during, or any time after birth, including cerebral hemorrhage and clots. (2)

2. Congenital malformation of the brain. (2)
3. Incompatibility of blood factors. (2)
4. Head injury. (2)
5. Severe illnesses, such as encephalitis, scarlet fever, whooping cough, diphtheria, German measles, and other virus diseases. (2)
6. Prenatal damage to the brain resulting in malformations and failure of normal brain development. (2)
7. Prematurity (premature births). (1)
8. In aging persons, arteriosclerosis or degenerative disease produces symptoms identical or similar to those of cerebral palsy.

IV. What are the nonmedical aspects of cerebral palsy?

1. Cerebral palsy, in common with other physical handicaps, poses many serious economic, social and emotional problems. Some parents, when they first learn that their child is palsied, sustain a feeling of guilt that one or both of them may somehow have been at fault. (1)

Frequently, maladjustment between the parents, their attitude of overprotection or rejection of the handicapped child, and their attitude toward other children and members of the family, have caused much additional anguish both to the family and the handicapped child. (1)

The needs of the cerebral palsied are those common to all children, accentuated by their physical handicap—need for parental affection spontaneously demonstrated; opportunities for recognition, for achievement, and for development of independence; and satisfying social relationships both with their contemporaries and with adults. The need to belong to a group and to have opportunities to develop a sense of personal worth are especially important to the teen-ager. (1)

Since emotional problems of the cerebral palsied may in some instances be even more disabling than the physical disability especial attention is necessary to programs of parent education, and to psychological guidance and counseling. (1)

2. The economic problems of providing long-term treatment or custodial care may often result in financial sacrifices that place a very heavy burden upon other members of the family. Few families have the resources to meet these costs. (2)

The problem of proper treatment, research, and educational facilities for the cerebral palsied is therefore becoming increasingly recognized as a community responsibility. (2)

Effective treatment of the cerebral palsied is especially complicated by the fact that impairment of speech, hearing, and other faculties often accompany the physical handicap. (2)

V. What is the effect of cerebral palsy on life expectancy?

Cerebral palsy in young people is not in itself a cause of death, but is a permanently disabling condition. The cerebral palsied individual who lives beyond infancy and early childhood has a reasonably normal life expectancy. (2)

In older people, arteriosclerosis and resulting cerebral clots and hemorrhages reduce life expectancy. An estimated 175,120 persons in the United States died in 1955 of vascular lesions. (3) These deaths were mainly due to arteriosclerosis of the brain.

VI. How many people are suffering from cerebral palsy in the United States?

It is estimated that throughout the United States there are between one-half and three-quarters million persons with cerebral palsy, one-third of whom are under 21 years of age. (2)

The caseload of cerebral palsied persons is growing steadily. With unrelenting regularity, about 10,000 babies are born with cerebral palsy annually—one every 53 minutes. (2)

Adults of all ages may become palsied through automobile accidents, industrial mishaps, severe illness, strokes, or other causes. (2)

VII. What is the economic cost of cerebral palsy?

1. Assuming that 10 percent of the 400,000 adult cerebral palsied (2) are self-supporting, the remainder of 360,000 require at least \$600 a year for their maintenance—a total of \$216 million a year. (9)

2. It has been estimated that at our present tax rate per capita, the cerebral palsied, who incurred the disorder in infancy, should pay at least \$600 each year in income taxes, or a total of more than \$300 million yearly. Over half of these,

however, will actually pay no taxes at all and over an average adult productive life span of 30 years, a total of more than \$5 billion in tax revenue will be lost from the cerebral palsied. (10) It should be pointed out that these are conservative figures. (2)

VIII. What is being done to help cerebral palsied sufferers?

Since damage to brain tissue cannot yet be repaired, there is no cure for cerebral palsy as such. Research to develop means of prevention through vaccines, reduction of accidents, and other methods is needed.

With proper treatment and training, persons so handicapped often can and do improve physically. (2)

During the past few years there has been a rapid expansion of diagnostic, treatment and special service facilities for the cerebral palsied. These facilities include diagnostic clinics, physical, occupational, and speech therapy centers, prenursery schools, sheltered workshops, camps, homebound programs, community rehabilitation centers, and other special services. Research projects, aimed at the eventual solution of the problem of cerebral palsy through prevention and its alleviation through more effective treatment, are in progress at hospitals, clinics and medical schools in many states. (2)

In spite of the progress which has been made in helping those cerebral palsied victims who are treatable and educable, there still remains a dire need for certain types of facilities for those cerebral palsied who are sufficiently mentally deficient as to require custodial care. (1)

Agencies now cooperating in cerebral palsy work include—

(a) Federal agencies: The National Institute of Neurological Diseases and Blindness of the United States Public Health Service; the Crippled Children's Services of the United States Children's Bureau; the Office of Vocational Rehabilitation; and the Veterans' Administration. (2)

(b) National voluntary health organizations: The United Cerebral Palsy Associations, Inc., and its State affiliates, the National Society for Crippled Children and Adults, Inc., and affiliated Easter Seal Societies in every State, Alaska, Hawaii, and Puerto Rico; Association for Aid to Crippled Children. (2)

(c) Some State and local tax-supported services: State department of health, State department of education, State hospital schools, State vocational rehabilitation, and public-school services for crippled children. (2)

(d) Professional organizations, such as the American Academy for Cerebral Palsy. (1)

(e) Civic, service, and fraternal groups which support direct service and research activities, as well as programs for recruitment and training of professional workers. (1)

IX. How are services for the cerebral palsied and public and professional education on cerebral palsy being financed?

In 1956, the nationwide campaign of United Cerebral Palsy Associations, Inc. realized \$8,318,000.

The national headquarters of United Cerebral Palsy spent the following amounts in 1956 for education and service (excluding research and training):

(Amounts spent by local affiliates not yet available) (8)

Program services.....	\$39, 738
Public relations and education.....	80, 265
Medical supervision and program coordination.....	94, 644
Education for cerebral palsied.....	24, 870
Vocational and adult guidance.....	19, 480
Legislative information.....	44, 713
Total.....	303, 710

The cerebral palsied were the third largest group receiving aid from the National Society for Crippled Children and Adults, Inc., in 1955. Out of a total of 144,630 served by the society in 1955, 22,266 were victims of cerebral palsy, of whom 19,955 were children and 2,311 adults. (1) For the fiscal year ending August 31, 1955, total funds raised by the National Society for Crippled Children and Adults, through the annual Easter sale campaign, were \$8,532,727. (1)

Other public and private agencies contribute indirectly to cerebral palsy work by providing facilities and services that are not used exclusively for that purpose. Funds from public or private sources to aid crippled children, mental defectives, underprivileged families, veterans, etc., may involve cerebral palsy

treatment, but because they are not so labeled it is impossible to compute how much indirect financing is being done in the field of cerebral palsy nationally. (2)

X. How much money is available for research in cerebral palsy?

1. Voluntary agencies' funds listed total \$547,083: (8)

(a) United Cerebral Palsy spent in 1956 for grants-in-aid for training and research in cerebral palsy (8)----- \$547,083

(b) Other national voluntary health organizations such as the National Society for Crippled Children and Adults and the National Foundation for Infantile Paralysis have provided funds for research in fields closely related to and affecting our knowledge of cerebral palsy. (2)

For the fiscal year ended August 31, 1955, the National Society for Crippled Children and Adults expended \$19,708 for all medical research within its area of interest. (1)

2. Government funds listed total \$918,638: (4)

(a) The National Institute of Neurological Diseases and Blindness of the U. S. Public Health Service has earmarked in fiscal 1956 for cerebral palsy research, including research in injury and disease to the brain where dysfunction is predominantly motor (4)----- 918,638

Total of funds listed----- 1,465,721

3. In comparison with the above figures, the American people spent in 1955 approximately (5): \$282,360,000 for chewing gum, \$111,090,000 for ballpoint pens, \$24,660,000 for nail polish and enamel.

XI. How does this compare with what we spend on other research?

1. Public awareness of cerebral palsy as a national problem is of such recent origin that research funds in this field still fall far short of minimum needs. Polio receives almost twice as much in research funds as cerebral palsy. In 1955 the National Foundation for Infantile Paralysis provided \$2,701,781 for polio research from its funds raised that year, a figure which does not include donations from other private and public sources. (6)

XII. What are some of the problems in cerebral palsy which require research?

1. The target areas of cerebral palsy research may be grouped under three basic classifications of medical research: (1)

(a) Prophylaxis (prevention)

(b) Diagnosis

(c) Therapy (treatment)

Both basic and clinical research is needed in each of these areas. The basic research would be long study of underlying causes and the clinical research would involve study of the problems of management of cerebral palsied patients and planning facilities to meet their needs. (1)

2. The following is a partial list of projects that require basic or clinical research in the field of cerebral palsy: (2)

(a) Experimental neurophysiology in animals

(b) Drug therapy

(c) Isoimmunization (concerning RH factors in blood and other types of blood incompatibility)

(d) Vaccines against virus diseases, such as German measles in pregnant mothers, and encephalitis, which often cause cerebral palsy.

(e) Surgical methods of treatment

(f) Chemical causes of arteriosclerosis (hardening of the arteries) and cerebral hemorrhage

(g) Special psychological testing methods

(h) Relationship of right and left handedness to the disabilities of cerebral palsy.

(i) Investigation of brain pathology in cerebral palsy.

(j) Obstetrical problems relating to anesthesia, instruments, anoxia, and the mechanics of labor.

(k) Education of undamaged parts of the brain to take over the functions of the damaged part.

(l) Treatment methods: Ways of applying physical therapy, occupational therapy, and speech therapy.

(m) Bracing, prostheses and special equipment.

(n) Visual defects in cerebral palsy.

(o) Hearing defects in cerebral palsy.

(p) Psychological factors in convulsive seizures.

(q) Allergies.

(r) Nutrition and fluid balance.

(s) Educability of the cerebral palsied child.

(t) Psychological problems of the cerebral palsied child.

(u) Psychological problems of the adult cerebral palsied.

(v) Psychological effects of cerebral palsy on parental and family relationships.

(w) Neurosurgery.

(x) Development of means for obtaining nerve regeneration.

XIII. What are the goals in program planning in the fight against cerebral palsy?

1. Personnel training: Special training of medical and allied personnel (including doctors, nurses, therapists, psychologists, educators, and social workers) is needed to meet the growing demand for cerebral palsy treatment throughout the United States.

A long-range goal should be the inclusion of cerebral palsy training as part of the general curriculum at medical and professional schools, so that doctors, therapists, teachers, etc., may receive this as part of their basic training. Also, there is indicated need for special graduate training in this field. (1)

2. New facilities: Closer attention to the problem of cerebral palsy in many communities of the nation makes evident the need for expanded facilities for the mentally deficient and those in need of custodial care. Various types of facilities are needed in some areas, such as outpatient treatment centers, rehabilitation centers, clinic-schools, vocational guidance and job-placement programs, and services for children in sparsely populated rural areas. There is need for some centers that can integrate diagnosis, treatment, education, psychological guidance, research and the training of personnel. Services and facilities should always be based, of course, upon a survey of special needs in any given community, since they vary. (1)

3. Research projects: It is essential that a larger Federal appropriation be made to provide funds to establish a nationwide research program in neurological diseases, including cerebral palsy, under the recently established National Institute of Neurological Diseases and Blindness. (2)

XIV. What are the basic needs in the fight against cerebral palsy?

1. More funds for research, training and education in cerebral palsy are needed for the United Cerebral Palsy Associations, the National Society for Crippled Children and Adults, and other voluntary agencies interested in this disease.

2. More funds for research, training, and education in cerebral palsy are needed for the National Institute of Neurological Diseases and Blindness of the United States Public Health Service, which makes grants for research projects in this field.

3. New treatments and methods of prevention must be found to aid the estimated one-half to three-fourths of a million people in the United States who are afflicted with cerebral palsy.

XV. Does research pay off?

1. Most decidedly. Because of medical research advances the national death rate has declined 12 percent in the last 11 years alone (1944-55). (3)

To list some other examples:

(a) With major assistance from Public Health Service grants, a method has been discovered (through multiple-exchange blood transfusions) for preventing kernicterus, a leading cause of infant death (approximately 1,000 deaths yearly) and of cerebral palsy. (11)

(b) The great research discovery of Fleming, Florey, and Chain, penicillin, was distributed to hospitals in 1945 and generally throughout the United States in March 1946. Since then the death rates from various infectious diseases and

conditions responding to antibiotic therapy have shown dramatic declines. Between 1945 and 1955—(3)

The death rate from—	<i>Has declined, percent</i>
Syphilis	71
Acute rheumatic fever	74
Influenza	82
Appendicitis	70

(c) With financial support in part from the Public Health Service, the cause of retrolental fibroplasia, which previously had been the prime cause of blindness in infants, was established as the faulty administration of oxygen to premature babies. (12)

(d) As a result of the discovery and use of the new tranquilizing drugs for the treatment of mental patients, many States are reporting remarkably encouraging results. New York State in 1956 reported a 23-percent increase in discharges. (7)

(e) Pellagra as a cause for hospitalization of patients in mental hospitals in the South is practically eliminated as a result of the discovery that niacin cures pellagra. (7)

(f) In epilepsy, neurological research has produced the electroencephalograph and demonstrated the essential nature of epilepsy as a disorder of the energy and economy of brain cells which is controllable by chemical means, such as the drugs tridione and artane. The result is that 80 percent of all epileptics can now lead normal lives.

2. By the same token, concentrated research in cerebral palsy and related fields will undoubtedly bring about better methods of treatment and eventual prevention of this dread condition.

REFERENCE

(1) National Society for Crippled Children and Adults, Inc., Chicago, Ill. Information received October 1953, September 1954, October 18, 1956.

(2) United Cerebral Palsy, New York City. Information supplied in January 1957.

(3) National Office of Vital Statistics, Washington, D. C.

(4) National Institute of Neurological Diseases and Blindness, United States Public Health Service, Washington, D. C., per letter dated December 4, 1956 from Frank O. Barden, Jr., Publications and Reports Section.

(5) From a survey compiled and published annually by Drug Topics, Topics Publishing Co., Inc., New York City, August 1956.

(6) National Foundation for Infantile Paralysis, New York City.

(7) National Mental Health Committee, Washington, D. C.

(8) United Cerebral Palsy, New York City, information obtained January 15, 1957.

(9) Statement of Karl K. Van Meter, executive director, United Cerebral Palsy, New York City, before House Interstate and Foreign Commerce Committee hearings, October 7, 1953, Washington, D. C.

(10) Statement Neurological and Sensory Disorders prepared for hearings of House Interstate and Foreign Commerce Committee, October 7, 1953, by the National Committee for Research into Neurological Disorders. Statement begins on page 974, of part 4 of the hearings.

(11) Statement of Marion B. Folson, Secretary, Department of Health, Education, and Welfare, at press conference, December 20, 1955.

(12) Dr. Franklin M. Foote, executive director, National Society for the prevention of Blindness, New York, 1956.

WHAT ARE THE FACTS ABOUT MULTIPLE SCLEROSIS?

I. What is multiple sclerosis?

1. Multiple sclerosis, also known as disseminated sclerosis, is one of a rather large group of chronic diseases of the central nervous system.

2. In multiple sclerosis one finds many areas in the brain and spinal cord, scattered indiscriminately throughout the central nervous system, in which myelin (a fatty sheath which in normal healthy individuals covers the nerve fibers) has been dissolved or destroyed. This destructive process is called "demyelination."

3. The process by which this dissolution or destruction is accomplished is not known, but it causes either complete stoppage of these nerve impulses—thus producing paralysis of the parts of the body innervated by these nerves—or the impulses pass through the affected nerves either enfeebled or altered, so that those parts of the body innervated by such nerves perform their functions in a disturbed fashion.

(a) Symptoms: Double vision, staggering and inability to keep one's balance, numbness of parts of the body, tremor, nystagmus (involuntary movements of the eyeball), extreme weakness, speech difficulties, emotional disturbances, bladder troubles—these are common first symptoms.

4. In October 1956 an important advance in the fight against multiple sclerosis was announced. Dr. Sarah A. Luse, Washington University School of Medicine, St. Louis, has discovered that the site of the disabling multiple sclerosis is a structure called the glial cell. Heretofore, scientists have thought the disease struck myelin, a fatty material surrounding nerves like a sheath. The glial cell, which also is around nerve fibers, produces the protective myelin sheath; but it is the glial cell and not the myelin that degenerates in multiple sclerosis. (11)

II. How many people die of multiple sclerosis in the United States?

1. There are at present no reliable figures as to the number of deaths from multiple sclerosis, as multiple sclerosis is not a reportable disease and does not appear on morbidity statistics.

2. The National Office of Vital Statistics in Washington, D. C., reported in 1953 (latest available figure) that 1,431 persons died of multiple sclerosis, but undoubtedly this was a very incomplete figure since multiple sclerosis is the actual cause of death in many instances where the cause of death listed is some other disease which has been brought on by multiple sclerosis, such as pneumonia, heart, circulatory failure and infections. (1) (2) Approximately the same number of deaths were caused by polio in the same year (1953 polio deaths, 1,450).

3. The life expectancy of a multiple sclerotic closely approximates that of the average person, although he may be in considerably more discomfort than the average person and a much easier prey to respiratory disorders, and infections of all kinds. (2)

III. How many people are suffering from multiple sclerosis and related demyelinating diseases in the United States?

1. With the present status of medical knowledge no figure can be given or even estimated with any degree of accuracy as to the number of people suffering from multiple sclerosis and related demyelinating diseases in the United States. An estimate would be well over 500,000, of which number an estimated 250,000 suffer from multiple sclerosis. (8) It is a disease of extremely difficult early diagnosis, and thousands of cases are thus missed. It is frequently misdiagnosed as hysteria, syphilis, polio, and other neurological diseases. (3)

2. A statistical survey has been conducted by the National Multiple Sclerosis Society in cooperation with the National Institute of Neurological Diseases and Blindness, and the National Institute of Mental Health, United States Public Health Service, to determine the incidence of the disease and the effects of climate, race, and geography on multiple sclerosis. This survey is not completed. (7)

IV. What is being done to help multiple sclerosis sufferers?

1. Until the advent of the National Multiple Sclerosis Society very little was done to help multiple sclerosis sufferers.

(a) No beds are available in private or public hospitals in the United States specifically for multiple sclerosis patients, and they are not admitted into most hospitals because of the chronic nature of this disease.

A few hospitals for chronic diseases scattered throughout the United States do admit an occasional multiple sclerosis patient.

(b) There are 26 clinics in the United States supported wholly or in part by the local multiple sclerosis chapters of the National Multiple Sclerosis Society. (See appendix II for list of these multiple sclerosis clinics.)

V. How much money is being spent for research to find treatments and cures for multiple sclerosis?

1. About \$2,973,151.49 was available from 1947 through November 30, 1956, of which about \$841,066.19 was spent in fiscal year 1955-56 as follows (see appendix I):

(a) Government funds.—

(a) The National Institute of Neurological Diseases and Blindness, United States Public Health Service, has made available in fiscal 1956 \$546,193 for research projects dealing specifically with multiple sclerosis and its related demyelinating diseases.

(i) Of this total, the Institute spent intramurally (in its own research laboratories) approximately \$323,500 for multiple sclerosis or closely related research.

(b) Non-Government funds.—

(a) A total of about \$276,873.19 for 1955-56 was available from the major agencies for research in multiple sclerosis from the following sources:

(i) The National Multiple Sclerosis Society has spent \$1,078,021.29 during the period April 1947 through November 1956 for research in multiple sclerosis, of which \$261,873.19 is for the period of September 30, 1955, through November 30, 1956.

(ii) The Kresge Foundation made a grant to Wayne University for research in multiple sclerosis in the amount of \$34,500 for 3 years beginning May 1947, and a further grant of \$48,600 was made in September 1950 for an additional 3 years.

(iii) The Kresge Foundation made a grant to Harvard Medical School in the amount of \$17,026.20 in 1955 for research in related demyelinating diseases.

(iv) The Multiple Sclerosis Foundation of America made a grant of \$100,000 to Northwestern University for research in multiple sclerosis in 1951, 1952, 1953, 1954, and \$25,000 in 1955.

(v) The State of California made a grant of \$24,000 to the University of California for research in multiple sclerosis for 2 years beginning in 1952.

(vi) The State of Minnesota made a grant of \$10,000 in 1953, \$10,000 in 1954, and \$15,000 in 1955 and 1956 to the University of Minnesota Medical School for a multiple sclerosis clinic.

(vii) An anonymous contributor made a grant of \$11,232 to the Langley Porter Clinic of the University of California in 1955.

VI. How does this compare with what we spend on other research?

1. In contrast with the total of about \$841,066 being spent during the fiscal year 1955-56 for research in the field of multiple sclerosis:

(a) For fiscal 1957, it is estimated \$121,000,000 will be spent by the Agricultural Research Service of the Department of Agriculture for research in plant, animal diseases and related research. (4)

2. The Standard Oil Co. (New Jersey), through its affiliates (chiefly the Esso Research and Engineering Co.) spent \$35,300,000 for expanded research in 1955. (5)

3. In 1955, the American public spent:

\$590 million for dues and fees for clubs, social clubs and fraternal organizations. (9)

\$38,160,000 for hair spray fixatives. (10)

VII. How much is the Government spending for the establishment of multiple sclerosis clinics and services?

1. The Federal Government is doing nothing about establishment of multiple sclerosis clinics and services at this time, except for the inclusion of multiple sclerosis research at the Clinical Center of the United States Public Health Service in Bethesda, Md.

(a.) However, the Veterans Administration does admit patients suffering from multiple sclerosis to its facilities. The National Multiple Sclerosis Society maintains a close and effective liaison with these Veterans Administration facilities. (3)

(b) The Office of Vocational Rehabilitation occasionally undertakes the care of multiple sclerotics, but their feeling is that such patients are a poor investment from the standpoint of vocational rehabilitation.

2. The State and city health departments are doing nothing about establishment of multiple sclerosis clinics and services.

VIII. How many doctors specialize in multiple sclerosis?

1. There is no separate specialty in multiple sclerosis recognized by the certifying American boards. However, because of the efforts by the National Multiple Sclerosis Society, many prominent neurologists have now developed a keen interest in multiple sclerosis and its allied neurological problems.

2. More basic and clinical research is now being conducted in various university medical centers and the results of this research are appearing in greater number in medical publications.

3. The National Multiple Sclerosis Society sponsors a research fellowship program which is aimed at the support of advanced candidates who are beyond the usual post-doctoral years of study and training. This support may be granted to candidates for fundamental as well as applied types of training and is intended to make it possible for the candidate to undertake a career in academic medicine concerning, at least part, with multiple sclerosis and related neurological disorders.

IX. How are the known cases of multiple sclerosis apportioned as to age groups?

1. Multiple sclerosis in the majority of cases is a disease of young adults, stricken during the most productive years of their lives, between the ages of 20 and 45.

2. However, multiple sclerosis has afflicted children under 11 years of age, but the disease more frequently strikes persons between 11 and 18. (6)

X. What are the needs in the fight against multiple sclerosis?

1. More funds for research, training and education in multiple sclerosis are needed for the National Multiple Sclerosis Society and other voluntary agencies interested in this disease.

2. More funds for research, training and education in multiple sclerosis are needed for the National Institute for Neurology and Blindness of the Public Health Service.

3. New treatments and cures must be found to aid the estimated 500,000 people in the United States afflicted with multiple sclerosis and related demyelinating diseases.

XI. Where can doctors and laymen get information regarding treatment and rehabilitation of multiple sclerosis victims?

1. The National Multiple Sclerosis Society has published or reprinted and has available for distribution to physicians and properly qualified medical personnel, without charge, four comprehensive manuals, dealing with the various aspects of this disease. In addition there are manuals available to patients (only as prescribed by their physicians). These manuals are listed in Appendix III.

2. The National Multiple Sclerosis Society maintains a reference library containing a comprehensive catalogue of literature dealing with multiple sclerosis and demyelinating diseases and a Central Pathological Registry at the Montefiore Hospital, New York City, under the direction of Dr. H. M. Zimmerman. (See appendix III for additional information.)

XII. What are the research leads toward better treatments or cures in the field of multiple sclerosis?

1. There are many leads in multiple sclerosis, the most important of which are:

(a) Important trends in current research projects in multiple sclerosis:

(1) The continuation of studies dealing with substances which, when introduced into the blood or tissues, incites the formation of antibodies—especially those concerned with the production of acute isoallergic encephalomyelitis (inflammation of the brain and spinal cord) in experimental animals.

(2) Continued research into the ultrastructure and chemistry of myelin (fatlike substance which forms a sheath around nerve fibers).

(3) Studies in the development of myelination (the taking on of myelin) and demyelination (the taking off of myelin).

(4) The role of virus in the etiology of the encephalopathies and multiple sclerosis.

(5) The importance of trace elements (mineral).

(6) The continuation of epidemiological studies of multiple sclerosis dealing with such factors as incidence, prevalence, geographic distribution and racial distribution.

- (7) The role of allergy.
- (8) The effect of heredity, trauma, exposure, pregnancy, illness and surgery.
- (9) The psychotherapeutic implications and complications of the disease.
- (10) Biochemical, nutritional and toxicity studies.
- (11) Study of blood and spinal fluid, proteins and lipids (fats), to include ultracentrifuge techniques.
- (12) Study in the field of physical medicine and rehabilitation.
- (13) Psychometric studies. (The measurement of intelligence).
- (14) Study to determine whether multiple sclerosis is a disease caused or aggravated by spirochaetes (protozoan-like organisms found in water and body fluids).
- (15) Study of alterations in cerebral blood flow in multiple sclerosis.
- (16) Study of connective tissue framework of the central nervous system ground substance, including scleroprotein fibers, collagen, reticulum and elastica.
- (17) Relationship of multiple sclerosis to other collagen diseases.
- (18) Study of amino acid patterns of spinal fluid in multiple sclerosis.
- (19) Studies in muscle-nerve physiology and chemistry, the alterations in the myoneural junction (nerve terminations in muscles) in multiple sclerosis. The role of adenine nucleotides and particularly adenosine 5 diphosphate and adenosine triphosphate (all are crystalline decomposition products).
- (20) Studies in the role of the blood-brain barrier in multiple sclerosis.
- (21) Intensive investigation of the effect of toxins, organic and industrial solvents, noxious gases in the etiology of multiple sclerosis.
- (22) Role of parasite (protozoa and metazoa), in the cause of multiple sclerosis and of animal diseases having certain similarities.
- (23) The extension of studies of endocrine gland (particularly adrenocortical), physiology in the etiology of multiple sclerosis.
- (24) The role of enzyme systems in multiple sclerosis and in experimental demyelination.
- (25) Further studies in the psychological areas of stress in the development of multiple sclerosis.
- (26) Development of newer precision measuring instruments, similar to the electromyograph and electroencephalograph, to provide better diagnostic and prognostic procedures.
- (27) Further investigation in the field of genetics in laboratory animals suffering from demyelinating disease.
- (28) Effect of temperature and/or pressure under controlled environmental conditions in the treatment of early multiple sclerosis.
- (29) Ultrasonic energy in its effect on nerve and muscle on physiological preparations and in patients.
- (30) Studies in the mechanics of remission of the disease.
- (31) Electromyographic patterns in multiple sclerosis.
- (32) Study of the chemical mechanism of demyelination.
- (b) New fields to be explored in multiple sclerosis research:
 - (1) Quantitative histochemistry of human gliomas.
 - (2) Study of the neural mechanism of cerebellar ataxia in the *Macacus Rhesus*.
 - (3) Studies of hydroxy acids.
 - (4) The origin of cholesterol in the central nervous system.
 - (5) Studies of nitrogen metabolism related to brain in demyelinating disorders.
 - (6) Nutrition and heredity in experimental acute disseminated encephalomyelitis.
 - (7) The metachromatic form of diffuse sclerosis.
 - (8) Search for possible viral etiology for multiple sclerosis.
 - (9) Interrelationships of basal ganglia and cerebellum.
 - (10) Study of the relationship of glial morphology to myelin formation in the developing central nervous system.
 - (11) Developmental and pathological neurochemistry of cerebral white matter.
 - (12) Study of the chemical changes occurring in degenerating myelin.

REFERENCE LIST

- (1) Certification of Multiple Sclerosis as a Cause of Death by Leonard T. Kurland, M. D., and I. M. Moriyama, Ph.D. *Journal of the American Medical Association*, March 10, 1951, pages 725-728.
- (2) Mortality and Disability in Multiple Sclerosis by Alexander R. MacLean, M.D., and Joseph Berkson, M.D. *Journal of the American Medical Association*, August 11, 1951, pages 1367-1369.
- (3) Letter dated September 26, 1951, from Sylvia Lawry, executive secretary, National Multiple Sclerosis Society, in conjunction with Dr. Cornelius H. Traeger, medical director of the National Multiple Sclerosis Society.
- (4) Budget of the United States, fiscal year 1957, page 352.
- (5) Standard Oil Co. (New Jersey) Annual Report 1955.
- (6) Dr. H. Houston Merritt, Neurological Institute of New York, report made to the National Multiple Sclerosis Society in March 1949.
- (7) Epidemiologic Factors in the Etiology and Prognosis of Multiple Sclerosis by Leonard T. Kurland and Knut B. Westlund; reprinted from the *Annals of the New York Academy of Sciences*, volume 58, July 28, 1954, page 692.
- (8) National Multiple Sclerosis Society, in letter dated November 9, 1955, from Dr. A. B. Baker, University Hospitals, Division of Neurology, Minneapolis, Minn.; letter dated November 28, 1955, from Dr. H. Houston Merritt, Director of Neurological Service, Presbyterian Hospital, New York City; and letter dated November 26, 1955, from Dr. Walter O. Klingman, president, American Academy of Neurology.
- (9) National Income Number, Survey of Current Business, July 1956, published by the United States Department of Commerce, Washington, D. C.
- (10) From a survey compiled and published annually by Drug Topics, Topics Publishing Co., New York, N. Y., 1956.
- (11) New York World Telegram and Sun, October 13, 1956.

Appendix I

FUNDS AVAILABLE FOR MULTIPLE SCLEROSIS RESEARCH:

Government research funds:

The National Institute of Neurological Diseases and Blindness of the U. S. Public Health Service has made available in fiscal 1956 the following funds for research in multiple sclerosis and demyelinating diseases.....	\$564, 193. 00
Total Government funds to 1955.....	1, 020, 585. 00
	<hr/>
	1, 584, 778. 00
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Nongovernment research funds:

1. The National Multiple Sclerosis Society, for the period from the inception of the Society (April 1947) through Nov. 30, 1956 (of which \$261,873.19 was for the period Sept. 30, 1955, through Nov. 30, 1956).....	1, 078, 021. 19
2. The Kresge Foundation, grant for a 6-year period starting May 1947.....	83, 100. 00
3. The Kresge Foundation, grant to Harvard Medical School, 1955.....	17, 026. 20
4. The Multiple Sclerosis Foundation of America, grant to Northwestern University (of which \$25,000 was for 1955) ..	125, 000. 00
5. State of California, grant to University of California for 2 years beginning in 1952.....	24, 000. 00
6. State of Minnesota, grant to University of Minnesota Medical School in 1953, 1954, 1955, and 1956.....	50, 000. 00
7. Anonymous contributor, grant in 1955 to the Langley Porter Clinic, University of California.....	11, 232. 00
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Total nongovernment research funds for period 1947 through Nov. 30, 1956.....	1, 388, 373. 49
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(Portion of nongovernment research funds for period 1955-56 alone—\$276,873.19)	
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Total all major research funds, 1947 through Nov. 30, 1956..	2, 973, 151. 49
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References to Appendix I

Government funds from National Institute of Neurological Diseases and Blindness, in letter dated December 4, 1956.

Non-Government funds from National Multiple Sclerosis Society, December 1956.

APPENDIX II

There are 26 clinics in the United States supported wholly or in part by the local multiple-sclerosis chapters of the National Multiple Sclerosis Society, as follows:

(a) Four of these clinics are in Los Angeles; 2 each in San Francisco and Boston; and there is 1 clinic in each of the following cities: Birmingham, New Haven, St. Petersburg, Chicago, Baltimore, Pittsfield, Detroit, Battle Creek, Newark, Trenton, New York City, Buffalo, Rochester, Philadelphia, Pittsburgh, Providence, Washington, D. C., and Huntington.

(b) The recent additions are: University Hospital, Birmingham, Ala.; Kathryn Payne Rehabilitation Center, St. Petersburg, Fla.; the Johns Hopkins Hospital, Baltimore, Md.; Pittsfield General Hospital, Pittsfield, Mass.; William McKinley Memorial Hospital, Trenton, N. J.; Hospital of the University of Pennsylvania, Philadelphia, Pa.; Falk Clinic, University of Pittsburgh, Pittsburgh, Pa.; and Cabell-Huntington Health Center, Huntington, W. Va.

(c) There is a central facility for referrals in Norfolk, Va. Multiple-sclerosis patients are referred to five local hospitals by our chapter's patient, medical, and management committee.

(d) There are also the following clinics in the United States which are particularly interested in multiple sclerosis:

Demyelinating disease clinic, University of Maryland, University Hospital, Baltimore, Md.

Multiple-sclerosis clinic, The University of Minnesota Hospitals, Minneapolis, Minn.

Out-patient clinic, Montefiore Hospital, 84 Gun Hill Road, Bronx, New York, N. Y.

Multiple-sclerosis division, neurology clinic, Ohio State University School of Medicine, Columbus, Ohio.

Multiple-sclerosis unit, Cerebral Palsy Treatment Center, Fort Worth, Tex.

Multiple-sclerosis clinic, St. Joseph's Hospital, Tacoma, Wash.

Wisconsin Multiple-Sclerosis Clinic, Department of Neuropsychiatry, University of Wisconsin Medical School, 1300 University Avenue, Madison, Wis.

APPENDIX III

Manuals for physicians:

(a) Multiple Sclerosis and Its Treatment, by George A. Schumacher, M. D.

(b) Multiple Sclerosis; Application of Rehabilitation Techniques, by Edward E. Gordon, M. D.

(c) Symposium on Multiple Sclerosis and Demyelinating Diseases, edited by George A. Schumacher, M. D.

(d) Psychological Factors in the Care of Patients With Multiple Sclerosis, by Molly Harrower, Ph. D., and Rosalind Herrmann, B. S.

(e) The Status of Multiple Sclerosis, *Annals of the New York Academy of Sciences*, volume 58, article 5, pages 540-720.

Manuals available to patients (only as prescribed by their physicians):

(a) A Home Program for Independently Ambulatory Patients.

(b) A Home Program for Patients Ambulatory With Aids.

(c) A Home Program for Wheel Chair Patients.

(d) A Home Program for More Confined Patients.

(e) Mental Health and MS, by Molly Harrower, Ph. D. (Need not be prescribed by a physician.)

(f) Multiple Sclerosis—A general pamphlet for patients on a variety of aspects of multiple sclerosis, issued by the National Multiple Sclerosis Society in cooperation with the National Institute of Neurological Diseases and Blindness.

Manuals are obtainable from the director of the medical and scientific department, National Multiple Sclerosis Society, 270 Park Avenue, Suite 7G, New York 17, N. Y.

The National Multiple Sclerosis Society maintains a reference library containing a comprehensive catalog of literature dealing with multiple sclerosis and the demyelinating diseases. This library operates in cooperation with the panel of corresponding members of the International Panel of the National Multiple Sclerosis Society consisting of 89 neurologists and scientists from 31 countries, the Medical Sciences Information Exchange of the National Research Council, the National Institute of Neurological Diseases and Blindness, and includes reprints of articles dealing with research sponsored by the National Multiple Sclerosis Society and other sources. This reference library is available to qualified investigators.

The National Multiple Sclerosis Society maintains a central pathological registry at the Montefiore Hospital, New York City, under the direction of Dr. H. M. Zimmerman. This registry receives pathological material (brains and spinal cords removed at autopsy) from multiple sclerosis patients who have died. This material is available for research to qualified investigators.

WHAT ARE THE FACTS ABOUT MUSCULAR DYSTROPHY?

I. What is muscular dystrophy?

1. Muscular dystrophy is a chronic, noncontagious, progressive disease, manifested by weakness and wasting of the voluntary muscles. Gradually most of the voluntary muscles of the body are affected and the patient becomes so weak that he first becomes confined to a wheelchair and then to his bed. (1)

II. What is the cause of muscular dystrophy?

1. Its cause is unknown, although research has indicated that it is a disease of faulty metabolism of the muscles, and may reflect an inability to utilize vitamin E.

It has been possible to induce muscular dystrophy in animals maintained on diets deficient in vitamin E. (8) Excessive doses of cortisone, continued over a prolonged period may also induce dystrophy. Leads suggested by these findings are under intensive investigation.

III. Does it kill its victims?

1. Muscular dystrophy in itself is not fatal. Death is the result of intercurrent maladies, the occurrence or fatality of which is, in most cases, the result of the muscular disease. The weakness and wasting of the chest muscles gradually lessen the respiratory power; the most common cause of death is a direct interference with action of the lungs.

2. To a muscular dystrophy patient a trifling cold may be a grave disease, as his wasted muscles make him unable to cough or sneeze, and there is a danger of suffocation. (1)

IV. What are the symptoms of muscular dystrophy?

1. Symptoms in children are frequent falling, difficulty in ascending stairs, a peculiar side-to-side waddling gait, great difficulty in rising from a lying or sitting to a standing position, increase in the size of affected muscles, particularly in the calf, and contractures (leading to distortions) of the affected muscles. There is no pain. (1)

2. In adult patients, the earliest muscles affected are those of the shoulders, upper arms, thighs and back, and, in certain forms of the disease, the face, in which the patient has a "transverse" smile and cannot whistle or drink through a straw. There is no pain. (1)

3. The facial symptoms may be noted in early childhood. Weakness in the shoulder girdle and upper arms symptoms are often noted during adolescence. The lower limbs are also ultimately affected.

V. How many people are suffering from muscular dystrophy in the United States?

1. An estimated 200,000 men, women and children in the United States are suffering from muscular dystrophy. (6) The disease is not at present reportable and a nationwide census has never been attempted. In the State of Utah the prevalence has been estimated at 1 to 500. (6)

2. More than half the known muscular dystrophy victims in the United States are children between the ages of 3 and 13. Of these, few will reach adolescence and almost all will die before maturity. (6)

VI. What is the present status of therapy?

1. There is no effective treatment known. Isolated reports of beneficial effects have been reported with a wide variety of diets and substances. However, none of the more than 80 substances listed in a recent report (2) has been shown to have any significant lasting effect on the course of the disease.

2. New substances and devices are reported at frequent intervals, but to date all have followed a similar pattern—they consist of uncontrolled studies, using subjective criteria on a handful of patients. Commonly these reports are publicized in the popular press with only slight and insubstantial data offered in support of the claim.

Whenever suggestive favorable evidence is available in support of any substance or procedure, clinics in various parts of the country cooperating with the Muscular Dystrophy Associations of America join in testing the therapeutic efficacy.

3. Physical therapy has proven of limited value in delaying contractures but does not otherwise affect the course of the dystrophic process. (4)

VII. What are the main types of muscular dystrophy?

1. There are four main types of muscular dystrophy:

(a) Pseudohypertrophic type. This is by far the most prevalent form. It commences in childhood between the ages of 3 and 10, and its course is more rapid than any of the other types. Three times as many males are affected as females. It is hereditary in 35 percent of all cases. (6)

(b) The juvenile form has its onset in childhood or adolescence, its progression is slower, and patients may reach middle age. This form is hereditary, and both sexes are equally affected. (6)

(c) The facio-scapulo-humeral form commences in early adulthood and affects the facial muscles, shoulders and upper arms. (6)

(d) The mixed types are a group of conditions which have their onset between the ages of 30 and 50. Not inherited, they can strike anyone. The course of the disease is rapid, often causing death in from 5 to 10 years. (6)

VIII. What medical facilities are available for the medical care of patients?

1. Since the disease is largely a medical enigma, little information is available in medical texts and few practitioners are prepared to diagnose or treat patients with muscular dystrophy. Until recently only a few research clinics would accept patients with muscular dystrophy for continuing supervision.

2. The Muscular Dystrophy Associations of America have inaugurated a program to establish a network of clinics in the large metropolitan cities and medical centers.

3. These clinics are planned to provide the following services:

(a) Diagnostic facilities to insure adequate differential diagnosis of patients referred to clinic.

(b) Competent medical advice on special problems of the dystrophic patient.

(c) Physical therapy treatments under medical supervision.

(d) Medical social service assistance for personal and family problems.

(e) Newest drugs or therapeutic procedures are administered to organized groups of patients under conditions of clinical control. At present, numerous research projects are in progress and as researchers continue to evolve new drugs and diagnostic techniques, these will be made available to all cooperating clinics.

(f) Cooperation with the patient's personal physician.

4. In areas where local clinics have not been established, portions of this program are available through chapters of the Muscular Dystrophy Associations of America, Inc.

5. In 1956, the Muscular Dystrophy Associations of America were supporting 29 clinics in 15 States and the District of Columbia. (3)

IX. Is any direct assistance given to patients?

1. The Muscular Dystrophy Associations of America, Inc., through its local chapters assists in the purchase and repair of wheelchairs, hospital beds, braces, lifts, and other appliances.

2. In many areas chapters conduct recreation programs and provide transportation for patients.

X. What material is available for professional and public education on various phases of dystrophy?

1. Of primary professional interest are the medical conferences which are sponsored by the Muscular Dystrophy Associations of America. Frequent medical conferences are called by the association, and between these full-scale conferences, symposiums are held as convenient. (3)

2. The association has cataloged its library of information and a bibliography has been issued titled, "Professional Publications and Audio-Visual Aids on Muscular Dystrophy." (3)

3. Literature for general information is available from local chapters.

4. There is no charge for educational material furnished by the Muscular Dystrophy Associations of America.

XI. How extensive are the research programs in muscular dystrophy?

Approximately \$1,747,365 was being spent in 1956 for research in muscular dystrophy, as follows:

1. For the year ended March 31, 1956, \$776,056 was expended and committed by the Muscular Dystrophy Associations of America for research in muscular dystrophy. (3)

(a) The associations have expended and appropriated \$6,159,278 on research in muscular dystrophy since their formation in 1950. Of this amount, \$2,608,943 has been earmarked for the establishment of a muscle research institute, the Institute of Muscle Disease, in New York City, to be operated by the association. (3)

2. The National Institute of Neurological Diseases and Blindness of the United States Public Health Service allocated \$971,309 for research in muscular dystrophy in fiscal 1956. (5)

(a) Of this \$971,309, \$344,959 supported research in muscular dystrophy and neuromuscular disorders at various institutions throughout the country, and \$626,350 was spent by the Institute for the study of these disorders at its own laboratories in Bethesda, Md. (5)

3. In contrast to the \$1,747,365 currently being spent for research in muscular dystrophy, Americans spent in 1955: \$24,860,000 for face powder; (7) \$17,390,000 for powder puffs; (7) \$8,300,000 for suntan lotions and oils. (7)

XII. What are the needs in the fight against muscular dystrophy?

1. Funds for research:

(a) More funds for research into the cause and treatment of muscular dystrophy, to prevent the deaths of the many children now afflicted, are needed by the National Institute of Neurological Diseases and Blindness and by the Muscular Dystrophy Associations of America.

2. Education:

(a) Research leads to greater understanding of the needs of the muscular dystrophy patient, both child and adult, his psychology and his ability, within limitations, to play a useful part in the community. Our new understanding, obtained through scientists, needs to become widespread among physicians, nurses, and all people associated with muscular dystrophy cases, so that the former "hopeless" prognosis will not lead to a patient's unhappiness and despair. (4)

3. Funds for patient care:

(a) More funds are needed to help the estimated 200,000 people in the United States afflicted with muscular dystrophy to obtain orthopedic appliances, physical therapy, speech therapy, or psychiatric assistance in adjusting to their progressive condition.

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WHAT ARE THE FACTS ABOUT EPILEPSY?

I. What is epilepsy?

1. Epilepsy is not a disease in itself; it is a general term used to describe a variety of seizures or attacks which are symptoms of various disorders affecting the brain.

2. There are three main types of seizures:

(a) Grand mal seizure (characterized by loss of consciousness and generalized convulsive movements of the entire body).

(b) Petit mal seizure (characterized by temporary loss of consciousness and possibly by minor convulsive movement such as flickering of the eyes and twitching of the mouth).

(c) Psychomotor seizure (characterized by partial impairment of consciousness, manifested typically by face turning pale, eyes staring blankly and involuntary movements such as sucking movements of mouth, clutched movements of the hand.)

3. Epilepsy is not to be associated with mental abnormality or mental deficiency. Brain damage may sometimes cause seizures and affect mental function as well; but they are separate medical problems.

II. How many persons die from or are affected by epilepsy?

1. There is no evidence that epilepsy is an important factor in hastening mortality; the tragedy of epilepsy is the fact that it is a long-term chronic disability which frequently begins in childhood and up to the present has not been curable.

2. Approximately 1,500,000 persons throughout the country suffer the disorder.

3. During World War II, 21,631 servicemen were discharged from the Army and Navy because of epilepsy. (Large numbers of these had entered the service with the disorder; some did not know they had it; but others disguised the fact in the hope that somewhere they might be able to prove their usefulness.)

III. What are some of the causes of epilepsy?

1. Injuries to the infant prior, during or after birth; severe head injury or brain tumor; certain common infections which can settle in the brain, such as the organisms which cause sleeping sickness, measles, meningitis, or whooping cough; all these may result in forms of epilepsy.

2. For a large number of epileptics there seems to be no precipitating cause, this is called idiopathic epilepsy. Persons with this form seem to have a predisposition to seizure for reasons still undiscovered.

3. The underlying causes of epilepsy, even when we know which are of the brain is affected, still must be discovered. Research must answer the question: "What mechanism is at work that sets the seizure in motion?"

IV. Do we have any treatment for epilepsy?

1. Drugs have been developed which can wholly or partially control 80 percent of epileptic seizures; however, only 20 percent, or 300,000 of the estimated 1,500,000 epileptics, receive such treatment. (1)

2. Drugs which can control seizures include:

(a) Dilantin, phenobarbital, mesantoin for grand mal and psychomotor seizures.

(b) Tridione for petit mal seizures.

(c) Some of these drugs in combination are more effective than when used alone. Each patient must be studied individually and given drug trials over a period of time.

3. These drugs in most cases are effective enough so that the epileptic can assume the responsibilities of the ordinary healthy person (assuming the work he does would not endanger himself and others in event of seizure).

4. Recently new techniques developed for the surgical removal of a damaged area of the brain have proved useful in the control of seizures in a few carefully selected patients.

5. Recent research conducted at the National Institute of Neurological Diseases and Blindness, revealing the basic chemical deficits in epileptic brain tissue, provide a hope that these deficits may be replaced by treatment and provide further control over seizure.

V. Why do only 20 percent of all epileptics receive treatment?

1. Both the sufferer and the public associate this with mental abnormality; and in some communities the epileptic is also shunned because of the "evil" long associated with these diseases. The sufferer from epilepsy, therefore, hesitates to make his disability known by seeking medical aid.

2. Public laws make it difficult for the epileptic to get a job, receive an education, get married and have children. Working compensation laws make it difficult to hire the epileptic and even enlightened employers are reluctant to hire epileptics in safe positions. Schools and universities have the same problem, apart from their personal prejudices against the disorder. (3)

3. There are not enough specialists who are capable of adequately diagnosing the disorder and treating it.

VI. How much is being spent for research into the causes, treatment and prevention of epilepsy?

1. The National Institute of Neurological Diseases and Blindness of the United States Public Health Service is supporting or conducting research into the causes and treatment of this disorder at various universities and institutions in the amount of \$1,309,834 in fiscal year 1956.

(a) In contrast, the cost of caring for the approximate total of 15,072 epileptics who were resident patients in public institutions for mental defectives and epileptics in 1953 (latest year for which such information is available), was about \$17 million. (4)

(b) Since the average length of stay in a State hospital for an epileptic is 8.8 years (2), these 15,072 epileptics will cost over the average length of time of their stay in a public institution about \$153 million.

VII. How many neurologists are there in the United States?

1. There are only 300 active qualified neurologists in the United States.

2. Of the 79 medical schools in the Nation, only 21 have complete neurological units for the training of personnel in this field. (1)

3. The National Institute of Neurological Diseases and Blindness has \$4,150,000 for training grants in its fiscal 1957 budget. However, these funds will be used in training ophthalmologists as well as neurologists, and it is impossible at this time to forecast the number who will receive training in neurology under these grants.

4. No support for specialized training of medical practioners in the diagnosis and treatment of epilepsy is available.

VIII. Are there any epilepsy clinics in the United States?

1. A few States and a few universities, most notably in the East and in the large urban centers, have set up epilepsy clinics. In Massachusetts, for example, one of the more enlightened States and medical centers of the Nation, most of the facilities are located in Boston and physicians estimate that they receive less than 50 percent of the epileptics in the State for treatment.

IX. What must be done to help the epileptic assume a normal life?

1. Research must be expanded to develop either a permanent cure or treatments which will definitely control all seizures.

2. Support for neurological training in the Nation's medical schools must be expanded so that more specialists (neurologists) may be developed and more general practitioners will learn methods of handling this disorder.

3. Clinics must be established at key points throughout the country where practitioners now can receive training for handling this problem and where epileptics may receive care for treatment.

4. The public must be informed about the true nature of epilepsy; adequate provision by law must be made so that epileptics may be hired in definite positions where their seizures are controlled; provision by law must be made regarding the admission of epileptics into schools and colleges; and where epilepsy is not sufficiently controlled, legislation must be encouraged to provide special schooling for persons suffering this disorder.

5. While several voluntary health agencies, most notably the National Epilepsy League, the Committee for the Public Understanding of Epilepsy and the National Society for Crippled Children and Adults campaign for better understanding of the disorder and in some States have successfully worked toward better legislation for the epileptic, the seriousness of the present situation indicates the need for a more powerful campaign.

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WHAT ARE THE FACTS ABOUT PARKINSONISM (SHAKING PALSY)?

I. What is parkinsonism?

1. Parkinsonism is a slow, progressive, disabling illness which is generally characterized by muscular rigidity, bodily tremors, slow paucity of movement, sleepiness, immobility of the face, abnormal postures and loss of automatic and associated movements.

2. The pathology is principally located in the basal ganglia and the brain stem, the damaged area ranging from the hypothalamus to the medulla, i. e. the regions concerned with the regulation of muscle tone, automatic acts and control of posture.

II. How many types of parkinsonism are there?

1. Post-encephalitic Parkinsonism (most commonly characterized by lethargy, tremor monotone speech, pupillary changes, double vision, weakness of ocular convergence.)

2. Idiopathic Parkinsonism (characterized by sudden appearance of tremor in one limb, usually the arm, followed by paucity of movement, rigidity of half of the body, slowly progressing to involve head, trunk and opposite side of body.)

3. Arteriosclerotic Parkinsonism (characterized by rapidly developing rigidity on both sides of the body, tremor contractures, stooped posture and involuntary hastening of gait.)

III. What are the causes of parkinsonism?

1. Postencephalitic Parkinsonism is probably due to a virus, the disorder occurring from 5 to 20 years after influenza and encephalitis.

2. The cause of idiopathic Parkinsonism is unknown.
3. The cause of arteriosclerotic Parkinsonism is also unknown.

IV. What is the incidence of parkinsonism?

1. No voluntary health agency exists in this field; hence there is an absence of reliable epidemiological data.

2. On the basis of large number of physicians' reports and on the basis of data accumulated by the American Academy of Neurology, the incidence would seem to range between 1,000,000 to 1,500,000 persons.

3. On the basis of a small survey, the distribution of Parkinsonism would seem to be approximately 63 percent among males, 37 percent among females.

V. What is the mortality of parkinsonism?

1. Deaths due to Parkinsonism as primary cause seem to be rare, though no reliable statistics exist on this problem. It is, however, believed by reliable physicians that death from other causes is hastened and that Parkinson patients rapidly decline 10 years after the onset of their illness.

2. The significance of Parkinsonism is due to the fact that it is a long-term crippling disorder, resulting in serious personal, economic, and social hardship to the persons affected.

VI. Is there any cure or treatment for Parkinsonisms?

1. There is no cure for Parkinsonism. (Until such time as research develops an understanding of the fundamental understanding of the mechanism of cause, a cure cannot be forthcoming.)

2. Various drugs have been developed which can help control such symptoms as rigidity and tremor and lethargy, but the large variety of such agents indicate their general inability to adequately control the disorder. In 1 survey of 411 patients, it was found that during a period of 5 years 20 anti-Parkinson drugs had been tested on them. Many of these drugs, even when partially useful, are responsible for severe side reactions and must be discontinued.

3. Recently an operation has been developed and announced by Dr. Irving S. Cooper of the New York University-Bellevue Medical Center which, with further experience and evaluation, brings hope in the fight against Parkinsonism.

VII. What are some other problems in the care of Parkinsonism?

1. Because Parkinsonism is a progressive disorder, many rehabilitation centers will not accept them for rehabilitation. (However, Parkinsonism symptoms progress with relative slowness and rehabilitation often can maintain individual productivity for many years.)

2. No special clinical facilities are available for the treatment and care of advanced cases of Parkinsonism (and even convalescent homes will not accept them.)

3. Few physicians are available to treat the disorder, where treatment might be useful. There are only 300 qualified, active neurologists in the United States capable of fully ministering to the needs of the Parkinson patient. General practitioners can afford some relief where they are fully aware of the proper therapies and dosage schedules, but, as matters now stand, the flood of new drugs and the contradictory reports on their usefulness provides no help for physician or patient.

VIII. What are some of the problems for the Parkinsonism patient?

1. Where the Parkinson patient can receive treatment, the costs will probably be prohibitive, ranging from \$100 a month to \$100 a week.

2. Economic resources of the individual patient are strained by his inability to work. On the basis of the experience of physicians with large practices in this field, it was estimated that about 40 percent of private office patients and 67 percent of clinic patients found it impossible to be gainfully employed.

3. The psychological problems, normally found in the chronic patient who is dependent on outside economic aid and who is dependent on the family to aid in the most intimate forms of personal care, is aggravated by the knowledge that relatively little is being done about his disorder by the medical profession.

IX. What is being spent for research in Parkinsonism?

1. It is estimated that a fully rounded research attack on this problem would amount to \$2,650,000, or \$2 per patient.

2. The National Institute of Neurological Diseases and Blindness of the United States Public Health Service is currently spending \$918,638 (fiscal 1956)

for research in cerebral palsy, the category under which research in Parkinsonism is conducted.

3. There is no voluntary health agency specifically interested in this disease.

X. What is needed in the fight against Parkinsonism?

1. Additional research funds must be made available to the National Institute of Neurological Diseases and Blindness and to voluntary agencies willing to undertake research in this field, including the Institute of Physical Medicine and Rehabilitation of New York University-Bellevue Medical Center, under the leadership of Dr. Howard Rusk, in order to find a cure for this disease, ways of prevention, and better methods of treatment.

2. Further development of specialists in this field is needed and further training of the general practitioner.

3. Convalescent hospitals should be constructed in key points throughout the country. These would serve not only to care for completely incapacitated Parkinson patients, but would also act as research-demonstration centers, where clinical testing of old and new agents may be made, and where proper treatment could be demonstrated to physicians, especially those from rural areas.

Information obtained through the National Institute of Neurological Diseases and Blindness, National Institutes of Health, United States Public Health Service, Bethesda, Md. The information, according to the Institute, was supplied in most part by Dr. Lewis Doshay of the Neurological Institute, Columbia University-Presbyterian Hospital Medical Center, New York City.

WHAT ARE THE FACTS ABOUT DISABLED PEOPLE IN THIS COUNTRY AND WHAT CAN BE DONE FOR THEM THROUGH REHABILITATION?

I. How many people in the United States require vocational rehabilitation?

1. Projecting preliminary results of an extensive, long-term study in Kansas City, begun in 1954 and to be completed in 1959, against the national population, it appears that there are approximately 2,230,000 physically handicapped adults who are feasible of rehabilitation to the point of remunerative employment. (25)

2. However, nearly half of this group will find employment after rehabilitation only in sheltered workshops. (25)

3. Each year an additional 250,000 disabled persons come to need vocational rehabilitation. (1) (Pp. 6-7.)

II. What are the main causes of disability among Americans?

1. Chronic disease (which includes such diseases as heart disease, tuberculosis, mental illness, multiple sclerosis, Parkinson's disease, epilepsy, diabetes, cancer, cerebral palsy, arthritis and various eye disorders) accounts for 88 percent of all disabling conditions.

Occupational accidents account for 5 percent; home, highway and all other accidents account for 5 percent; and congenital conditions account for the remaining 2 percent. (2) (Pp. 339, 341.)

III. Is physical disability only a problem of old age? No

1. Disability is no respecter of age.

2. Rheumatic fever, cerebral palsy, epilepsy, poliomyelitis, for the most part, cripple the very young.

3. Tuberculosis attacks heavily during the productive years of life.

4. The chronic diseases, such as those listed in question II, take their toll in middle or later life.

5. Nevertheless, the greatest amount of disability is found among older persons; in a 1949 survey of disability, 39 percent of the 2 million persons aged 14 to 64 whose disabilities had lasted 7 months or longer were 55 to 64 years of age. (3) p. 10. When the study was repeated in 1950, the percentage was almost the same—42 percent. (4)

6. On any given day, 1 in every 7 men and women aged 65 or more is disabled, and 4 out of 7 of those (8 percent of all aged persons) are disabled because of major chronic diseases or impairments. Their disability rate is about 2½ times as large as that for the total population. (5) (P. 38.)

IV. What are the public costs of disability?

1. To provide maintenance and medical care for disabled people through public assistance programs is now costing the public about \$537 million annually.

(a) In 3 programs authorized by the Congress, estimated annual payments to recipients are totaling (7) (p. 2):

(1) About \$73 million annually for aid to the blind;

(2) About \$165 million annually for aid to the permanently and totally disabled;

(3) About \$128 million annually for aid to dependent children in families where one or both of the parents is disabled and unable to support their children.

(b) Payments to disabled persons through general assistance programs are estimated to be about \$171 million each year.

V. Does rehabilitation pay? Yes

1. By reducing cost of public assistance. Some of the disabled people aided by public assistance programs can be rehabilitated. Through the State-Federal vocational rehabilitation program, a public service to prepare physically or mentally disabled persons for employment and place them in suitable jobs, administered by the Office of Vocational Rehabilitation of the Department of Health, Education, and Welfare, 57,981 persons were rehabilitated in 1955. Of the 57,981 persons rehabilitated during 1955, 11,600 (1 out of 5) were receiving some public assistance.

(a) These 11,600 persons had been costing the taxpayers at the estimated rate of \$9.6 million per year in assistance payments. (7) p. 5.

(b) With their rehabilitation completed, they are now productive members of the community and will earn an estimated \$21 million in the first year after rehabilitation (based on the average earnings of all rehabilitants in 1955).

(c) The estimated \$7.7 million spent to rehabilitate these people is only about 80 percent of what it would cost to maintain them at public expense for a year; however they will continue their earnings, as a consequence of their rehabilitation, for many years. (7) (P. 5.)

2. What is the manpower gain to the Nation?

(a) The 57,981 persons rehabilitated in 1955 contributed about 11 million man-days annually to our Nation's productivity. (6) p. 183.

3. What is the economic gain to the Nation?

(a) The first-year earnings of the 57,981 persons rehabilitated during 1955 through the State-Federal vocational rehabilitation program alone contributed \$105 million to the economic wealth of the Nation. (6) (P. 183.)

4. What is the return from the Government investment?

(a) In 1955 the total program cost of the State-Federal program of vocational rehabilitation services under section 2 (basic support) of the Vocational Rehabilitation Act was (6) (pp. 183) :

Total.....	¹ \$38, 636, 578
Federal share.....	23, 999, 944
State share.....	14, 636, 634

¹ Program cost under sec. 2 of the Vocational Rehabilitation Act includes administration, counseling and guidance, medical service, job training, occupational tools and equipment, job placement and other services to clients, and expenditures for the establishment of rehabilitation facilities and workshops.

(b) In 1 year, the persons rehabilitated by this program will pay \$8,500,000 to the Federal Government in Federal income taxes, plus an undetermined but large amount of State and local taxes. (6) (P. 183.)

(c) At this rate, within 3 years they will pay back the total Federal funds invested in the vocational rehabilitation program during 1955. (6) (P. 183.)

VI. How many people were rehabilitated in 1956?

1. In fiscal 1956, a record number of 66,273 disabled persons alone were rehabilitated to useful employment—an increase of 14 percent above the 57,981 rehabilitated in 1955. The costs for section 2 (basic support) for that year were \$48 million (Federal, \$30 million; State, \$18 million). These increases indicate the rate at which both the Federal and State governments are increasing their efforts. (24)

VII. Who serves the disabled?

1. State-Federal program of vocational rehabilitation :

(a) This Federal program is administered by the Office of Vocational Rehabilitation, Department of Health, Education, and Welfare, and is a Federal grants-in-aid program designed to prepare the physically or mentally disabled persons for employment and place them in suitable jobs. The program operates in all States, Alaska, Hawaii, Puerto Rico, and the District of Columbia, and is the largest of its kind. Present enabling legislation is Public Law 565, 83d Congress.

(b) These support grants are allocated to States on the basis of population and fiscal ability and require matching with State funds and currently average about 2 State dollars for 3 Federal dollars.

2. Other public programs:

(a) Among other Federal agencies providing services to handicapped persons in various degrees and ways are: The President's Committee on Employment of the Physically Handicapped, the Children's Bureau of the Social Security Administration, Department of Health, Education, and Welfare, the Veterans' Administration, and the Department of Defense. Other public agencies include State and local welfare departments and hospitals.

3. Voluntary organizations:

(a) A number of voluntary organizations serve the handicapped directly or indirectly and in varying ways. Some render actual services or arrange for and underwrite the costs of services; others are engaged principally in support of research and public education. Well known among these groups are the National Foundation for Infantile Paralysis, the National Society for Crippled Children and Adults, National Tuberculosis Association, American Heart Association, American Cancer Society, American Epilepsy League, American Diabetes Association, National Multiple Sclerosis Society, Arthritis and Rheumatism Foundation, American Foundation for the Blind, American Society for the Deaf and Hard of Hearing, Goodwill Industries, National Industries for the Blind, United Cerebral Palsy.

VII. What facilities are available for rehabilitation?

1. Rehabilitation centers:

(a) The present-day concept of rehabilitation centers is a comparatively new development. The center is an institutional type facility which brings together the medical, vocational, psychological, placement, social, and other services needed to plan and carry out a complete program of rehabilitation for the severely disabled individual. (8) (Pp. 25-27.) (9)

(b) Only a handful of comprehensive rehabilitation centers are in existence today; they meet only a small fraction of the Nation's needs. Some outstanding examples are the Woodrow Wilson Rehabilitation Center at Fishersville, Va.; the Institute for the Crippled and Disabled in New York City, N. Y.; the Institute of Physical Medicine and Rehabilitation in New York City, N. Y.; the "May T. Morrison" in San Francisco; and the Kessler Institute of Rehabilitation. (9) (10) (11)

THE FEW LARGE REHABILITATION CENTERS



CENTERS WITH BED FACILITIES ★

OUTPATIENT CENTERS ●

2. Rehabilitation centers for the blind:

(a) These centers are special institutions which provide, in addition to medical, psychological, social, and vocational services, orientation and training in the facts of blindness, training in self-care and in travel without sight, instruction in the use of special equipment for the blind, and prevocational and vocational experience. (12)

(b) Only a small number of such centers are in operation. Some examples are: Industrial Home for the Blind, Brooklyn, N. Y.; North Carolina Rehabilitation Center for the Blind, Butner, N. C.; South West Rehabilitation Center, Little Rock, Ark.; Kansas Rehabilitation Center for Adult Blind, Topeka, Kans.; St. Paul's Rehabilitation Center for the Blind, Newton, Mass.; Minneapolis Society for the Blind, Inc., Minneapolis, Minn.; Adjustment Training Center, Florida Council for the Blind, Holly Hill, Daytona Beach, Fla.

3. Curative workshops: A number of curative workshops are in operation. They are smaller in size of plant, equipment, staff, and scope of service than rehabilitation centers. They provide activities designed to increase muscle strength, range of motion, and work tolerance, which will furnish prevocational work experience and occupational adjustment.

4. Sheltered workshops:

(a) Sheltered workshops were developed to meet a need for special facilities in which disabled people, unable to perform work in normal situations in industry but capable of some productivity, can find suitable employment.

(b) Goodwill Industries of America, Inc., has local units in 101 communities. (13). (P. 22.)

(c) National Industries for the Blind has 52 affiliated workshops. (13) (P. 22.)

(d) Other sheltered workshops are in existence, such as the Altro Workshop in New York City, facilities operated by the Salvation Army, 60 workshops for the blind unaffiliated with the NIB and workshops operated by other voluntary groups, such as the National Society for Crippled Children and Adults.

5. Hospitals with special services: All of the hospitals in the country represent a potential source of service in dealing with the disabled; however, this potential is not being capitalized to any great extent at present, although realization of the possibilities by medical and hospital staffs is increasing.

6. Speech and hearing centers:

(a) Speech and hearing center services include otological and audiometric examinations, assistance in selection of hearing aids, training in use of residual hearing, lipreading instruction, speech correction, speech development, social services, vocational counseling, job placement recreation, instruction for parents of preschool children, classes for adults, and classes for children.

(b) The number of centers has increased tremendously as a result of wartime concentration on hearing and speech impairments arising out of military service. The January 1955 American Annals of the Deaf, reports speech and hearing centers in three classifications, as follows:

In colleges and universities.....	169
In hospitals.....	49
In schools for the deaf.....	47
Total.....	265

Hearing societies, crippled children's programs, and other special educational services have speech and hearing clinics not reported here.

IX. How many people are trained in rehabilitation methods?

1. Rehabilitation, a group effort rather than a program of a single discipline, requires trained personnel in medicine, counseling, psychology, physical therapy, occupational therapy, social work, selective placement and related professions. To focus upon the professional groups most directly involved, the following statistics are presented:

2. Psychiatrists: The new medical specialty field of physical medicine and rehabilitation is concerned with physical medicine and the coordination of medical and medically related personnel in the rehabilitation of the disabled. At present only about 300 psychiatrists are diplomates of the American Board of Physical Medicine and Rehabilitation.

3. Physicians: In medicine there is increasing recognition that rehabilitation is a part of total medical care. In recent years numerous postgraduate and refresher courses have been offered to general practitioners to increase their knowledge of modern rehabilitation methods.

4. Physical Therapists :

(a) There is an estimated supply of 7,800 physical therapists in this country at present. (26)

(b) The 37 approved schools, with a senior class and certificate capacity of approximately 1,050, graduated an estimated 650 physical therapists in 1955, and 680 in 1956. The expected graduation for 1957 is 750. (26)

5. Occupational therapists (27) :

(a) There are an estimated 5,500 registered occupational therapists in the United States today.

(b) In 1956 the 29 approved schools of occupational therapy, with a student enrollment of 2,600, graduated 500 occupational therapists.

6. Psychologists (14) : In 1954, there were an estimated 3,665 psychologists employed in clinical psychology and 1,151 psychologists employed in counselling psychology, a number far short of the needs for mental hospitals, mental hygiene clinics and rehabilitation.

7. Psychiatric social workers :

(a) Psychiatric social workers number about 4,500 at present. (15)

(b) In 1954 the 35 schools with approved psychiatric social work curriculums graduated approximately 627 students. (14)

8. Medical social workers :

(a) There were 3,285 active medical social workers in 1953. (16)

(b) In 1955, the 25 schools with approved medical social work curriculums graduated 173 students. (14)

9. Rehabilitation counselors :

(a) About 1,500 counselors were employed in June of 1956 in the State-Federal vocational rehabilitation program.

(b) Another large group of rehabilitation counselors serves veterans in the Veterans' Administration and still others are employed by private organizations or on a fee basis.

10. Placement specialists (13) (P. 25) :

(a) The State employment services employ placement specialists who devote most or all of their time to disabled clients; however, the majority of this work is carried on in connection with their general placement activities, with most of the personnel having some degree of special training in the field of the disabled.

(b) The Vocational rehabilitation and education program of the Veterans' Administration also includes placement specialists, as does the State-Federal vocational rehabilitation program.

11. Teachers of special education for the disabled :

(a) Approximately 20,000 special teachers now serve the handicapped from nursery to high school age. (17) (P. 26.)

(b) In speech correction programs alone, at least 2,000 persons are presently engaged.

X. Is there a need for more trained personnel in this field?

1. Personnel shortages in the many fields which serve the handicapped and disabled present a serious obstacle to development of rehabilitation services. Among the major shortages are :

(a) How many rehabilitation counselors are needed in this field? An additional 4,000 counselors trained in rehabilitation techniques including adequately trained professional personnel to work with such disabled groups as the blind, deaf, mentally retarded and other special groups, will be needed by 1959.

(b) How many psychiatrists are needed in this field? It has been estimated that an additional 500 specialists could be used at once. The need will increase.

(c) How many physical therapists are needed in this field? Currently another 3,500 physical therapists are needed by hospitals alone, and there is a total need for 5,800 additional physical therapists. (14)

(d) How many occupational therapists are needed? Currently there is a need for 4,000 additional occupational therapists, and a total additional need for 8,000. (27)

(e) How many medical and psychiatric social workers are needed? Current needs total about 2,500, with 4,000 needed in the next 5 years. (16)

XI. What research is being carried on in rehabilitation?

1. A precise definition covering all research in rehabilitation has not been achieved. Much of such research merges into basic research in medicine, social work, psychology and other fields.

Through the National Research Council, research projects covering a wide variety of investigative fields may be related in varying degrees to the overall problems of rehabilitation; these, for example, include such areas as blindness and eye conditions, deafness, muscle physiology and pathology, neurological diseases, other chronic conditions, psychiatry and psychology. Many are supported and/or carried out by private foundations such as the National Foundation for Infantile Paralysis; others are under the auspices of Federal agencies such as the Office of Naval Research, United States Public Health Service and Veterans' Administration. Of these federally supported activities, the two of most direct interest are those of the National Institutes of Health of the Public Health Service and those of the Veterans' Administration. The latter is authorized \$1 million per year for research in all types of prosthetic appliances alone, and for all categories of disability.

XII. How much is the Office of Vocational Rehabilitation spending on research?

1. Until the enactment of the Vocational Rehabilitation Act of 1954, no broad authority existed to lend Federal support to the pursuit of new knowledge in the general field of rehabilitation.

2. Under the new act, Public Law 565, 83d Congress, grants are being made to public and voluntary agencies and organizations to carry out research which holds promise of making a substantial contribution to the solution of vocational rehabilitation problems common to all or several States. In the first year of operation, 18 carefully selected projects requiring \$299,000 of Federal funds were approved and initiated. Research projects are being submitted and the prospects for enlargement of research through this source are most encouraging.

3. This, of course is a development of promise—but it will yield results only if the funds made available are in line with the enormous need for new information and if those scientists and investigators who are in a position to create new knowledge are aware of, and participate fully in, the program.

XIII. What is needed to reduce the problem of disability and its effects?

1. More extensive research into the causes and cures of disabling conditions and into the methods of preventive and remedial care for such conditions.

2. Additional funds for extension of rehabilitation programs to reach those who cannot be served today, to include broadened support of the public program of vocational rehabilitation, maintenance of rehabilitation services for disabled veterans, and support of voluntary agencies serving the disabled.

3. More personnel trained in rehabilitation, particularly in the fields of physiology, physical therapy, occupational therapy, counseling and social work, through the provisions of more funds from public and private sources for undergraduate and graduate training, and for financial support to the training institutions required to produce the additional personnel needed. (8)

4. More facilities, including rehabilitation centers, for providing rehabilitation services of all types to the disabled. (8)

5. Further research into rehabilitation techniques.

6. Encouragement of community organization to widen public understanding and to attack and solve the problems of the disabled in the local community. (8) (9) (10)

7. Extension of accident prevention programs of all types.

8. Public education in general preventive medical care, including periodic health examinations.

9. Extension of educational efforts to increase employer acceptance of the handicapped.

XIV. How will the new Federal legislation, enacted in 1954, help to reduce the problem of disability?

1. Through the Vocational Rehabilitation Amendments of 1954, the legislative foundation is laid for: (18)

(a) Progressive expansion of the vocational rehabilitation program to serve more of the Nation's physically handicapped people.

(b) An improved system for financial participation in the program by the Federal, State, and local governments. The States have responded to increased Federal activity by supplying 13 percent more State funds in 1953 and 41 percent more in 1956 than in the base year of 1954.

(c) Stimulation of research and demonstrations to advance knowledge of ways to overcome handicapping conditions. Eighteen carefully selected projects requiring \$299,000 of Federal funds in the first year were approved and initiated in 1953.

(d) Financial support for specialized training of urgently needed professional personnel. During the fiscal year 1955, 1,074 short- and long-term traineeships were financed in the various professional fields serving the rehabilitation program.

(e) Financial support for the establishment of sheltered workshops and special rehabilitation facilities and services; in certain instances, for initial equipment and staffing for 1 year.

(f) Broadening the scope of the vending stand program for the blind, through extension of the program to all federally operated property, inclusion of assignment of income from vending machines to licensed blind operators, establishment of an improved procedure to assure preference to the blind, and other technical improvements.

(g) Financial support for projects for the extension and improvement of vocational rehabilitation services in the States. Grants totaling \$463,000 were made to the States for extension and improvement projects in 1955.

(h) Financial support to public and private nonprofit agencies for projects for planning, preparing for and initiating a substantial expansion of vocational rehabilitation programs in the States. Grants totaling \$700,000 were made for such projects in 1955. About \$500,000 of this amount was granted to nonprofit agencies, principally for the establishment of rehabilitation facilities and workshops.

2. Through the Medical Facilities Survey and Construction Act of 1954, which amends the Hospital Survey and Construction Act, provision is made for: (19)

(a) State surveys of rehabilitation facilities and, based upon determined need, State plans for construction of comprehensive rehabilitation facilities.

(b) Federal financial support for the construction of comprehensive rehabilitation facilities.

XV. Can disabled persons, following rehabilitation, get and successfully hold jobs?

1. Followup studies of disabled individuals rehabilitated through the State-Federal vocational rehabilitation program, made after rehabilitation, show that 80 to 85 percent of the rehabilitants (20) p. iii; (21) (22).

(a) Continued to work;

(b) Are in the same or better jobs;

(c) Increase their earnings just as other workers do.

2. A 2-year study comparing 11,000 handicapped workers with 18,000 unimpaired workers shows that the handicapped workers are (13) p. 29; (23):

"(a) Adaptable: They adjust quickly and satisfactorily to the conditions of the job.

"(b) Productive: They are equal and sometimes superior to other workers in their job performance.

"(c) Careful: They make job safety records equal or superior to their fellow workers.

"(d) Regular: They tend to have job attendance records as good as other workers on the same jobs.

"(e) Reliable: They are not job-hoppers.

"(f) Capable: They can do any kind of work where their impairments are not handicaps. * * *

XVI. What is the estimated cost of the rehabilitation of all people who should be helped?

1. The cost to rehabilitate the 2 million persons who need vocational rehabilitation services if they are ever to perform gainful work would be about \$1.5 billion, based on present costs of approximately \$735 per person rehabilitated in the vocational rehabilitation program. This is the estimated cost to the State-Federal program only.

XVII. How much would this save and profit the Federal Government?

1. It is estimated that the rehabilitation of these 2 million disabled persons would mean:

(a) An annual savings in public assistance payments of approximately \$250 million.

(b) An increase in annual earning rates of approximately \$3 billion.

(c) Federal income-tax payments of close to \$300 million annually. This tax yield in 3 years would almost equal the Federal funds spent for rehabilitation.

(d) Additional benefits, not reflected in dollar figures but of extreme value, accrue in the form of—

- (a) additions to the labor force of more capable workers, including thousands of skilled employees, to fill vacancies in critical occupations;
- (b) the secondary benefits of sound and secure families in which the problems and the costs of delinquency, crime, etc., are reduced; and
- (c) reduction in the burden upon scarce medical personnel and upon medical and domiciliary care institutions.

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DOES MEDICAL RESEARCH PAY OFF IN LIVES AND DOLLARS?

A. DOES MEDICAL RESEARCH PAY OFF IN LIVES?

Yes.

I. How has medical research reduced deaths in the United States?

1. During the period 1937 through 1955, the death rate has declined 18 percent. Since 1945 through 1955 alone, 12 percent. (1) These dramatic declines are due in large measure to the medical-research discoveries of the sulfa drugs and antibiotics.

(a) In the 17 years between 1937 and 1954, the life expectancy of United States citizens has increased almost 10 years (9.6 years); in the 10 years alone between 1944 and 1954, the life expectancy has increased 4.4 years, so the life expectancy is now to live 69.6 years. (1)

2. This 18-percent decline in the death rate represents a saving of 3,228,734 lives, for, if the 1937 death rate of 11.3 had prevailed from 1937 through 1955, this many more people would have died.

II. How has man's life expectancy been lengthened through advances in medicine gained through research in the United States?

1. In the 54 years between 1900 and 1954, the life expectancy of United States citizens increased 22.3 years.

In the 17 years alone between 1937 and 1954, it increased 9.6 years, so the life expectancy is now to live 69.6 years. (1)

III. How has the discovery and subsequent use of penicillin in the treatment of various diseases reduced deaths in recent years?

1. The great research discovery of Fleming, Florey, and Chain, penicillin, was distributed to hospitals in 1945 and generally throughout the United States in March 1946. Since then, the death rates from various diseases responding to penicillin therapy have shown the following declines: (1)

Decline in death rate between 1944 and 1955

Disease:	Percent
Acute rheumatic fever.....	77
Pneumonia and influenza.....	53
Pneumonia alone.....	37
Appendicitis.....	74
Syphilis.....	73
Acute nephritis and nephritis with edema, including nephrosis (kidney disease).....	65

Deaths due to many other infections, including post-operative infections, have also been sharply cut.

IV. To what extent has the medical research discovery of streptomycin, pas, and isoniazid contributed to the decline in tuberculosis deaths?

1. The overall decline in the tuberculosis death rate from 1945 through 1955 is 75 percent. (1)

2. Deaths from tuberculosis declined 50 percent from the end of 1945 through 1951. This decline is certainly largely due to the discovery and use of streptomycin which was distributed to hospitals late in 1946 and throughout drug-stores in the United States generally late in 1947, plus energetic case findings by the National Tuberculosis Association and the United States Public Health Service. The tuberculosis death rate for the 5 years immediately preceding 1945 (1940 through 1945) showed only a 12-percent decline. (1)

3. Through the recent medical research discovery (announced in mid-February 1952) of the isoniazid drugs and their effectiveness in treating tuberculosis, especially when used in combination with streptomycin, the tuberculosis death rate has shown even more dramatic declines.

(a) Among Metropolitan Life Insurance policyholders, the tuberculosis death rate has declined an estimated 59 percent between the first 11 months of 1951 and the first 11 months of 1956. (2)

(b) The national tuberculosis death rate declined 53 percent between the years 1951 and 1955 (1), probably due in large part to the use of isoniazid either used alone or in combination with streptomycin and sometimes PAS. In 1955, 15,580 people died from tuberculosis. (1)

VI. How have discoveries in medical research reduced infant deaths?

1. From the end of 1945 to 1955 (penicillin becoming available in hospitals in 1945 and generally throughout the United States in March, 1946), the infant mortality rate (deaths under 1 year per 1,000 live births) from various causes responding to penicillin, sulfas and other antibiotics as treatment have shown the following percentage declines: (1)

Decline in death rate between 1945 and 1955

Disease:	Percent
Diarrhea of newborn.....	80
Influenza and pneumonia, except pneumonia of newborn.....	51
Certain gastro intestinal diseases.....	64

2. With major assistance from Public Health Service grants, a method has been discovered (through multiple exchange blood transfusions) for preventing kernicterus, a leading cause of infant deaths (approximately 1,000 deaths yearly) and of cerebral palsy. (34)

VI. How have maternal deaths been reduced in recent years?

1. Between 1945 through 1955, with the introduction and use of penicillin, other antibiotics and the sulfa drugs, the maternal death rate has been cut 77 percent. (1)

VII. Has medical research paid off for any mental illnesses? Yes

1. The tranquilizing drugs (Reserpine, Chlorpromazine, Meproamate, etc.) are triggering "a profound revolution in state mental hospitals all over the Nation" (Minneapolis Tribune, July 15, 1956). The Minneapolis Tribune sent questionnaires to mental health officials in 48 States, seeking their evaluation of the therapeutic impact of the new drugs. Here are some of the highlights from the 41 States which replied: (3)

(a) Between April 1955 and April 1956, there was a 23-percent increase in discharges from mental hospitals in New York State. Indiana, Illinois, Ohio, Tennessee, South Dakota, and Texas also report increased discharge rate. (3)

(b) Kentucky, Montana, and Colorado report a decline in the number of resident patients in their State mental hospitals. (3)

(c) In one Maryland hospital, almost 10 percent of chronic patients can go back to the community as soon as proper social service and rehabilitation outlets can be arranged. (3)

(d) More patients are going home from Minnesota's eight State mental hospitals than at any time in recent years. (3)

2. The necessity for hospitalizing patients in mental hospitals in the South with pellagra is practically eliminated as a result of the discovery that niacin cures pellagra. (3)

3. In epilepsy, neurological research has produced the electroencephalograph and demonstrated the essential nature of epilepsy as a disorder of the energy and economy of brain cells which is controllable by chemical means, such as the drugs tridione and dilantin. The result is that 80 percent of all epileptics can now lead normal lives.

4. Twenty-five years ago, a mental illness, involuntional melancholia, was hopeless in almost two-third of the cases. Today, thanks to development through research of electroshock therapy and other treatments, the situation is reversed if proper treatment is given and two-third of such patients are discharged within a year of admission to the mental hospital. (5)

5. The number of patients with paresis due to syphilis has been sharply cut due to the medical research discovery of penicillin as a treatment and cure for syphilis. Between 1946 and 1954, first admissions to New York civil State hospitals because of general paresis declined about 75 percent. (6)

6. Cretinism, which is a type of dwarfism and imbecility developing during fetal life or early infancy as a result of lack of thyroid, can now be successfully treated with thyroid if recognized early enough. (7)

7. Women who have severe depressed mental states at the time of menopause are aided by the use of estrogens in various forms.

8. The electroencephalograph, the electromyograph and air encephalography procedures have not only revolutionized our ability to diagnose such disorders as epilepsy, brain tumor, and other neurological conditions, but have provided an invaluable research armamentarium for studying the activity of the brain. (8)

VIII. To what extent has the medical research discovery of the antihypertensive drugs contributed to the decline in hypertension deaths?

The new drugs for hypertension (*Rauwolfia serpentina* and its derivatives and other drugs, either used alone or in combination) introduced in 1953-54, are beginning to show a dramatic effect on the death rate from high blood pressure:

1. Between 1952 and 1955, the national death rate from hypertension with heart disease declined 18 percent; the national death rate from hypertension without heart disease declined 14 percent. (1)

2. More recent statistics published by the Metropolitan Life Insurance Co., based on their policyholders, indicate still further declines. The death rate among these policyholders from hypertension with heart disease has declined 23 percent between the first 11 months of 1952 and the first 11 months of 1956. (2)

IX. What gains has medical research made in the fight against polio?

1. Dr. Jonas Salk, with the aid of the National Foundation for Infantile Paralysis, has produced a vaccine against polio that has been used safely and successfully in large field trials on children and adults, producing protective immunity bodies against all three viruses causing polio. (9)

2. Preliminary estimates indicate the Salk vaccine provides between 70 and 90 percent protection against crippling polio. (10)

X. How have arthritis and rheumatism sufferers been aided through research?

1. The discovery by Drs. Hench and Kendall of the Mayo Clinic that cortisone, an adrenal hormone, showed dramatic palliative results in arthritis and other conditions was announced in April 1949.

In addition to the two steroid hormones, cortisone and hydrocortisone, corticotropin (ACTH), a hormone secreted by the pituitary gland, has also been administered to arthritic patients. Though these substances have proved beneficial, they often produce undesirable side effects.

Increased research in this area has developed two synthetic analogues of cortisone and hydrocortisone—prednisone and prednisolone—first clinically tested at the National Institute of Arthritis and Metabolic Diseases late in 1954. Additional variations are now under investigation in the hope of finding a steroid far more potent and far less toxic than the original drugs. The steroids can be quite effective in suppressing the painful and inflammatory symptoms of rheumatoid arthritis. Carefully selected arthritics respond quite well to these highly potent drugs and with the dosage under careful control by the physician, experience few serious side reactions. The drugs are usually most effective during the early stages of the disease and in arthritics who require but a moderate dosage to obtain a beneficial effect. Persons who have had rheumatoid arthritis for 1 year or less undergo the most striking and beneficial results. (17)

XI. How have the blinding eye diseases been aided through research?

1. Following the initial discovery of the usefulness of cortisone and ACTH (corticotropin) in the treatment of various eye diseases, additional research has

demonstrated more impressive results with newer steroids. Prednisone and Prednisolone.

(a) According to a recently published study, these newer steroids reveal a rapid, potent activity which appeared superior to cortisone, and because of the lack of serious systemic side effects, these new cortico-steroids may well supersede previously known steroids in ocular therapies. (21) Beneficial and promising results have been obtained in such eye conditions as diffuse uveitis, iridocyclitis, iritis, post-operative inflammations, marginal corneal ulcers, allergic conjunctivitis. (21)

2. Certain antibiotics, especially penicillin, and other chemotherapy have proven curative for eye infections. It is now possible to select agents which are highly effective in the treatment of a specific type of infection. Because of these developments, certain diseases have virtually disappeared in the United States, as for example, trachoma, gonorrheal ophthalmia and syphilitic interstitial keratitis, and optic neuritis. (22)

XII. How has medical research conquered typhoid fever and cholera?

1. In 1850 typhoid fever was listed as the third cause of death in Tennessee and in the same year the University of Nashville was forced to close because of an epidemic of cholera. Today cholera is unknown in the American scene and typhoid fever is so rare as to be scarcely recognizable because of almost universal vaccination. Conquest of these and other great infectious diseases which decimated populations as recently as our father's day has come about through advances in medical research. (13)

XIII. How has medical research contributed toward lowering the death rate amongst our Armed Forces in Korea?

1. Fast evacuation of wounded, up-front treatment, new drugs, better surgery, and blood brought the death rate among wounded American soldiers down to about half the World War II rate of 4.5 percent. (11)

2. Equally good was the control of diseases such as malaria, smallpox, cholera, and typhus through new drugs and vaccination, although the North Korean and Chinese Communist armies suffered heavily from these ailments. (11)

3. The potent antigerm drugs—penicillin, aureomycin, terramycin—cut down infections from wounds tremendously. (11)

4. The Medical Corps used primaquine to suppress malaria almost completely. (11) This new medical research discovery (primaquine) not only puts the malaria parasite in the blood to sleep, but kills it in the deep tissues.

5. A powerful new vaccine against smallpox made this disease rare among American troops, while South and North Koreans suffered violently from it. Among the South Koreans, 12,000 are said to have died in the first year. (11)

6. Another vaccine kept cholera from attacking American troops. Dysentery and diarrhea were half or less as frequent as they were during World War II thanks to better sanitation and a better water-purifying pill: tetraglycine hydrophoride. (11)

XIV. How has the United States Navy used penicillin to combat acute respiratory disease?

1. Acute respiratory infections cause a considerable financial and manpower loss to the Navy particularly during the period of mobilization. In 1944 these diseases cost the Navy over \$100 million and nearly 6 million man-days lost through sickness. About 70 percent of this cost occurred at naval training centers. (12) Studies made in February of 1952 at the United States Naval Training Center, Great Lakes, Ill., by a naval medical research unit showed that nearly 40 percent of all recruits were carrying a germ called the beta hemolytic streptococcus in their throats, and that nearly 75 percent of the acute respiratory infections, such as tonsillitis, pharyngitis, bronchitis, ear infections, pneumonia, influenza, etc., were being caused by this germ. (12)

2. Through the administration of small doses of penicillin daily to all recruits at this naval training center during February, March, April, and May of 1952, great savings were achieved not only in money but in man-days of work and training: (12)

(a) 4,500 man-days were saved and \$56,000 in hospitalization costs at this one station alone.

(b) The men were able to complete their training on schedule.

(c) Many recruits leaving Great Lakes were prevented from carrying the streptococcus with them and acting as possible foci from which another epidemic might spring in the fleet.

B. WHAT OTHER MEDICAL RESEARCH DISCOVERIES ARE CONTRIBUTING TO THE IMPROVEMENT OF HEALTH AND THEREFORE ECONOMIC CONDITIONS THROUGHOUT THE WORLD THROUGH CONTROLLING PRIME CAUSES OF SICKNESS AND DEATH?

In some areas of the world two-thirds of the people have trachoma; in other areas yaws, African sleeping sickness and other exotic diseases such as schistosomiasis, filariasis and onchocerciasis are prevalent to a degree Americans cannot visualize. (14)

1. The recently discovered antibiotics, especially penicillin, can cure syphilis, gonorrhea, yaws and other infectious diseases.

(a) Within 3 years the incidence of yaws in Haiti was reduced from one in six of the population to one in 3,000, at a cost of 30 cents per capita. (33)

(b) Penicillin has so far reduced the prevalence of yaws in seven South-east Asian countries that by 1960 it is estimated that this disfiguring and economically important disease will have ceased to be a major public health challenge. (15)

2. The antibiotic aureomycin applied to the eyes of a trachoma victim results in dramatic improvement within a few days. (14)

3. The threadlike worms of filariasis disappear in hours after administration of hetrazan. (14)

4. Excellent results are obtained in onchocerciasis with seramin. (14)

5. In malaria, which affects 300 million people throughout the world, as a result of the wartime medical research program of the former Office of Scientific Research and Development of the United States Government, a curative drug (primaquine) and a suppressive drug (chloroquine) have been found. Through these medical research discoveries of methods to control and cure the diseases which plague mankind, great economic returns are achieved as a result of the improved health of the world's populations.

C. DOES MEDICAL RESEARCH PAY OFF IN DOLLARS? YES!

I. How has the saving in lives effected through the decline in deaths since 1937 through 1955 contributed in tax returns to the U. S. Government?

1. The Government has gained in 1955 alone through this decline in the death rate over \$770 million in Federal income taxes alone, not to mention revenues gained through other types of taxes—indirect business taxes, such as amusement taxes, gasoline taxes, etc., which together with income and other personal taxes amount to about 18.6 percent of the total compensation received by employees in 1955, or in this case approximately \$1.1 billion. (16)

II. What does this saving in lives represent in earned income?

1. It is estimated that almost \$6 billion in additional income was earned in 1955 alone through the decline in the death rate, as compared with 1937. (16)

III. How has research paid off in the fight against the blinding eye disease, retrolental fibroplasia?

1. Retrolental fibroplasia has been, during the past 10 years, the prime cause of blindness among infants. (23) A study, supported by the National Institute of Neurological Diseases and Blindness, the National Foundation for Eye Research, and the National Society for the Prevention of Blindness, has established the cause of retrolental fibroplasia as due to the faulty administration of oxygen (the use of too much oxygen or some defect in regulation of oxygen administered to premature infants). (24) This study cost approximately \$50,000. (4)

The 5,000 blind children in the United States today, victims of retrolental fibroplasia, will cost an estimated \$100,000 each for education, training and support from birth to death—or a grand total of \$500 million. Thus, the cost of care for 5,000 children will be, for our generation, 100,000 times the cost of the prevention for the future. (4)

IV. How has research paid off in New York State with regard to the cost of care for paresis victims?

1. Paresis, a mental deterioration, is the final stage of syphilis. Through the discovery of penicillin and its effectiveness in curing syphilis before the patient reaches the stage of paresis, the first admission rate for general paresis patients to New York State mental hospitals has been cut 75 percent between the years

1946 and 1954. (6) The rest of the 48 States have achieved similar results. This decline in the rate of first admissions to the State's mental hospitals will ultimately mean a great saving to the State in the decreased costs of hospital care resulting from the decline in the number of paresis patients.

V. How has the medical research discovery of DDT as a method of controlling malaria contributed to economic advancement throughout the world?

Almost one-seventh of the world's population (300 million) suffer from malaria. (14) It has been estimated that in India alone, 1 million deaths a year are caused directly by malaria, another 1 million are caused indirectly, and the number of cases of malaria occurring annually is 100 million. (18) With the medical research discovery of the use of DDT to control malaria through destroying malaria-carrying mosquitos and other insects, more than 50 million persons throughout the tropical and semi-tropical regions of the world can be protected against malaria at an annual cost of 20 cents or less per capita. Striking gains have been achieved: (14)

1. After a malaria control program utilizing the research discovery of DDT, rice production in one remote corner of Bengal increased 543 pounds per acre. (14)

2. In 1942 Greece had 2 million cases of malaria and was buying one-fifth of the entire world output of quinine at a cost of \$1,300,000. By 1949, through the use of DDT control measures at a cost of \$300,000, the sickness rate from malaria was cut to one-fortieth of the 1942 rate with a direct saving in cost of quinine of \$1 million a year, to say nothing of the increased productivity and income to individuals now able to work. (14)

3. Within 3 years in the Philippines, industrial absenteeism dropped from 33 to 4 percent due to control of malaria through use of DDT. (14)

4. In Ceylon it cost only 20 cents a person to reduce the death rate from 20 for every 1,000 people to 14 for every 1,000. (14)

5. As of October 1954, under the malaria control of the United Nations International Children's Emergency Fund, 23.5 million people in 44 countries and territories throughout the world have been protected against malaria through the use of DDT. (19)

6. In New Guinea, all children over 1 year old suffer with malaria. Thirty to forty percent of these children die in infancy from malaria or its complications. A DDT residual spraying project is under way and initial results are very encouraging. (20)

D. WHAT ARE THE BIG PROBLEMS STILL REMAINING TO BE SOLVED BY MEDICAL RESEARCH?

I. What about the cardiovascular-renal diseases and cancer?

1. Deaths from cardiovascular-renal (kidney) diseases and cancer represent 70 percent of all the estimated deaths for 1955 and remain the greatest unsolved challenge for medical research today.

(a) Deaths from cardiovascular-renal diseases (estimated for 1955) total 826,890, 54 percent of all deaths from all causes for that year. (1)

(b) The estimated 1955 cancer deaths total 242,430, ranking cancer as the second leading cause of death behind cardiovascular-renal diseases. One out of every six deaths is caused by cancer. (1)

II. What about mental illness?

1. An estimated 16 million people in the United States are suffering from some form of mental illness. (25) Fifty-four percent of the patients comprising the average daily hospital census in 1955 were patients in psychiatric hospitals. (26) Of the 15,849 first admissions for the year ending March 31, 1956 to New York civil State hospitals (35): 26 percent were due to schizophrenia, 24 percent to psychoses with cerebral arteriosclerosis, 16 percent senile psychosis; 7 percent involutional psychosis; 6 percent alcoholism; 5 percent psychoneuroses; 2 percent manic depressive psychoses; 2 percent psychoses with mental deficiency; 1 percent general paresis; 2 percent primary behaviour disorders; 9 percent miscellaneous causes.

2. Although the new tranquilizing drugs have aided in increasing discharges of patients who had been suffering with schizophrenia, for patients entering mental hospitals with senile psychoses and psychoses with cerebral arteriosclerosis, there are still no answers.

III. What about arthritis and the rheumatic diseases?

1. Approximately 11 million men and women over the age of 14 are suffering with arthritis and rheumatic disease. (27) As has been previously noted, while corticotropin (ACTH), cortisone, prednisone, and prednisolone are effective treatments for these diseases, they are not basic cures.

IV. What about the blinding eye diseases?

1. Though cortisone, ACTH, prednisone, and prednisolone and certain of the antibiotics have proven effective treatments for some of the blinding eye diseases, glaucoma and cataracts remain a challenge for medical research. Cataracts account for approximately 23 percent of all blindness—mostly affecting people over 60 years of age, glaucoma accounts for about 13 percent, striking people over 35. (24)

V. What about the neurological diseases?

Little is known today about such neurological disorders as cerebral palsy, multiple sclerosis, muscular dystrophy, epilepsy, Parkinsonism and brain and spinal cord injuries, and the cerebral vascular diseases. Yet it is estimated that there are in the United States today:

One million eight hundred thousand victims of cerebral vascular disease (8)

One million to 1,500,000 victims of Parkinsonism (28) ;

Between 500,000 and 1,500,000 epileptics (29) ;

Six hundred and sixty thousand persons who suffer some form of head injury yearly (28) ;

Five hundred and fifty thousand cerebral palsy victims (200,000 of whom are under 21 years of age) (30) ;

Five hundred thousand victims of multiple sclerosis and other related demyelinating diseases (31) ;

One hundred thousand victims of muscular dystrophy, a 100-percent fatal disease. (32)

E. WHAT IS NEEDED TO COMBAT THESE MAJOR HEALTH PROBLEMS STILL REMAINING TO BE SOLVED?

1. More funds are needed for research, research fellowships, training and education by the various voluntary agencies interested in these major causes of death and disability.

2. More funds should be made available to the National Institutes of Health of the United States Public Health Service (the National Cancer Institute, National Heart Institute, National Institute of Mental Health, National Institute of Arthritis and Metabolic Diseases, and the National Institute of Neurological Diseases and Blindness) for research activities in these areas, including increased funds for research projects grants-in-aid, research fellowships, teaching and training grants, as well as funds for the construction of research facilities at the various leading medical institutions throughout the country to expand the research attack.

Appendix I

National Office of Vital Statistics.—Death rates per 100,000 estimated midyear population, exclusive of neonatal and fetal deaths

Pneumonia (except newborn):

1939.....	50. 3	1948.....	29. 9
1940.....	46. 5	1949.....	27. 0
1941.....	40. 7	1950.....	26. 9
1942.....	40. 3	1951.....	26. 9
1943.....	46. 1	1952.....	26. 6
1944.....	41. 2	1953.....	27. 0
1945.....	37. 3	1954.....	23. 7
1946.....	32. 5	1955.....	25. 8
1947.....	32. 0		

Pneumonia and influenza:

1944.....	58. 4	1953.....	33. 0
1950.....	31. 3	1954.....	25. 4
1951.....	31. 4	1955.....	27. 5
1952.....	30. 3		

Appendix I—Continued

National Office of Vital Statistics.—Death rates per 100,000 estimated midyear population, exclusive of neonatal and fetal deaths—Continued

Appendicitis:

1939.....	9.9	1948.....	2.6
1940.....	9.0	1949.....	2.5
1941.....	7.4	1950.....	2.0
1942.....	5.7	1951.....	1.9
1943.....	5.6	1952.....	1.7
1944.....	5.4	1953.....	1.6
1945.....	4.7	1954.....	1.4
1946.....	3.5	1955.....	1.4
1947.....	3.1		

Syphilis:

1939.....	11.2	1948.....	5.9
1940.....	10.7	1949.....	5.8
1941.....	9.9	1950.....	5.0
1942.....	9.1	1951.....	4.1
1943.....	9.0	1952.....	3.7
1944.....	8.4	1953.....	3.4
1945.....	7.9	1954.....	3.1
1946.....	6.9	1955.....	2.3
1947.....	6.6		

Life expectancy in years:

1900.....	47.3	1945.....	65.9
1928.....	56.8	1946.....	66.7
1937.....	60.0	1947.....	66.8
1938.....	63.5	1948.....	67.2
1939.....	63.7	1949.....	68.0
1940.....	62.9	1950.....	68.4
1941.....	64.8	1951.....	68.4
1942.....	66.2	1952.....	68.6
1943.....	63.3	1953.....	68.8
1944.....	65.2	1954.....	69.6

General death rates (per 1,000 estimated population):

1937.....	11.3	1947.....	10.1
1938.....	10.6	1948.....	9.9
1939.....	10.6	1949.....	9.7
1940.....	10.7	1950.....	9.6
1941.....	10.5	1951.....	9.7
1942.....	10.4	1952.....	9.6
1943.....	10.9	1953.....	9.6
1944.....	10.6	1954.....	9.2
1945.....	10.6	1955.....	9.3
1946.....	10.6		

Tuberculosis, all types:

1939.....	45.2	1948.....	28.8
1940.....	43.9	1949.....	26.3
1941.....	42.7	1950.....	22.5
1942.....	41.4	1951.....	20.1
1943.....	40.8	1952.....	16.1
1944.....	39.6	1953.....	12.6
1945.....	38.4	1954.....	10.2
1946.....	34.9	1955.....	9.5
1947.....	32.2		

NOTE.—1955 figures are estimates of U. S. Public Health Service, based on 10 percent sample of death certificates.

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(12) Penicillin Prophylaxis for Streptococcal Diseases, by Medical Officer, Ninth Naval District, Rear Adm. C. A. Swanson, (MC), United States Navy. Information obtained through Mrs. Anna M. Rosenberg, Assistant Secretary of Defense, Washington, D. C., 1952.

(13) Dr. Alan T. Waterman, Director, National Science Foundation, in a speech on October 4, 1951 at the Dedication of the Cancer and Pathology Research Laboratories, University of Tennessee College of Medicine, Memphis, Tenn.

(14) New York Times, January 13, 1952, April 12, 1953. Articles by Dr. Howard A. Rusk.

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(16) This statement based on an estimate that roughly 39 percent of the 3,228,734 people saved through the decline in deaths since 1937 are wage earners, earning the 1955 average money income before taxes of approximately \$4,650. (1956 Survey of Consumer Finances, The Financial Position of Consumers, reprinted from Federal Reserve Bulletin, June 1956.) The number of persons engaged in production in 1955 is estimated at about 64 million (same source as preceding sentence); the population, at 164 million. These 1,259,206 people would thus have earned in 1 year about \$5,855,307,900, and each would have paid about \$612 in Federal income taxes, if each claimed on the average 2 dependents. The Government has thus gained over \$770 million in 1 year alone in income tax revenue.

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(19) United Nations International Children's Emergency Fund, United Nations, New York, N. Y., December 8, 1954.

(20) New York Times, January 23, 1955: A New Guinea War Fought With DDT, by Robert Alden.

(21) Prednisone (Meticorten) and Prednisolone (Meticortelone) in Ophthalmology, by J. H. King and John R. Weimer in Archives of Ophthalmology, (vol. 54, no. 46-54, July 1955).

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(31) National Multiple Sclerosis Society, New York, N. Y. Substantiation for incidence estimate contained in letter dated November 9, 1955, from Dr. A. B. Baker, University Hospitals, division of neurology, Minneapolis, Minn.; letter dated November 28, 1955, from Dr. H. Houston Merritt, director of neurological service, Presbyterian Hospital, New York City; and letter dated November 26, 1955, from Dr. Walter O. Klingman, president, American Academy of Neurology.

(32) Muscular Dystrophy Associations of America, Inc., New York, N. Y.

(33) United States Health Aid Abroad, by Howard A. Rusk, M. D., in New York Times, December 11, 1955.

(34) Statement of Marion B. Folsom, Secretary, Department of Health, Education, and Welfare, Washington, D. C., at press conference, December 20, 1955.

(35) New York State Department of Mental Hygiene, department of public relations, personal communication January 30, 1957.

Main illnesses and handicapping conditions in the United States (estimated)

Illness absences alone cause the loss of service and production of 1 million workers every year.

Almost three-fourths of the families, 73 percent, on New York State's welfare rolls are there because of long-term illness; 28 million persons with 1 or more major or minor chronic ailments; 1,100,000 deaths yearly from chronic diseases. One billion days of disability a year from chronic diseases. Fifty percent of persons with chronic diseases are under 45. Sixteen percent of persons with chronic diseases are under 25. Seventy-five percent of persons with chronic diseases are between 15 and 64; 835,000, or 41 percent of those workers with a job but not working during the week, December 9-15, 1956, were absent due to

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illness; 28,500,000 persons suffered from colds during 1-week period ending January 12, 1956.

1. Mental disorders (in some degree)-----	16,000,000
2. Hearing impairments (760,000 totally deaf)-----	15,000,000
3. Diseases of the heart and circulation-----	14,000,000
4. Arthritis and rheumatic diseases-----	11,000,000
5. Accidents (accidental injuries, 1955)-----	9,350,000
6. Old age (persons over 65: 14,426,000 in United States in 1956)----	7,213,000
(a) Labor force, 1956-----	3,320,000
(b) Old-age assistance, 1956-----	2,543,046
(c) OASI beneficiaries on rolls, 1956-----	8,673,545
7. Mentally retarded (mental defectives: 106,783 in public institu- tions in 1953)-----	4,800,000
8. Alcoholism (chronic alcoholics: 750,000)-----	4,000,000
9. Hay fever and asthma-----	4,000,000
10. Orthopedic impairments (includes disabling and nondisabling types, estimated, 1952)-----	3,168,000
11. Diabetes mellitus-----	2,000,000
12. Chronic bronchitis-----	2,000,000
13. Syphilis (122,000 cases reported to USPHS, 1955)-----	1,900,000
14. Cerebral vascular disease-----	1,800,000
15. Epilepsy-----	1,500,000
16. Parkinson's disease (shaking palsy)-----	1,500,000
17. Sinusitis-----	1,400,000
18. Tuberculosis, all forms (400,000 active cases; 800,000 inactive)-----	1,200,000
19. Diseases of female organs-----	800,000
20. Diseases of gall bladder and liver-----	800,000
21. Cancer (under treatment now)-----	711,000
22. Head and spine injuries (yearly)-----	660,000
23. Cerebral palsy-----	550,000
24. Chronic tonsilitis and other throat infections-----	500,000
25. Multiple sclerosis and other demyelinating diseases-----	500,000
26. Ulcers of stomach and duodenum-----	400,000
27. Blindness (1,300,000 in 1 eye), legally-----	334,000
28. Gonorrhea (cases reported in 1955 to USPHS)-----	239,787
29. Muscular dystrophy-----	200,000
30. Infantile paralysis (cases reported in 1955)-----	29,270

	1955 (estimated)		1954 (estimated)		1953		1952		1951	
	Total deaths	Death rates †	Total deaths	Death rates ‡	Total deaths	Death rates ‡	Total deaths	Death rates ‡	Total deaths	Death rates ‡
All causes.....	1, 527, 000	9.3	1, 481, 091	9.2	1, 517, 541	9.59	1, 496, 838	9.61	1, 482, 099	9.66
1. Major cardiovascular-renal diseases.....	826, 890	503.3	798, 091	495.1	814, 662	514.64	796, 871	511.6	786, 799	513.0
(a) Heart and circulation diseases.....	810, 200	493.2	781, 018	484.6	795, 888	502.7	776, 114	498.3	764, 281	498.3
Heart diseases.....	578, 270	352.0	560, 077	347.5	570, 275	360.2	555, 141	356.4	545, 675	355.8
Vascular lesions.....	175, 120	106.6	167, 777	104.1	169, 800	107.3	166, 331	106.8	163, 550	106.6
Acute rheumatic fever.....	1, 220	.7	1, 297	.8	1, 523	1.0	1, 583	1.0	1, 648	1.1
Hypertension without mention of heart and general arteriosclerosis.....	43, 120	26.2	41, 608	24.8	44, 738	28.2	44, 191	28.3	45, 140	29.2
Other circulatory diseases.....	12, 470	7.6	10, 239	6.4	9, 352	6.0	8, 808	5.7	8, 208	5.4
(b) Chronic and unspecified nephritis and other renal sclerosis.....	16, 690	10.2	17, 073	10.6	18, 774	11.9	20, 757	13.3	22, 518	14.7
Cancer and other malignant tumors.....	242, 430	147.6	234, 669	145.6	229, 079	144.7	223, 277	143.3	215, 525	140.5
Digestive.....	85, 600	52.1	85, 493	53.0	84, 444	53.3	83, 238	53.4	81, 807	53.3
Genital.....	38, 180	23.2	36, 947	22.9	36, 241	22.9	35, 379	22.7	34, 491	22.5
Respiratory.....	30, 450	18.5	27, 627	17.1	26, 388	16.7	24, 330	15.6	22, 513	14.7
Breast.....	22, 130	13.5	20, 909	13.0	20, 566	13.0	19, 892	12.8	19, 179	12.5
Other.....	66, 070	40.1	73, 693	45.2	61, 440	39.8	60, 438	39.2	57, 535	37.5
3. Deaths associated with childbirth.....	(3)	(3)	170, 973	106.1	165, 030	104.3	164, 411	105.5	162, 700	106.1
Neonatal, 1st. month † of life.....	(3)	(3)	76, 724	19.1	76, 332	19.6	76, 252	19.8	75, 192	20.0
Fetal deaths ‡.....	(3)	(3)	92, 144	22.9	86, 313	22.1	85, 549	22.2	84, 696	22.6
Maternal deaths §.....	1, 950	1.2	2, 105	1.3	2, 385	1.5	2, 610	1.7	2, 812	1.8
Accidental causes.....	91, 270	55.6	90, 032	55.9	95, 032	60.0	96, 172	61.7	95, 871	62.5
4. Diseases of early infancy (birth injuries, postnatal asphyxia, atelectasis, etc.).....	65, 310	39.8	63, 486	39.4	63, 444	40.1	63, 659	40.9	63, 096	41.1
5. Pneumonia, except newborn.....	42, 340	25.8	38, 311	23.8	42, 778	27.0	40, 634	26.1	41, 223	26.9
6. Tuberculosis, all types.....	15, 580	9.5	16, 392	10.2	19, 544	12.3	24, 621	15.8	30, 863	20.1
7. Nephritis and other renal sclerosis (kidney diseases) †.....	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)
8. Diabetes.....	23, 000	15.2	25, 151	15.6	25, 796	16.3	25, 474	16.4	25, 047	16.3
9. Senility, ill-defined, unknown.....	20, 190	12.3	20, 209	12.5	21, 693	13.7	21, 950	14.1	22, 047	14.8
10. Congenital malformations.....	19, 520	11.9	20, 081	12.5	20, 012	12.6	19, 708	12.7	18, 865	12.3
11. Cirrhosis of the liver.....	16, 200	9.9	16, 356	10.1	15, 947	10.1	15, 567	10.0	15, 909	10.4
12. Sticte.....	17, 710	10.8	16, 210	10.1	16, 399	10.4	15, 934	10.2	15, 075	9.8
13. Cirrhosis of the liver.....	8, 980	5.5	8, 498	5.3	8, 727	5.5	8, 481	5.4	8, 627	5.6
14. Hernia, intestinal obstruction.....	10, 390	6.3	9, 391	5.8	9, 240	5.8	8, 770	5.6	8, 487	5.5
15. Ulcer of stomach and duodenum.....	7, 970	4.9	7, 892	4.9	8, 510	5.4	8, 743	5.6	8, 036	5.2
16. Gastritis, duodenitis, colitis, enteritis, etc.....	7, 480	4.6	7, 735	4.8	7, 640	4.8	8, 054	5.2	8, 495	4.9
17. Hemorrhoids.....	2, 800	1.7	2, 680	1.7	9, 460	6.0	5, 631	3.6	6, 946	4.5
18. Influenza.....	(3)	(3)	(3)	(3)	6, 737	4.3	6, 943	4.5	6, 871	4.5
19. Asthma.....	5, 720	3.5	6, 095	3.8	6, 173	3.9	6, 286	4.0	6, 417	4.2
20. Hyperplasia of prostate.....	3, 750	2.3	4, 835	3.0	5, 273	3.3	5, 719	3.7	6, 274	4.1
21. Syphilis.....	(3)	(3)	(3)	(3)	5, 602	3.8	5, 903	3.7	5, 724	3.7
22. Cholelithiasis, all kinds (gallstones).....	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)

See footnotes at end of table, p. 1787.

Deaths in the United States 1—Continued

	1955 (estimated)		1954 (estimated)		1953		1952		1951	
	Total deaths	Death rates ²	Total deaths	Death rates ²	Total deaths	Death rates ²	Total deaths	Death rates ²	Total deaths	Death rates ²
23. Nonmalignant tumors	5,160	3.1	5,094	3.2	5,263	3.3	5,133	3.3	5,166	3.4
24. All other infective and parasitic diseases	4,140	2.7	4,276	2.7	3,635	2.3	4,129	2.6	4,069	2.7
25. Anemias	3,190	1.9	3,301	2.0	3,301	2.3	3,987	2.6	4,018	2.6
26. Acute nephritis and nephritis with edema including nephrosis ⁷	2,320	1.4	2,515	1.6	2,789	1.8	3,131	2.0	3,264	2.1
27. Infections of kidney	(³)	(³)	(³)	(³)	4,052	2.6	3,691	2.4	3,261	2.1
28. Appendicitis	2,220	1.4	2,278	1.4	2,398	1.5	2,710	1.7	2,846	1.9
29. Bronchitis	3,050	1.9	2,872	1.8	3,073	1.9	2,970	1.9	2,626	1.7
30. Other diseases of central nervous system (including inflammatory diseases)	(³)	(³)	(³)	(³)	2,067	1.3	2,085	1.3	2,560	1.6
31. Epilepsy	(³)	(³)	(³)	(³)	2,177	1.4	2,325	1.5	2,332	1.5
32. Alcoholism	(³)	(³)	(³)	(³)	2,222	1.4	2,265	1.5	2,322	1.5
33. Parkinson's disease	(³)	(³)	(³)	(³)	2,480	1.6	2,496	1.5	2,243	1.5
34. Other diseases of intestines and peritoneum	(³)	(³)	(³)	(³)	2,414	1.6	2,312	1.5	2,241	1.4
35. Avitaminoses and other metabolic diseases	(³)	(³)	(³)	(³)	1,213	.8	1,289	.8	2,202	1.4
36. Dilatation of bronchi	(³)	(³)	(³)	(³)	2,309	1.5	2,168	1.4	2,190	1.4
37. Other diseases of lung and pleural cavity, other chronic interstitial pneumonia	(³)	(³)	(³)	(³)	3,216	2.1	2,624	1.7	2,041	1.3
38. Emphysema with or without mention of bronchitis	(³)	(³)	(³)	(³)	2,594	1.6	1,914	1.2	2,014	1.3
39. Meningitis (not due to meningococcus)	2,110	1.3	1,829	1.1	2,059	1.3	1,918	1.2	1,881	1.2
40. Other diseases of urinary system	(³)	(³)	(³)	(³)	1,694	1.0	1,637	1.1	1,651	1.1
41. Infantile paralysis (acute)	930	.6	1,368	.8	1,450	.9	3,145	2.0	1,551	1.0
42. Diseases of the pancreas	(³)	(³)	(³)	(³)	1,794	1.1	1,655	1.1	1,481	1.0
43. Multiple sclerosis	(³)	(³)	(³)	(³)	1,431	.9	1,531	1.0	1,418	.9
44. Pulmonary congestion and hypostasis	(³)	(³)	(³)	(³)	1,415	.9	1,497	1.0	1,399	.9
45. Infections and diseases of skin and subcutaneous tissue	(³)	(³)	(³)	(³)	1,259	.8	1,251	.8	1,369	.9
46. Silicosis (occupational lung disease)	(³)	(³)	(³)	(³)	1,336	.8	1,358	.9	1,358	.9
47. Mental, psychoneurotic and personality disorders, character, behavior and intelligence disorders	(³)	(³)	(³)	(³)	3,499	2.2	3,639	2.4	1,357	.9
48. Osteomyelitis and other diseases of bone and joint, other diseases of musculoskeletal system	(³)	(³)	(³)	(³)	1,391	.8	1,347	.9	1,237	.8
49. Diseases of thyroid gland, principally thyrotoxicosis	(³)	(³)	(³)	(³)	1,381	.8	1,862	1.0	1,211	.8
50. Other diseases of respiratory system	(³)	(³)	(³)	(³)	1,221	.8	1,289	.8	1,210	.8
51. Meningococcal infections	950	.6	1,015	.6	1,325	.8	1,386	.9	1,124	.7
52. Motor nerve cell disease and muscular atrophy	(³)	(³)	(³)	(³)	1,001	.6	1,062	.7	1,103	.7
53. Diseases of adrenal glands and others (except thymus)	(³)	(³)	(³)	(³)	667	.4	684	.4	1,087	.7
54. Dysentery, all forms	(³)	(³)	(³)	(³)	882	.6	937	.6	1,040	.7
55. Stones of kidney and ureter	470	.3	655	.4	975	.6	986	.6	963	.6
56. Rheumatoid arthritis and allied conditions	(³)	(³)	(³)	(³)	895	.6	929	.6	957	.6
57. Whooping cough	470	.3	373	.2	855	.6	402	.3	951	.6
58. Osteoarthritis (arthrosis) and allied conditions, and others	(³)	(³)	(³)	(³)	855	.6	853	.5	950	.6
59. Acute upper respiratory infections	(³)	(³)	(³)	(³)	1,043	.6	1,067	.7	909	.6
60. Senile psychosis	(³)	(³)	(³)	(³)	708	.4	819	.5	826	.5

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Number of deaths which would have occurred had the 1937 death rate prevailed throughout the period 1938-55

Year	Estimated midyear population ¹ (excluding Armed Forces overseas)	Death rate per 1,000 ²	Total annual deaths ²	Total annual deaths at 1937 rate	Number of additional deaths if 1937 death rate had prevailed	
					Number	Percent
1937.....	128,824,829	11.3	1,450,427			
1938.....	129,824,939	10.6	1,381,391	1,476,022	85,631	6.2
1939.....	130,879,718	10.6	1,387,987	1,478,941	91,044	6.6
1940.....	131,936,000	10.7	1,417,269	1,490,877	73,608	5.2
1941.....	133,058,000	10.5	1,397,642	1,503,555	105,913	7.6
1942.....	133,752,000	10.4	1,385,187	1,511,398	126,211	9.1
1943.....	133,971,000	10.9	1,459,544	1,513,872	54,328	3.7
1944.....	132,622,000	10.6	1,411,338	1,498,629	87,291	6.2
1945.....	132,137,000	10.6	1,401,719	1,493,148	91,429	6.5
1946.....	139,893,000	10.0	1,395,617	1,580,791	185,174	13.2
1947.....	143,375,000	10.1	1,445,370	1,620,138	174,768	12.1
1948.....	146,045,000	9.9	1,444,337	1,650,309	205,972	14.2
1949.....	148,558,000	9.7	1,443,607	1,678,705	235,098	16.3
1950.....	151,240,000	9.63	1,452,454	1,709,012	256,558	17.6
1951.....	153,377,000	9.66	1,482,099	1,733,160	251,061	16.9
1952.....	155,761,000	9.61	1,496,838	1,760,099	263,261	17.5
1953.....	158,313,000	9.58	1,517,541	1,788,937	271,396	17.8
1954 ³	161,191,000	9.19	1,481,091	1,821,458	340,367	22.9
1955 ³	164,303,000	9.3	1,527,000	1,856,624	329,624	21.6
Total.....					3,228,734	

¹ Figures from Bureau of the Census. (The population decrease from 1943 to 1944, and sharp increase from 1945 to 1946, was due primarily to the departure and return of overseas Armed Forces.)

² Figures from National Office of Vital Statistics.

³ Based on provisional 1954 and 1955 mortality figures.

Total deaths and death rates, deaths under 60 years of age, median age at death, and life expectancy, by race and sex: Death-registration States,¹ 1927-55 (exclusive of fetal deaths. Rates per 1,000 estimated midyear population)

Year	Total deaths		Deaths under 60 years of age	Median age at death (in years)				Life expectancy (in years)					
	Number	Rate		Total	White		Nonwhite		Total	White		Nonwhite	
					Male	Female	Male	Female		Male	Female	Male	Female
1927	1,211,627	11.3	697,472	54.0	55.9	57.8	38.8	60.4	60.5	63.9	47.6	48.9	
1928	1,361,987	12.0	777,340	54.4	56.3	58.5	39.9	56.8	57.0	60.0	45.6	47.0	
1929	1,360,757	11.9	774,006	55.0	56.7	59.1	41.0	57.1	57.2	60.3	45.7	47.8	
1930	1,327,240	11.3	743,645	55.5	57.2	59.6	41.3	59.7	59.7	63.5	47.3	49.2	
1931	1,307,273	11.1	721,871	56.2	57.8	60.2	41.3	61.1	60.8	64.7	49.5	51.5	
1932	1,293,269	10.9	682,305	56.8	59.4	61.7	42.8	62.1	62.0	64.5	52.8	54.6	
1933	1,342,106	10.7	704,060	58.2	59.6	61.8	43.0	63.3	62.7	66.3	53.5	56.0	
1934	1,306,903	11.1	730,885	58.3	59.7	62.1	43.1	61.1	60.5	64.6	50.2	53.7	
1935	1,392,752	10.9	716,419	59.0	60.1	62.7	43.9	61.7	61.0	65.0	51.3	55.2	
1936	1,470,228	11.6	742,739	59.8	60.7	63.7	44.8	63.5	59.3	63.8	47.0	51.4	
1937	1,450,427	11.3	721,048	60.1	60.9	64.0	45.4	60.0	59.3	63.2	48.3	52.5	
1938	1,381,391	10.6	667,903	60.9	61.7	64.8	46.0	63.7	63.3	66.8	51.7	56.0	
1939	1,387,897	10.6	644,786	62.0	62.5	65.8	47.3	65.7	63.3	66.6	53.2	54.9	
1940	1,417,269	10.8	641,436	62.6	63.0	66.4	48.6	62.9	62.1	66.6	51.5	54.9	
1941	1,397,042	10.5	635,047	62.5	62.9	65.4	48.2	64.8	64.4	68.5	52.5	58.3	
1942	1,385,187	10.3	621,504	62.8	62.9	66.7	48.8	66.2	65.9	69.4	55.4	58.2	
1943	1,439,544	10.9	639,065	63.4	63.4	67.2	50.0	63.3	63.2	65.7	55.4	56.1	
1944	1,411,338	10.6	610,621	63.6	63.6	67.4	50.6	65.2	64.5	68.4	55.8	57.7	
1945	1,401,719	10.6	596,369	63.9	63.8	67.7	51.0	65.9	64.4	69.5	56.1	59.6	
1946	1,395,617	10.0	586,847	64.2	63.9	68.1	51.2	66.7	65.1	70.3	57.5	61.0	
1947	1,445,370	10.1	590,058	64.8	64.4	68.9	52.8	66.8	65.2	70.5	57.9	61.9	
1948	1,444,337	9.9	575,414	65.2	64.8	69.2	52.6	67.2	65.5	71.0	58.1	62.5	
1949	1,443,607	9.7	560,777	65.6	65.2	69.6	53.1	68.0	66.2	71.9	58.9	62.7	
1950	1,452,454	9.63	545,405	66.2	65.7	70.2	54.2	68.4	66.6	72.4	59.2	63.2	
1951	1,462,989	9.66	551,387	66.5	65.9	70.4	54.4	68.6	66.5	72.4	59.1	63.3	
1952	1,496,838	9.61	553,123	66.5	65.9	70.6	54.4	68.6	66.6	72.4	59.1	63.7	
1953	1,517,541	9.59	542,670	67.0	66.3	71.0	55.1	68.8	66.8	72.9	59.7	64.4	
1954	1,481,600	9.18	519,600	67.3	66.6	71.3	55.2	69.6	67.4	73.6	61.0	65.8	
1954 ²	1,527,000	9.30	520,240	67.8	66.9	71.8	55.8	69.6	67.4	73.6	61.0	65.8	
1955 ²								(2)	(2)	(2)	(2)	(2)	

¹ The death-registration States increased in number from 42 States and the District of Columbia in 1927 to the entire continental United States in 1953.

² Figures are provisional, final data not yet available.

NOTE.—Figures exclude deaths among forces overseas. Rates based on population excluding Armed Forces overseas.
Source: All figures from National Office of Vital Statistics.

³ Figures not presently available.

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Maternal mortality rates and infant mortality rates: Birth-registration States,¹ 1927-55 (Maternal mortality rates per 1,000 live births; infant mortality rates per 1,000 live births)

Year	Maternal mortality rates ²	Infant mortality rates ³			Year	Maternal mortality rates ²	Infant mortality rates ³		
		Under 1 year	Under 1 month	1 to 11 months			Under 1 year	Under 1 month	1 to 11 months
1927 ----	6.47	64.6	36.1	28.5	1942 ----	2.35	40.4	25.7	14.7
1928 ----	6.92	68.7	37.2	31.5	1943 ----	2.23	40.4	24.7	15.6
1929 ----	6.95	67.6	36.9	30.7	1944 ----	2.28	39.8	24.7	15.1
1930 ----	6.73	64.6	35.7	28.9	1945 ----	2.07	38.3	24.3	13.9
1931 ----	6.61	61.6	34.6	27.0	1946 ----	1.57	33.8	24.0	9.7
1932 ----	6.33	57.6	33.5	24.1	1947 ----	1.35	32.2	22.8	9.4
1933 ----	6.19	58.1	34.0	24.1	1948 ----	1.17	32.0	22.2	9.8
1934 ----	5.93	60.1	34.1	26.0	1949 ----	0.90	31.3	⁴ 21.4	⁵ 9.9
1935 ----	5.82	55.7	32.4	23.3	1950 ----	0.83	29.2	⁴ 20.5	⁵ 8.7
1936 ----	5.68	57.1	32.6	24.6	1951 ----	0.75	28.4	⁴ 20.0	⁵ 8.4
1937 ----	4.89	54.4	31.3	23.2	1952 ----	0.68	28.4	⁴ 19.8	⁵ 8.6
1938 ----	4.35	51.0	29.6	21.4	1953 ----	0.61	27.8	⁴ 19.6	⁵ 8.2
1939 ----	3.67	48.0	29.3	18.7	1954 ⁶ ----	0.52	26.6	⁴ 19.1	⁵ 7.5
1940 ----	3.41	47.0	28.8	18.3	1955 ⁶ ----	0.48	26.5	⁴ 19.2	⁵ 7.3
1941 ----	2.88	45.3	27.7	17.7					

¹ The birth-registration States increased in number from 40 States and the District of Columbia in 1927 to the entire continental United States in 1933.

² For 1939-50, rates are based on deaths classified by the Sixth Revision of the International Lists of Causes of Death. Rates for 1939-48, provisional; for 1949 through 1953 final. 1954 and 1955 figures are estimates based on 10 percent sampling.

³ Exclusive of fetal deaths.

⁴ Under 28 days.

⁵ 28 days, 11 months.

⁶ Figures are provisional, final data not yet available.

Source: National Office of Vital Statistics.

Medical care and death expenses

[In millions]

	1942	1943	1944	1945	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955
Medical care:														
1. Physicians.....	\$1,048	\$1,092	\$1,321	\$1,370	\$1,720	\$2,020	\$2,203	\$2,312	\$2,435	\$2,528	\$2,576	\$2,815	\$2,913	\$3,070
2. Privately controlled hospitals and sanitariums.....	649	752	846	925	1,163	1,397	1,591	1,730	1,975	2,167	2,398	2,635	2,852	3,130
3. Drug preparations and sundries.....	848	1,014	1,072	1,138	1,271	1,313	1,358	1,350	1,406	1,516	1,569	1,615	1,631	1,747
4. Dentists.....	505	539	573	620	772	784	833	857	869	888	906	943	975	1,017
5. Medical care and hospitalization insurance ¹	231	279	315	374	444	513	550	557	636	651	758	963	1,078	1,126
6. Ophthalmic products and orthopedic appliances.....	358	307	333	349	396	400	427	448	479	532	561	577	566	572
7. Other professional services ²	196	206	345	266	338	390	423	448	476	498	529	559	583	610
Total.....	3,735	4,189	4,705	5,042	6,104	6,817	7,385	7,702	8,276	8,780	9,397	10,107	10,598	11,272
Death expenses: 1. Funeral and burial expenses.....	577	643	678	714	789	803	922	938	981	1,063	1,104	1,139	1,162	1,228
Grand total.....	4,312	4,832	5,383	5,756	6,893	7,685	8,307	8,660	9,257	9,843	10,501	11,266	11,760	12,500

¹ Premiums less claims: accident and health insurance, mutual and sick benefit associations, and group hospitalization associations. Also covers administrative and medical expenses of group health associations and student fees for medical care.

² Comprises services of osteopathic physicians, chiropractors, chiropodists and podiatrists, private duty trained nurses, and miscellaneous curative and healing professions.

³ In addition to these expenditures, Federal, State, and local governments are estimated to have spent in 1954 about \$4,517,000,000 for medical care. This would make a total

expenditure in 1954 of \$16,277,000,000 for medical care and death expenses from all sources. Assuming government (Federal, State, and local) expenditures for these purposes would be substantially the same in 1955, approximately \$17,017,000,000 was spent from all sources or medical care and death expenses in 1955.

Source: Survey of Current Business, National Income Number, July 1956, published by the Office of Business Economics, U. S. Department of Commerce.

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Percentage of national income expended for medical care and death expenses, 1942-55

Year	National income	Medical care expenses ¹	Death expenses ²	Percent of national income spent for medical care and death
1942.....	\$137,694,000,000	\$3,735,000,000	\$577,000,000	3.13
1943.....	170,310,000,000	4,189,000,000	643,000,000	2.84
1944.....	182,639,000,000	4,705,000,000	678,000,000	2.95
1945.....	181,248,000,000	5,042,000,000	714,000,000	3.18
1946.....	179,577,000,000	6,104,000,000	789,000,000	3.84
1947.....	197,168,000,000	6,817,000,000	868,000,000	3.90
1948.....	221,641,000,000	7,385,000,000	922,000,000	3.75
1949.....	216,193,000,000	7,702,000,000	958,000,000	4.01
1950.....	239,956,000,000	8,276,000,000	981,000,000	3.86
1951.....	277,041,000,000	8,780,000,000	1,063,000,000	3.55
1952.....	290,177,000,000	9,397,000,000	1,104,000,000	3.62
1953.....	302,129,000,000	10,107,000,000	1,189,000,000	3.73
1954.....	298,335,000,000	10,598,000,000	1,162,000,000	3.94
1955.....	324,048,000,000	11,272,000,000	1,228,000,000	3.86
Total.....	3,218,156,000,000	104,109,000,000	12,846,000,000	3.63

¹ Includes physicians, privately controlled hospitals and sanitariums, drug preparations and sundries, dentists, medical care and hospitalization insurance (accident and health insurance, mutual accident and sick benefit associations, and group hospitalization associations, premiums less claims; plus administrative and medical expenses of group health associations and student fees for medical care), ophthalmic products and orthopedic appliances, and other professional services (osteopathic physicians, chiropractors, chiropodists and podiatrists, private duty trained nurses, and miscellaneous curative and healing professions).

² Includes funeral and burial service expenses.

Source: Survey of Current Business, National Income Number, July 1956, published by the Office of Business Economics, U. S. Department of Commerce. Tables 1 (p. 10) and 30 (p. 21).

HOW PEOPLE SPENT THEIR MONEY, 1955

Total personal consumption expenditures, \$253,971 million. (This is over 3½ times the amount spent in 1939, and 322 percent more than consumers spent in 1929.)

Among individual items:

Alcoholic beverages.....	¹ \$10,129,000,000
Tobacco products.....	5,373,000,000
Physicians and dentists services (75 percent to doctors).....	4,087,000,000
Jewelry and watches.....	1,688,000,000
Toilet articles and preparations.....	1,587,000,000
Foreign travel by United States residents.....	1,473,000,000
Admissions to motion-picture theaters.....	1,286,000,000
Taxicab fares and tips.....	646,000,000
Commercial participant amusements (billiard parlors, bowling alleys, dancing, riding, shooting, skating, and swimming places, amusement devices and parks, golf instruction, golf course greens fees, etc.).....	631,000,000
Clubs and fraternal organizations, social clubs—dues and fees.....	590,000,000
Stationery and writing supplies.....	572,000,000
Books and maps.....	542,000,000
Parimutuel net receipts.....	426,000,000
Spectator sports, including college and professional football and baseball, hockey, etc.....	231,000,000

¹ From a survey compiled and published annually by Drug Topics, Topics Publishing Co., New York, N. Y., August 1956.

NOTE.—All other figures from National Income Number, Survey of Current Business, July 1956, published by the U. S. Department of Commerce.

WHAT CIVILIANS SPENT IN 1955

Total personal consumption expenditures, \$253,917 million.¹ (This is over 3½ times the amount spent in 1939, and 322 percent more than consumers spent in 1929.)

Among individual items:

Greeting cards.....	\$285, 220, 000
Chewing gum.....	282, 360, 000
Cough and cold items.....	210, 370, 000
Aspirin and aspirin compounds.....	197, 110, 000
Laxatives and cathartics.....	128, 570, 000
Shampoos	122, 650, 000
Ballpoint pens.....	111, 090, 000
Home permanent kits and refills.....	80, 290, 000
Lipsticks	64, 770, 000
Toilet water and cologne.....	53, 960, 000
Makeup bases.....	47, 510, 000
Foot products.....	45, 400, 000
Stomach sweeteners (antacids).....	43, 650, 000
Hand lotions and creams.....	39, 740, 000
Hair spray fixatives.....	38, 160, 000
Mouth washes and gargles.....	34, 490, 000
Face powder.....	24, 860, 000
Nail polish and enamel.....	24, 660, 000
Playing cards.....	23, 970, 000
Elastic stockings.....	20, 830, 000
Powder puffs.....	17, 390, 000
Dog and pet medicaments.....	8, 960, 000
Suntan lotions and oils.....	8, 300, 000
Hair medicaments.....	7, 250, 000
Eye lotions and washes.....	5, 070, 000
Waveset preparations.....	4, 250, 000

¹ Survey of Current Business, National Income Number, July 1956, published by the U. S. Department of Commerce.

NOTE.—All other figures from a survey compiled and published annually by Drug Topics, Topics Publishing Co., Inc., New York, N. Y., August 1956.

Distribution of 1955 money income

Income	Percent of spending units ¹	Number of spending units	Estimated number of people involved ²	Percent of family units ¹	Number of family units	Estimated number of people involved ²
0 to \$999.....	11	5,962,000	17,498,800	11	5,412,000	17,498,800
\$1,000 to \$1,999.....	12	6,504,000	19,089,600	11	5,412,000	17,498,800
\$2,000 to \$2,999.....	13	7,046,000	20,680,400	11	5,412,000	17,498,800
Total.....						² 52,496,400
Total number of family units with income under \$3,000.....				33	16,236,000	
\$3,000 to \$3,999.....	14	7,588,000	22,271,200	13	6,396,000	20,680,400
\$4,000 to \$4,999.....	14	7,588,000	22,271,200	13	6,396,000	20,680,400
Total.....						² 41,360,800
Total number of family units with incomes under \$5,000.....				59	29,028,000	
\$5,000 to \$7,499.....	22	11,924,000	34,997,600	24	11,808,000	38,179,200
\$7,500 and over.....	14	7,588,000	22,271,200	17	8,364,000	27,043,600
Total.....						² 65,222,800
Total number of family units with incomes over \$5,000.....				41	20,172,000	
Total.....	100	³ 54,200,000	159,080,000	100	³ 49,200,000	159,080,000
Population not included above.....			⁴ 4,920,000			⁴ 4,920,000
Total estimated population ⁵			164,000,000			164,000,000

¹ 1956 Survey of Consumer Finances, The Financial Position of Consumers, reprinted from the Federal Reserve Bulletin for June 1956.

² Assuming that the number of spending units and the number of family units remains constant in each income bracket.

³ 1956 Survey of Consumer Finances, Durable Goods and Housing, reprinted from Federal Reserve Bulletin, August 1956.

⁴ Represents 3 percent of total population (164,000,000) in respect of (1) members of the Armed Forces and civilians living at military reservations; (2) residents in hospitals and in religious, educational and penal institutions; (3) the floating population, people living in hotels, large boarding houses, etc., not included in the universe of the Survey of Consumer Finances. (1950 Survey of Consumer Finances, Methods of Survey of Consumer Finances, p. 95, issued by Board of Governors of the Federal Reserve System.) The same conditions prevailed in the 1951 Survey (1951 Survey of Consumer Finances, Pt. I, p. 18, "Technical Note on the Sampling Limitations of the Survey").

⁵ Bureau of the Census, U. S. Department of Commerce, Current Population Reports, Population Estimates, Nov. 14, 1956, United States population resident in United States (excluding Armed Forces overseas) 164,303,000 as of July 1, 1955.

NOTE.—A spending unit is defined as including all persons living in the same dwelling and belonging to the same family who pool their incomes to meet their major expenses. A family unit is defined as all persons living in the same dwelling who are related blood, marriage, or adoption. A single person may constitute a "family" if he is living by himself or with persons unrelated to him (reference 2 above).

Note: Many of the organizations listed on this chart use the major part of their total funds raised each year for patient care, clinics, medical education, social research, special appliances, rehabilitation, etc.

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- Including gifts to endowment.
- Research for special appliances, training, etc.
- Part of 1954 from a fund for research in rheumatic fever.
- Approximately \$1,500,000 received from Truth & Consequences program - and by National Office.
- As fiscal year was changed in 1949 to end June 30 rather than December 31 as in past years, these figures are for first six months only.
- December 31, 1948 figures - first campaign started in November 1948.
- Organized April 1950. Figures for April 1950 through December 31, 1950.
- Organizations merged - figures only for Jan. 1, 1950 - Sept. 13, 1950.
- Organized 1950.
- December 31, 1948 figures.
- Amount spent by state and local associations not available.
- Includes \$6,000 gift transmitted directly to National Research Council.
- Founded in late 1948.
- \$5,487,410 allocated to research by National Headquarters (25% of gross contributions.)
- \$2,750 additional amount allocated from General Fund to research.
- 265,822 budgeted for research by Divisions.
- Part of this sum was raised during previous years.
- Total funds raised 1947-51: \$5,670,867; total medical research funds 1947-51: \$4,626,296.
- The difference of \$1,044,571 represents allocations for research fellowships.
- This amount allocated to medical research by the Amer. Heart Assoc. and its affiliates.
- Not a final figure.
- Figures for 1951 are fiscal year figures, while figures for 1952 are calendar year figures.
- \$16,818 spent for medical research grants-in-aid and \$12,776 spent in developing and expanding medical research program.

- National Office of Vital Statistics, Washington, D. C.
- American Cancer Society, New York, January 1956.
- National Society for the Prevention of Blindness, New York.
- National Foundation for Infantile Paralysis, Inc.
- American Hearing Society, Washington, D. C., September 1955.
- American Social Hygiene Association, October 1956.
- U. S. Public Health Service, "Prevalence of Arthritis and Rheumatism in the United States", Public Health Reports, Vol. 67, No. 8, 1952.
- Muscular Dystrophy Associations of America, Inc., 1956.
- "Facts About Mental Illness", Nat'l. Association for Mental Health, New York, January 1956.
- Natl. Multiple Sclerosis Society, New York.
- Natl. Association for Crippled Children and Adults, Chicago, Illinois.
- Natl. Tuberculosis Association, New York.
- United Cerebral Palsy, New York.
- Represents total research funds actually expended and committed during fiscal year 1953-54 and fiscal year 1954-55. Additional funds have been appropriated but not committed.
- From these funds, \$29,734,000 was spent during 1953, \$28,548,000 during 1954 for patient aid and \$27,634,000 in 1955.
- Includes total funds raised by the Planned Parenthood Federation of America, Inc. and its affiliated committees throughout the United States; the Nat'l. office had a total income of \$830,491 in 1953, \$304,972 in 1954 and \$374,002 in 1955.
- Testimony of Dr. C. H. Traeger representing the National Committee for Research in Neurological Disorders before Appropriations Subcommittee of U.S. House of Representatives, 83rd Congress, May 24, 1954.
- Dr. Rolla E. Dyer, former Director, Nat'l. Institutes of Health; estimate based on analysis of the health of the nation, 1940.
- In addition, the National Office received legacies totaling \$133,407 and a contribution of \$20,000 from the Charles Hayden Foundation which were specifically designated for research, and will be used for that purpose.
- The Nat'l. Easter Seal Research Foundation, through which agency the Nat'l. Society for Crippled Children and Adults will support its medical research program, was in its development stages. Total resources of the Research Foundation are now \$325,579.

In columns where a total figure is given with a National Office figure in parenthesis below it, it means that the National Office retained only that much of the total figure and apportioned the remainder out amongst its field offices, or designated part of the remainder to research.

The figures given on this chart are for the year designated; they are not accumulative from year to year. In all cases, the medical research funds are part of the total funds, i.e. the total funds are inclusive of medical research funds.

Note: The American Diabetes Association, 11 W. 42nd St., N.Y., N.Y. carries on no public campaign for contributions and does not consider itself a voluntary health agency. It is therefore not included in this chart. In 1948 their total funds were \$91,366, of which \$300 went to medical research; in 1949, total funds \$77,204 with no medical research funds; in 1950, total funds were \$22,245 with \$1,953 going to medical research; and in 1951, total funds were \$101,469 with \$2,043 going to medical research.

PREPARED STATEMENT

Senator HILL. We had a request to allow time for testimony by a representative of the Amalgamated Meat Cutters and Butcher Workmen of North America. Unfortunately at the time we called for Mr. Arnold Mayer, their representative, he was not present but was testifying before another committee. He has presented his prepared statement though and it will be inserted in the record in full.

(The statement referred to follows:)

STATEMENT BY ARNOLD MAYER, PUBLIC RELATIONS DIRECTOR AND WASHINGTON STAFF MEMBER, AMALGAMATED MEAT CUTTERS AND BUTCHER WORKMEN OF NORTH AMERICA, AFL-CIO

Mr. Chairman and members of the committee, my name is Arnold Mayer. I am the public relations director and a Washington staff member of the Amalgamated Meat Cutters and Butcher Workmen of North America, AFL-CIO.

The AMCBW is a labor union with 325,000 members organized in more than 500 local unions throughout the United States and Canada. The AMCBW and its locals have contracts with thousands of employers in the meat, retail, poultry, egg, canning, leather, fish processing, and fur industries.

On behalf of the AMCBW, I should like to concur in the testimony of the AFL-CIO on the budgets of the Departments of Labor and Health, Education, and Welfare. Our union agrees fully with the AFL-CIO position.

I should like very briefly to discuss one small part of the HEW budget. This testimony is an appeal to the committee to approve a comparatively minute appropriation for an extremely important service. I am referring to the request for \$30,000 for field and laboratory studies in poultry sanitation by the Division of Sanitary Engineering Services, Bureau of State Services, United States Public Health Service.

The small amount of money asked will pay for some much-needed research concerning sanitation for the poultry-processing industry. This research is important for the protection of consumers, poultry workers, and poultry processors.

Proper sanitation is of the utmost importance in safeguarding the consumer against adulteration of poultry during processing. It is also vital in cutting down the industrial hazards to workers in the processing plants. Currently poultry and small-game dressing ranks third highest among American manufacturing industries in industrial injuries, according to the Bureau of Labor Statistics studies.

Proper sanitation improves the poultry processor's product and, therefore, his business. It also cuts the workmen's compensation costs he must pay as insurance against illness among his employees.

Because of the dangers posed to consumers and poultry workers by filthy and diseased poultry, Congress is well on its way toward enacting a mandatory poultry-inspection law. The Senate has already approved such a measure.

Also, many States have or are currently in the process of enacting poultry-inspection laws to assure clean and wholesome poultry in intrastate commerce within their borders.

The field and laboratory studies in poultry sanitation would provide very important data to aid health authorities to protect the public properly in carrying out the sanitation features of these various laws. In fact, it is the request of the State authorities for guidance which has led to the mapping of this research program.

The AMCBW, therefore, respectfully urges that the committee approve the \$30,000 requested for this important work. The money needed is small in amount, but the benefits which will accrue from the studies will be great.

ADJOURNMENT

Senator HILL. The subcommittee recesses to reconvene subject to call.

(Thereupon, at 3:40 p. m., Monday, May 13, 1957, the subcommittee recessed subject to call of the Chair.)

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